Leadership Development Workshop
Division of Academic Affairs
August 10-11, 2010 (Tuesday/Wednesday)
Library Room 111
STATE BUDGETING

General Fund $1.6 Billion

Education Trust Fund (ETF) $5.5 Billion
STATE BUDGETING

General Fund Supports  Child Development
Criminal Justice
Conservation Efforts
Economic Development
Public Health & Safety
Mental Health
Medicaid
Court System
STATE BUDGETING

General Fund Funding

Insurance Premium Tax
Interest from ATF
Oil & Gas Lease
Cigarette Tax
ABC Board Profits
STATE BUDGETING

ETF Supports
K-12 Education
Higher Education
Public Library
Performing & Fine Arts
Scholarships
Youth Development
STATE BUDGETING

ETF Funding

Individual Income Tax
Corporate Tax
Sales Tax
Utility Tax
STATE BUDGETING

ETF Splits  K-12 Education  73%

Higher Education  27%
Post-Secondary Budgeting Process

November
Universities submit budget requests to Executive Budget Office (EBO), Legislative Fiscal Office (LFO), and Alabama Commission on Higher Education (ACHE)

February
Legislative sessions convene. Governor proposes GF and ETF budgets
Post-Secondary Budgeting Process

March-May

The House proposes its own GF & ETF Budgets

The Senate proposes its own GF & ETF Budgets

The legislative budget conference committee negotiates a budget compromise.
UAH Budgeting Process

October
   Fiscal year begins

January-May
   Gather tuition, mandatory, fixed-costs, & revenue information.
   Work on college funding formula

June
   Submit preliminary tuition plan & budget parameters to BOT
UAH Budgeting Process

June-August  Develop campus budget
September    BOT considers and approves final budgets
October      Load budgets into University General Ledger
Types of Ledgers

Ledger 2  State-funded account
         Tuition & Fees
         State Appropriations
         F&A Cost Recovery

Ledger 3  Departmental account
         Faculty Start-Up
         PI 4%
         Student Activities
         Continuing Education
Types of Ledgers

Ledger 4  Auxiliary Services
          Housing Rents
          Food Services

Ledger 5  External Contracts
          Federal Government
          State Government
          Private Corporations
<table>
<thead>
<tr>
<th>Types of Ledgers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ledger 6</td>
</tr>
<tr>
<td>Endowed Scholars &amp; Scholarships</td>
</tr>
<tr>
<td>Gifts &amp; Donations</td>
</tr>
<tr>
<td>Ledger 7</td>
</tr>
<tr>
<td>Plant fund account</td>
</tr>
<tr>
<td>Transfers from state-funded</td>
</tr>
<tr>
<td>accounts</td>
</tr>
</tbody>
</table>
Budget Summary: FY 2009-2010

Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition &amp; Fees</td>
<td>$51.7 M</td>
<td>30%</td>
</tr>
<tr>
<td>State Appropriations</td>
<td>51.8 M</td>
<td>30%</td>
</tr>
<tr>
<td>External Contracts</td>
<td>58.0 M</td>
<td>34%</td>
</tr>
<tr>
<td>Auxiliary Services</td>
<td>7.2 M</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>2.8 M</td>
<td>2%</td>
</tr>
</tbody>
</table>

Total                                   $171.5 M  100%
Budget Summary: FY 2009-2010

Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$97.1 M</td>
<td>57%</td>
</tr>
<tr>
<td>Supplies/Operating</td>
<td>53.6 M</td>
<td>31%</td>
</tr>
<tr>
<td>Equipment/Capital</td>
<td>2.5 M</td>
<td>1%</td>
</tr>
<tr>
<td>Scholarships</td>
<td>12.8 M</td>
<td>8%</td>
</tr>
<tr>
<td>Debt Service/Transfers</td>
<td>5.5 M</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$171.5 M</td>
<td>100%</td>
</tr>
</tbody>
</table>
Financial Organizational Structure

President

Office of the President

Athletics

Office of the Director

Sports Information

Soccer

Softball

Basketball

Hockey

Cross-Country/Track
Financial Organizational Structure

Academic Affairs

Office of the Provost
Enrollment Services
Information Technology Services
Library
Academic Colleges
Instructional Departments
Financial Organizational Structure

Finance & Administration

Office of the VP
Budget Office
Accounting
Facilities
Business Services
Housing
Human Resources
Financial Organizational Structure

Student Support

Office of the VP
Multicultural Affairs
## Financial Organizational Structure

<table>
<thead>
<tr>
<th>University Advancement</th>
<th>Office of the VP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Alumni Affairs</td>
</tr>
<tr>
<td></td>
<td>Development</td>
</tr>
</tbody>
</table>
Financial Organizational Structure

Research

Office of the VP

Sponsored Programs

Research Centers
Managing the budget

Decentralization: Each budgetary unit head is responsible for his or her areas.

- Ledgers are broken down into many organizational codes (6-digit)
- Organizational codes are broken down into many account codes (4-digit)
Managing the budget

The combination of 6-digit organizational code & 4-digit account code form a 10-digit account number.

Typically, an individual is assigned to ensure each account number is balanced.

The individual could be a budget analyst, staff assistant, PI, chair, or director.

The individual could manage from one account to tens of accounts.
Managing the budget – Tools Provided

Financial information available:

Banner Finance Self-Service
- Up-to-date report
- Drill down capability
- Easy to use

E-Print
- Online monthly budget statements
- Biweekly & monthly labor reports
Managing the budget – Tools Provided

Individual or group training is available

Users’ Manuals are available on the Budget Office Website:

http://www.uah.edu/admin/Budget/index.php
Managing the budget – Overspent Account

Budget unit heads with multiple account responsibility could use budget transfers to cover accounts with deficits.

Budget unit heads could use fund balance savings to cover deficits, if available.

Budget unit heads could discuss the options of inter-fund transfers if the transfers meet federal/state/university regulations.
Managing the budget – Summary

1. Budget is nothing more than a spending plan, so, set a spending plan for the entire fiscal year.

2. Track your spending often – at least once a month.

3. If you detect a problem, discuss with your immediate supervisor as soon as possible.