

# TTU General Budget Terminology, Information, & Guidelines

## Budget Terminology & Information:

---

- **Unrestricted Funds** – funds which the university retains full control of their use and allocation.
- **Restricted Funds** – funds which are externally restricted and may be used only in accordance with the purposes established by the provider.
- **Education & General (E&G)** – consists of all core functions of the university necessary to support the instruction, research, and public service missions of the university. Education & General Expenditures Functional Categories are as follows:
  - **Instruction** – includes expenses for all activities that are part of an institution’s instruction program. (Program Code 200)
  - **Research** – includes all expenses for activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. (Program Code 250)
  - **Public Service** – includes expenses for activities established primarily to provide non instructional services beneficial to individuals and groups external to the institution. Such activities include community service programs. (Program Code 300)
  - **Academic Support** – includes expenses to provide support for the university’s primary mission of instruction, research, and public service, including libraries, and academic administration. (Program Code 350)
  - **Student Services** – includes expenses incurred for offices of enrollment management, athletics, and student affairs with the primary purpose of contributing to students’ emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. It includes expenses for student activities, cultural events, intramural athletics, student organizations, intercollegiate athletics, counseling and career guidance (excluding informal academic counseling by the faculty), student financial aid administration, records, and registration, and student health services. (Program Code 400)
  - **Institutional Support** – includes expenses associated with executive management, fiscal operations, legal services, personnel services, and alumni and development offices. (Program Code 450)
  - **Operation and Maintenance of Physical Plant** – includes expenses associated with the operation and maintenance of buildings and grounds, utilities, custodial services, and campus security. (Program Code 500)
  - **Scholarships and Fellowships** – includes expenses for aid to students in the form of monetary grants resulting from selection by the institution or from an entitlement program. (Program Code 550)
- **Auxiliary** – self-supporting enterprises which furnish services to students, faculty, and staff. Examples include housing, bookstore, fitness center, and food services.
- **Maintenance Fees** – per credit hour fee students pay for the classes in which they enroll.
- **Mandatory Fees** – per credit hour fee that all students pay for services that are in addition to their maintenance fees. These include, but are not limited to, debt service fees, athletic fees, and technology access fees.
- **Incidental Fees** – fees students pay for specific services or courses they select, e.g., specialized academic course fees, lab fees, etc.

2/18/2019 – prepared by the Budget Office

- **State Appropriations** – funding received from the State of Tennessee to support current operations of the university.
- **Academic Units** – all colleges and schools of the university (Ag & Human Ecology, Arts & Sciences, Business, Education, Engineering, Interdisciplinary Studies, Nursing).
- **Administrative & Support Units** – provide services and/or support to Academic Units and students, faculty, and staff (including the following areas: President’s Office, Provost’s Office and Academic Affairs, Planning & Finance, Student Affairs, Research & Economic Development, Facilities, ITS, University Advancement, Athletics).
- **Proposed Budget** – this is the original budget prepared in the spring that is for the fiscal year to begin July 1. Preparation usually begins in February. This budget is normally submitted to the TBR in early May for approval at the June TTU Board meeting. Only permanent funds are included in the Proposed Budget and the University must present a balanced budget. Any new positions included in this submission may be filled after July 1. Revenues for the Proposed Budget are based on a combination of historical prior year actual data combined with anticipated changes in enrollment and state appropriation estimations and projections.
- **Revised Budget** – this budget is a revision of the proposed budget and is normally referred to as the "October Revised Budget". It is prepared in September/October after actual fall enrollment and other estimated costs and closing balances are known and is normally submitted to the TBR in mid-October for approval at the December TTU Board meeting. Both permanent and temporary funds are included in the Revised Budget and the University must present a balanced budget. Any new positions included in this submission may be filled after January 1. Revenues for the October Budget are updated to reflect actual fall term enrollment and state appropriations. In addition, revised estimates are made for the upcoming spring and summer terms since both fall and the prior academic summer actuals are known. As revenue budgets are revised during this cycle, all corresponding expenditure budgets are adjusted as well (i.e. SACF, TAF, fees, etc).
- **Estimated Budget** – this budget is the final budget submitted for the current year operations and is normally referred to as "Current Estimate Budget". It is submitted in the spring at the same time as the Proposed Budget for the coming year (typically in early May and is also approved at the June TTU Board Meeting). This is the final approved budget for the university and therefore contains the control totals against which final year-end amounts are compared. After this submission, education and general functional totals are frozen. Tennessee Board of Regents Policy 4:01:00:00 states that "once approved the institution may not exceed those functional control limits established by the Board without prior approval of the Chancellor". Both permanent and temporary funds are included in the Estimated Budget and the University must present a balanced budget. Revenues for the Estimated Budget are updated to reflect actual spring term enrollment. In addition, summer estimates are re-evaluated. As revenue budgets are updated during this cycle, all corresponding expenditure budgets are adjusted as well (i.e. SACF, TAF, fees, etc). Permanent budget revisions can no longer be processed for the current fiscal year once the Current Estimate Budget is finalized.
- **Permanent Budget** – recurring revenues and recurring expenditures which are permanently included in the university’s overall budget. For example, full-time positions are a permanent, recurring expense and the associated salary and benefits with a position will always be permanently budgeted.

- **Temporary Budget** – non-recurring revenues and non-recurring expenditures which are temporarily included in the university’s overall budget. Carryforwards are an example of temporary funds that may only be used for temporary expenses.
- **Budget Pools** – an account code where budget funds are designated/budgeted:
  - All 61% Account Codes – Salaries Budget Pools/Accounts
  - 62000 – Employee Benefits Budget Pool
  - 73000 – Travel Budget Pool
  - 74000 – Operating Expense Budget Pool
  - 75100 – Utilities and Fuel Budget Pool
  - 75300 – Allocated Charges Budget Pool
  - 75400 – Department Revenues Budget Pool
  - 78000 – Capital Expense Budget Pool
  - 79000 – Scholarships and Fellowships Budget Pool

## General Budget Guidelines:

---

- **Budget Responsibility** – each department is responsible for managing and maintaining their budget(s).
  - Monthly reconciliations of budgets are recommended using the Banner System and ePrint reports.
  - All account codes within a departmental budget are the responsibility of the department. The only exception is the benefits account code 62000, which is typically managed centrally across the University unless the budget is self-supported by revenues generated from the department, in which case the benefits are the responsibility of the department.
  - Departments **CANNOT** overspend their budgets under any circumstances.
- **Request for Revision in Budget Forms** – may be used to revise budgets throughout the fiscal year following the guidelines below:
  - Budget revisions that cross program codes are typically not allowed. The only permissible example of this type of budget revision is when funds are transferring between org codes within the same unit’s organizational hierarchy (for example – between the dean’s office (academic support) and the individual departments (instruction)).
  - Budget revisions that increase or decrease the university’s overall budget are only permitted to be processed during a budget cycle (Proposed, Revised, Estimated). These type of revisions cannot be processed in-between cycles per university, TBR, THEC, and state guidelines.
    - If revisions are processed that decrease a department or unit’s overall expense budget, it is the responsibility of both the department and the unit to which the department reports to ensure that the departmental budget is not overspent at June 30. If at any time after the decreasing budget revision has been processed, it becomes known that the department will not be able to contain their expenses within their budgeted spending authority, the department and unit responsible for that department must identify funds within their respective area(s) to accommodate and cover any budget deficits. Support will **NOT** be provided by the University in this example unless the budget deficit is caused by external extenuating factors outside the control and prior knowledge of the respective department/unit.
  - Budget revisions **CANNOT** be processed between funds (funds respectively in unrestricted, restricted, and auxiliaries cannot be transferred to one another).

- SACF, SAF, TAF and any other specialized fees must maintain their budgets intact within their respective org codes/indexes for reporting purposes – no budget revisions are allowed which move funds into or out of these specific org codes/indexes from other areas.
- Indirect Cost and Faculty Research budgets (indexes 22XXXX) are not allowed to be moved to any other indexes.
- GA Fee Waiver index budgets are not allowed to be moved into other index numbers unless to specifically cover another GA Fee Waiver index.
- Use of lapse salary dollars is directed by the Lapse Salary Guidelines document found on the Budget & Planning website.
- All budget revisions must contain the following signatures before review, approval, and processing by the Budget Office:
  - Account / Project Director
  - Department Chair / Division Director
  - Dean / Administrative Officer
  - University President / VP for Research / VP for Academic Affairs (as appropriate with regard to the requesting area)
  - VP for Planning & Finance
  - All revisions that indicate a transfer of funds which include a permanent position line must also be approved by HR.
  - All revision that indicate a transfer of funds within a restricted, indirect cost, match, or faculty research index must also be approved by Grant Accounting.
  - All revisions that indicate a transfer of funds within an auxiliary unit must also be approved by the Director of Auxiliaries.
- **Positions** – requests for new positions and position funding can only be made during a budget cycle and are subject to the university's current level of permanent budget resources available and the ability to fund the position and associated fringe benefits in conjunction with the university's other priorities and overall strategic plan.
  - All new positions must be requested via the New Budget Request Form (found on the Budget & Planning website) by the department then approved by the appropriate dean, vice president, provost, or university president as appropriate for the requesting unit/department/etc.
    - All new tenure track and other faculty positions must be approved by the Provost's Office / Academic Affairs.
    - All other new positions must be reviewed by HR before approval by the appropriate vice president for the requesting area.
  - Funding for new positions must be identified by the requesting unit/department/etc. and must include a 40% estimate for fringe benefits.
    - Permanent positions **CANNOT** be funded with temporary funds.
  - New positions included with the October Revised Budget may be filled beginning January 1.
  - New positions included with the Proposed Budget may be filled beginning July 1.
- **Carryovers** – budget carryover requests are due to the Budget Office each year no later than July 31<sup>st</sup>. These requests will be compiled for review by the university president and the university's Budget Advisory Committee. All approved carryforwards will be added to departmental budgets within the October Revised Budget cycle. Carryover requests of E&G funds will be limited to 65% of the unspent available balance requested for carryforward as per the TTU Budget Model.