

UNIVERSITY OF

South Carolina

Budgeting for “A” Funds

Why do we need to budget?

The University budget and unit budgets are spending plans that:

- Determine sources of funds
- Allow maximum use of resources
- Control spending
- Coordinate activities to meet goals & objectives
- Serve as a communication tool

Why do we need to budget?

State Law

Accreditation Standards

Board Bylaws



Budget Structure

CLXXX - Columbia
Columbia Total
Current Funds Summary

	FY2019-20 ORIGINAL BUDGET				FY2020-21 PROPOSED BUDGET				% Change in Budget
	Unrestricted	Restricted	Model	Total	Unrestricted	Restricted	Model	Total	
Revenue & Base Budget:									
Base Budget Allocation	0	0	0	0	0	0	- A	0	0.0%
<i>Total Tuition</i>	473,711,862	0	0	473,711,862	436,519,532	0	- B	436,519,532	-7.9%
Tuition Discounting	130,000,000	0	0	130,000,000	125,000,000	0	-	125,000,000	-3.8%
Total Fees	66,581,857	0	0	66,581,857	57,622,918	0	- C	57,622,918	-13.5%
General State Appropriations	0	0	127,553,250	127,553,250	0	0	128,490,382 D	128,490,382	0.7%
Direct State Appropriations	135,940,823	426,965	(127,553,250)	8,814,538	136,877,955	116,901	(128,490,382) D	8,504,474	-3.5%
Indirect Cost Recovery (IDC) Revenue	23,954,548	0	0	23,954,548	22,235,348	0	- E	22,235,348	-7.2%
Grants, Contracts & Gifts	24,379,515	238,146,548	0	262,526,063	24,062,500	243,574,149	-	267,636,649	1.0%
Sales, Services & Other	207,181,815	5,146,682	0	212,328,497	182,338,108	5,146,748	-	187,484,856	-11.7%
Total Revenue	1,061,750,420	243,720,195	(0)	1,305,470,615	984,656,361	248,837,798	-	1,233,494,159	-5.5%
Direct Expenses:									
Salaries and Wages	(434,068,511)	(60,962,108)	0	(495,030,619)	(411,929,755)	(60,333,846)	-	(472,263,601)	-4.6%
Fringe Benefits	(133,271,823)	(15,512,120)	0	(148,783,943)	(148,828,902)	(16,794,827)	-	(165,623,729)	3.3%
<i>Subtotal Personnel</i>	<i>(567,340,334)</i>	<i>(76,474,228)</i>	<i>0</i>	<i>(643,814,562)</i>	<i>(548,758,657)</i>	<i>(77,128,673)</i>	<i>- F</i>	<i>(625,887,330)</i>	<i>-2.8%</i>
Services	(91,234,305)	(20,801,628)	4,436,535	(107,599,398)	(109,735,245)	(23,296,335)	4,529,725 G	(128,501,855)	19.4%
Travel	(9,051,107)	(4,266,355)	0	(13,317,462)	(8,252,901)	(4,293,323)	-	(12,546,224)	-5.8%
Utilities	(37,965,430)	(3,980)	0	(37,969,410)	(39,829,285)	(3,980)	-	(39,833,265)	4.9%
Supplies	(39,476,646)	(8,435,311)	0	(47,911,957)	(49,428,016)	(8,377,425)	-	(57,805,441)	20.6%
Tuition Discounting Costs	(130,000,000)	0	0	(130,000,000)	(125,000,000)	0	-	(125,000,000)	-3.8%
Rents, Fixed Charges and Equipment	(53,525,496)	(38,419,614)	0	(91,945,110)	(56,098,741)	(39,623,702)	-	(95,722,443)	4.1%
Scholarships	(36,217,343)	(72,217,704)	0	(108,435,047)	(53,217,223)	(73,113,776)	-	(126,330,999)	16.5%
Contingencies	(85,021,040)	(884,138)	0	(85,905,178)	(5,953,155)	(833,181)	(13,367,194) P	(20,153,530)	-76.5%
Renovations	(34,784)	(700)	0	(35,484)	(204,479)	0	-	(204,479)	476.3%
Debt Service	(13,000)	0	0	(13,000)	35,364	0	-	35,364	-372.0%
Other Strategic Contributions	0	0	(4,436,535)	(4,436,535)	0	0	(4,529,725) G	(4,529,725)	2.1%
Depreciation Expense	0	0	0	0	0	0	-	0	0.0%
Other Charges	(28,123,365)	(21,238,532)	0	(49,361,897)	(26,947,201)	(21,193,073)	-	(48,140,274)	-2.5%
<i>Subtotal Non-Personnel</i>	<i>(510,662,516)</i>	<i>(166,267,962)</i>	<i>0</i>	<i>(676,930,478)</i>	<i>(474,630,882)</i>	<i>(170,734,795)</i>	<i>(13,367,194)</i>	<i>(658,732,871)</i>	<i>-2.7%</i>
Total Direct Expenses	(1,078,002,850)	(242,742,190)	0	(1,320,745,040)	(1,023,389,539)	(247,863,468)	(13,367,194)	(1,284,620,201)	-2.7%
Contras & Transfers:									
Contras & Recoveries	63,726,991	159,136	0	63,886,127	66,450,518	162,811	-	66,613,329	4.3%
Strategic Transfers	0	0	0	0	0	0	- H	0	0.0%
Debt Related Transfers	(18,882,131)	(1,025,000)	0	(19,907,131)	(18,249,625)	(1,025,000)	-	(19,274,625)	3.2%
Plant & Project Transfers	(17,426,046)	(112,141)	0	(17,538,187)	(8,064,817)	(112,141)	- H	(8,176,958)	53.4%
Loan & Endowment Transfers	200,000	0	0	200,000	0	0	-	0	-100.0%
Total Contras & Transfers	27,618,814	(978,005)	0	26,640,809	40,136,076	(974,330)	-	39,161,746	47.0%
Margin (Change in Fund Balance) Prior to Support Unit Allocations	11,366,384	0	(0)	11,366,384	1,402,898	0	(13,367,194)	(11,964,296)	-205.3%

Budget Structure

	A	B	C	D	E	N	R	SU	Unrestricted
Revenue & Base Budget:									
Base Budget Allocation	0	0	0	0	0	0	0	0	0
<i>Total Tuition</i>	407,476,449	9,393,543	4,374,912	5,473,199	9,801,429	0	0	0	436,519,532
Tuition Discounting	125,000,000	0	0	0	0	0	0	0	125,000,000
Total Fees	38,874,456	1,107,925	28,500	606,000	16,986,037	20,000	0	0	57,622,918
General State Appropriations	0	0	0	0	0	0	0	0	0
Direct State Appropriations	136,877,955	0	0	0	0	0	0	0	136,877,955
Indirect Cost Recovery (IDC) Revenue	1,000,000	0	0	0	21,235,348	0	0	0	22,235,348
Grants, Contracts & Gifts	672,943	0	22,920,400	7,450	423,717	0	37,990	0	24,062,500
Sales, Services & Other	5,098,389	54,112,858	113,157,001	1,920,211	6,869,564	130,535	101,550	948,000	182,338,108
Total Revenue	715,000,192	64,614,326	140,480,813	8,006,860	55,316,095	150,535	139,540	948,000	984,656,361
Direct Expenses:									
Salaries and Wages	(329,180,537)	(21,810,367)	(36,594,826)	(3,425,126)	(18,265,507)	(2,840,262)	(13,130)	0	(411,929,755)
Fringe Benefits	(111,892,092)	(6,470,026)	(11,344,475)	(876,679)	(5,352,338)	(890,767)	(2,525)	0	(136,828,902)
<i>Subtotal Personnel</i>	<i>(441,072,629)</i>	<i>(28,280,393)</i>	<i>(47,939,301)</i>	<i>(4,301,805)</i>	<i>(23,617,845)</i>	<i>(3,531,029)</i>	<i>(15,655)</i>	<i>0</i>	<i>(548,758,657)</i>
Services	(59,089,572)	(14,134,519)	(23,217,179)	(1,815,223)	(10,406,210)	(1,030,720)	(30,822)	(11,000)	(109,735,245)
Travel	(5,479,492)	(341,150)	(369,138)	(162,720)	(1,824,391)	(275,000)	(1,010)	0	(8,252,901)
Utilities	(28,440,166)	(6,321,989)	(4,353,647)	0	(713,483)	0	0	0	(39,829,285)
Supplies	(30,845,831)	(5,144,211)	(4,722,056)	(944,089)	(6,553,343)	(1,011,741)	(55,745)	(151,000)	(49,428,016)
Tuition Discounting Costs	(125,000,000)	0	0	0	0	0	0	0	(125,000,000)
Rents, Fixed Charges and Equipment	(26,364,534)	(15,200,675)	(6,700,647)	(471,421)	(7,021,949)	(321,567)	(17,948)	0	(56,098,741)
Scholarships	(30,709,965)	(71,668)	(12,731,200)	(1,170,100)	(578,790)	(89,500)	0	(7,866,000)	(53,217,223)
Contingencies	(32,956,399)	16,322,436	1,370,232	1,340,123	8,497,758	(20,000)	(507,305)	0	(5,953,155)
Renovations	(100,040)	0	(83,939)	(2,500)	(18,000)	0	0	0	(204,479)
Debt Service	79,764	0	(4,400)	0	(40,000)	0	0	0	35,364
Other Strategic Contributions	0	0	0	0	0	0	0	0	0
Depreciation Expense	0	0	0	0	0	0	0	0	0
Other Charges	(1,550,133)	(1,307,079)	(23,801,000)	(246,000)	(42,989)	0	0	0	(26,947,201)
<i>Subtotal Non-Personnel</i>	<i>(340,456,368)</i>	<i>(26,198,855)</i>	<i>(74,612,974)</i>	<i>(3,471,930)</i>	<i>(18,501,397)</i>	<i>(2,748,528)</i>	<i>(612,830)</i>	<i>(8,028,000)</i>	<i>(474,630,882)</i>
Total Direct Expenses	(781,528,997)	(54,479,248)	(122,552,275)	(7,773,735)	(42,119,242)	(6,279,557)	(628,485)	(8,028,000)	(1,023,389,539)
Contras & Transfers:									
Contras & Recoveries	45,215,139	4,040,300	2,883,276	178,792	14,333,011	0	0	0	66,450,518
Strategic Transfers	0	0	0	0	0	0	0	0	0
Debt Related Transfers	(775,000)	(11,400,950)	(5,823,675)	0	(450,000)	0	0	0	(18,249,625)
Plant & Project Transfers	22,088,666	(2,714,880)	(11,601,934)	(505,317)	(29,214,317)	6,225,465	577,500	7,080,000	(8,064,817)
Loan & Endowment Transfers	0	0	0	0	0	0	0	0	0
Total Contras & Transfers	66,528,805	(10,075,530)	(14,542,333)	(326,525)	(15,331,306)	6,225,465	577,500	7,080,000	40,136,076
Margin (Change in Fund Balance) Prior to Support Unit Allocations	0	59,548	3,386,205	(93,400)	(2,134,453)	96,443	88,555	0	1,402,898

Budget Structure

Category	Subcategory	Definition
Revenue		
	Tuition and Fees (includes Tuition Discounting)	Revenues collected from students for regular courses provided in the fall, spring, and summer sessions.
	State Appropriations	Legislative appropriations received from the State of South Carolina General Fund for the current operations of the University. All State appropriations are assumed to be recurring unless directly linked to a proviso designating them as non-recurring.

Budget Structure

Category	Subcategory	Definition
Revenue		
	Grants, Contracts & Gifts	Revenues awarded by federal, state, local, non-governmental, and private organizations intended for the current operations of the University.
	Sales, Services & Other	Revenues generated primarily from auxiliary areas and department specific charges for enrichment fees, laboratory fees, sales and services, and other miscellaneous items.

Budget Structure

Category	Subcategory	Definition
Direct Expenses		
	Salaries & Wages	All Direct costs related to personnel. Includes the following: Faculty & unclassified, Summer Faculty & Adjuncts, Classified staff, Graduate assistants, other personnel.
	Fringe Benefits	All direct health, retirement, FICA and other related fringe benefit costs.
	Services	Direct expenses related to contractual services, repairs, printing freight, telephone, etc.

Budget Structure

Category	Subcategory	Definition
Direct Expenses		
(Cont'd)	Travel	Direct expenses related to student, employee and other travel.
	Utilities	Direct expenses related to electricity, gas, water and other utilities.
	Supplies	Direct expenses related to office, computer, educational and other supplies, as well as postage.
	Tuition Discounting Costs	Tuition discounting activity required by state law and/or utilized to support institutional enrollment priorities.

Budget Structure

Category	Subcategory	Definition
Direct Expenses		
(Cont'd)	Rents, Fixed Charges & Equipment	Direct expenses to include rents, leases, insurance, contributions and dues, memberships, sponsorships, etc.
	Scholarships	Direct expenses to scholarships, including book allowances, 4% fee waivers, stipends, etc.
	Contingencies (Also called "Initiatives to be Allocated/Reserved for Unanticipated Costs)	"Holding Accounts" for budget decisions pending final approvals or unallocated budgets for unforeseen circumstances.

Budget Structure

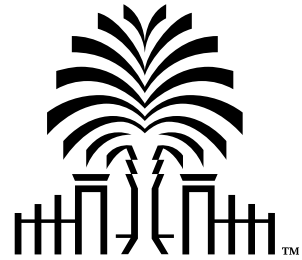
Category	Subcategory	Definition
Direct Expenses		
(Cont'd)	Renovations	Direct Expenses to related to facility improvements, including architectural fees, construction, roofing, landscaping, etc.
	Debt Service	Expenses related to the principal and interest portion of debt service or capital leases.
	Other Strategic Contributions	Contributions of support from one unit to another, based upon internal negotiations and University priorities.

Budget Structure

Category	Subcategory	Definition
Direct Expenses		
(Cont'd)	Depreciation Expense	Building and Equipment Depreciation expenses.
	Other Charges	Other Miscellaneous charges and expenses not categorized above.

Budget Structure

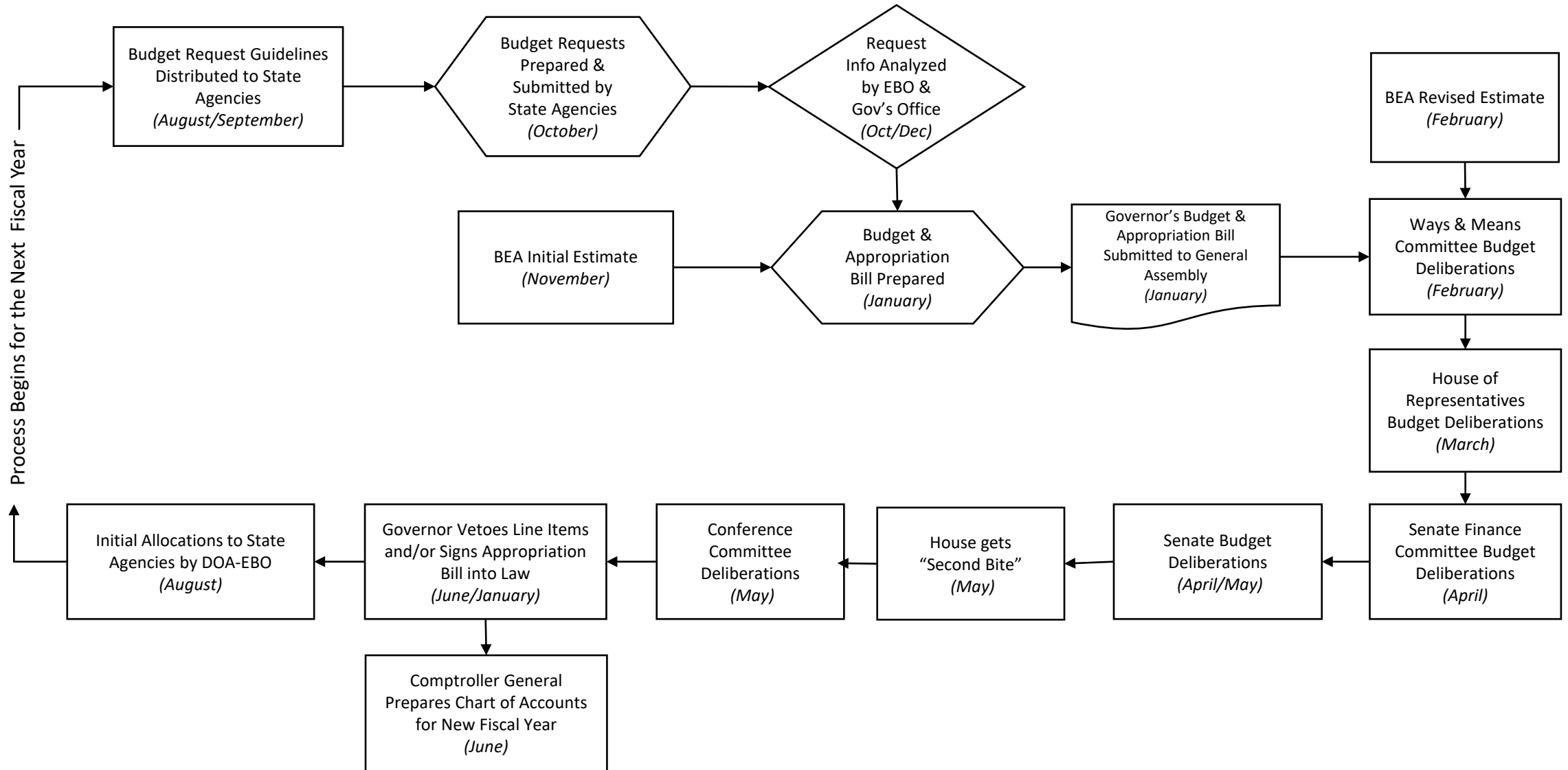
Category	Subcategory	Definition
Contras & Recoveries	(Also referred to as expense reimbursements/ Internal Recharges/IITs)	Expense reimbursements or revenues received from another unit for an expense incurred directly by the receiving unit.
Transfers		
	Strategic Transfers	Transfers to/from operations not categorized below.
	Debt Related Transfers	Transfers to/from operations to support debt service payments.
	Plant & Project Transfers	Transfers to/from operations to support capital projects or other plant improvements.
	Loan & Endowment Transfers	Transfers to/from operations to support participation in certain student loan programs



UNIVERSITY OF
South Carolina

**Budget Development
(USC Columbia)**

External Budget Process



Internal Budget Development Considerations

Revenues:

- Tuition Rates (Requires BOT Approval)
- Fee Rates (Requires BOT Approval)
- Enrollment (Requires understanding of supply/ demand)
 - *Includes mix of resident/non-resident students*
- State Appropriations (Requires Legislative Approval)
- Grant Activity (Requires understanding of supply/ demand – units)
 - *This also influences Indirect Cost Recovery (IDC) inflows*
- Departmental Revenue (Requires understanding of activity levels – units)
 - *Often found in “E” Funds (not IDC)*
- Gifts (Requires understanding of likelihood/timing/requirements – units)

Internal Budget Development Considerations

Expenditures/Transfers:

- Unit Level Staffing Plans (Requires unit level decision making)
 - *(includes both salary/wage and fringe components)*

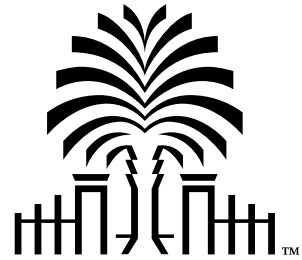
- State Mandates (Requires Legislative Approval)
 - *Examples are Cost of Living Adjustments, Changes to Fringe*

- Unit level Operating plans (Requires unit level decision making)
 - *Examples are travel, supplies, equipment, scholarships, transfers for projects, etc.*

Throughout the year the Budget Office coordinates with Business Officers in each college/unit to provide/receive the information necessary to facilitate budget development for the unit/college and the overall University, while also working within the State's budget process.

Budget Development Timeline

Budget Development Activity:	Month / Period
Support Unit Allocation Committee review budgets; submits recommendations to Budget Update Group (BUG)	November - December
Budget Update Group (BUG) reviews/approves support unit budgets	December – January
Central Budget Office forecasts general revenues (e.g. tuition, appropriations) and expenses (e.g. benefits) for budget development guidelines	January
Academic units develop budgets based on latest analysis and central guidance	January
Conduct University budget hearings (i.e. blueprint meetings)	March
Academic Subvention and strategic initiative funding recommendations made and communicated	April
University budget updated and preliminary drafted based on current tuition/appropriation projections and trends	April – May
Budget reviewed/adopted by Board of Trustees	May – June



UNIVERSITY OF
South Carolina

**Budget Execution
(USC Columbia)**

Budget Execution

Budget



This is a plan!

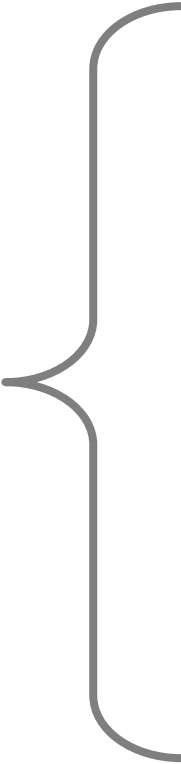
And this carries out the plan!

Budget

-Actual

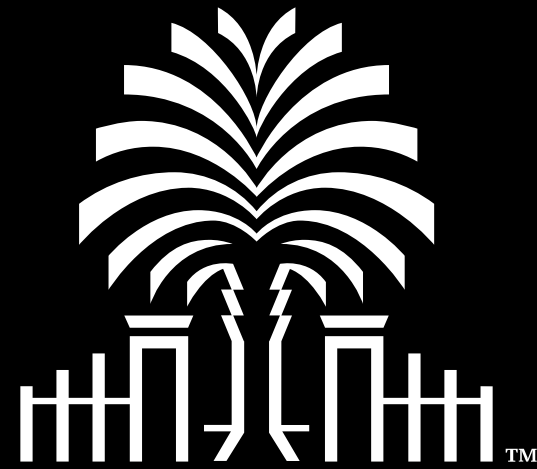
Available Balance

Actual

- 
- Payroll Charges
 - General Ledger Journals
 - Payments on Purchase Orders/Travel Authorizations
 - Vouchers
 - IIT's
 - Deposits (Cash Receipts)

Budget Execution

	FY2020-21 ORIGINAL BUDGET				FY2020-21 ACTUAL				% Budget to Actuals
	A Funds	Other Unrestricted	Restricted	Total	A Funds	Other Unrestricted	Restricted	Total	
Revenue:									
Budget Transfers	0	0	0	0	(3,629,478)	0	0	(3,629,478)	0.00%
Total Tuition	0	9,014,013	0	9,014,013	0	3,945,840	0	3,945,840	43.77%
Total Fees	0	599,000	0	599,000	0	310,900	0	310,900	51.90%
Total State Appropriations	0	0	0	0	0	0	0	0	0.00%
Indirect Cost Recovery (IDC) Revenue	0	0	0	0	0	1,494	0	1,494	0.00%
Grants, Contracts & Gifts	167,056	5,000	1,091,575	1,263,631	0	0	10,655	10,655	0.84%
Sales, Services & Other	107,998	848,273	0	956,271	3,718	163,032	74,488	241,238	25.23%
Total Revenue	275,054	10,466,286	1,091,575	11,832,915	(3,625,761)	4,421,266	85,144	880,649	7.44%
Direct Expenses:									
Salaries and Wages	(3,434,581)	(5,210,876)	0	(8,645,457)	(773,700)	(856,099)	(21,033)	(1,650,832)	19.09%
Fringe Benefits	(1,214,208)	(1,325,679)	0	(2,539,887)	(291,935)	(296,421)	(7,359)	(595,715)	23.45%
<i>Subtotal Personnel</i>	<i>(4,648,789)</i>	<i>(6,536,555)</i>	<i>0</i>	<i>(11,185,344)</i>	<i>(1,065,635)</i>	<i>(1,152,521)</i>	<i>(28,392)</i>	<i>(2,246,548)</i>	<i>20.08%</i>
Services	(624,518)	(1,583,625)	(10,000)	(2,218,143)	(23,245)	(400,861)	0	(424,106)	19.12%
Travel	(86,634)	(159,890)	0	(246,524)	(20)	(4,489)	0	(4,489)	1.82%
Utilities	0	(705,000)	0	(705,000)	(30,596)	(106,223)	0	(136,818)	19.41%
Supplies	(300,922)	(1,281,607)	(6,000)	(1,588,529)	(31,204)	(242,615)	(332)	(274,151)	17.28%
Tuition Discounting Costs	0	0	0	0	0	0	0	0	0.00%
Rents, Fixed Charges and Equipment	(318,047)	(675,148)	(575)	(993,770)	(140,218)	(35,193)	(98)	(175,508)	17.66%
Scholarships	(213,500)	(17,100)	(1,075,000)	(1,305,600)	(5,200)	(32,332)	(659,016)	(696,548)	53.35%
Contingencies	1,297,223	1,912,826	0	3,210,049	0	0	0	0	0.00%
Renovations	0	(2,500)	0	(2,500)	0	0	0	0	0.00%
Debt Service	0	0	0	0	0	0	0	0	0.00%
Other Strategic Contributions	0	0	0	0	0	0	0	0	0.00%
Depreciation Expense	0	0	0	0	0	0	0	0	0.00%
Other Charges	0	0	0	0	0	(100)	(1,494)	(1,594)	0.00%
<i>Subtotal Non-Personnel</i>	<i>(246,398)</i>	<i>(2,512,044)</i>	<i>(1,091,575)</i>	<i>(3,850,017)</i>	<i>(230,482)</i>	<i>(821,792)</i>	<i>(660,939)</i>	<i>(1,713,213)</i>	<i>44.50%</i>
Total Direct Expenses	(4,895,187)	(9,048,599)	(1,091,575)	(15,035,361)	(1,296,117)	(1,974,313)	(689,332)	(3,959,761)	26.34%
Contras & Transfers:									
Contras & Recoveries	25,104	416,548	0	441,652	0	14,408	72	14,480	3.28%
Net Transfers	1,981,853	(2,268,117)	0	(306,264)	0	(1,985,850)	0	(1,985,850)	648.41%
Total Contras & Transfers	1,986,957	(1,851,569)	0	135,388	0	(1,971,442)	72	(1,971,370)	-1456.09%
Margin (Change in Fund Balance) Prior to Support Unit Allocations	(2,633,176)	(433,882)	0	(3,067,058)	(4,921,877)	475,510	(604,116)	(5,050,483)	164.67%
Support Unit Allocations	2,633,176	0	0	2,633,176	658,294	0	0	658,294	25.00%
Margin (Change in Fund Balance) After Support Unit Allocations	0	(433,882)	0	(433,882)	(4,263,583)	475,510	(604,116)	(4,392,189)	1012.30%



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