

# FINANCIAL MANAGEMENT: BUDGET 101

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February 17, 2012  
Faculty Congress

Long Range Budget Planning Committee

# UH Hilo's funding sources: state, federal, private

## STATE

- Buildings/Infrastructure (CIP) appropriated by Legislature
  - Long term borrowing e.g. General Obligation (GO) bonds and Revenue bonds
- Operations - appropriated by Legislature
  - General fund - tax revenues
  - Tuition and fees special fund (TF SF)
  - Special funds e.g. Community Service, Intercollegiate Athletics
  - Revolving funds e.g. RTRF, Student Activities

} More restricted

FEDERAL

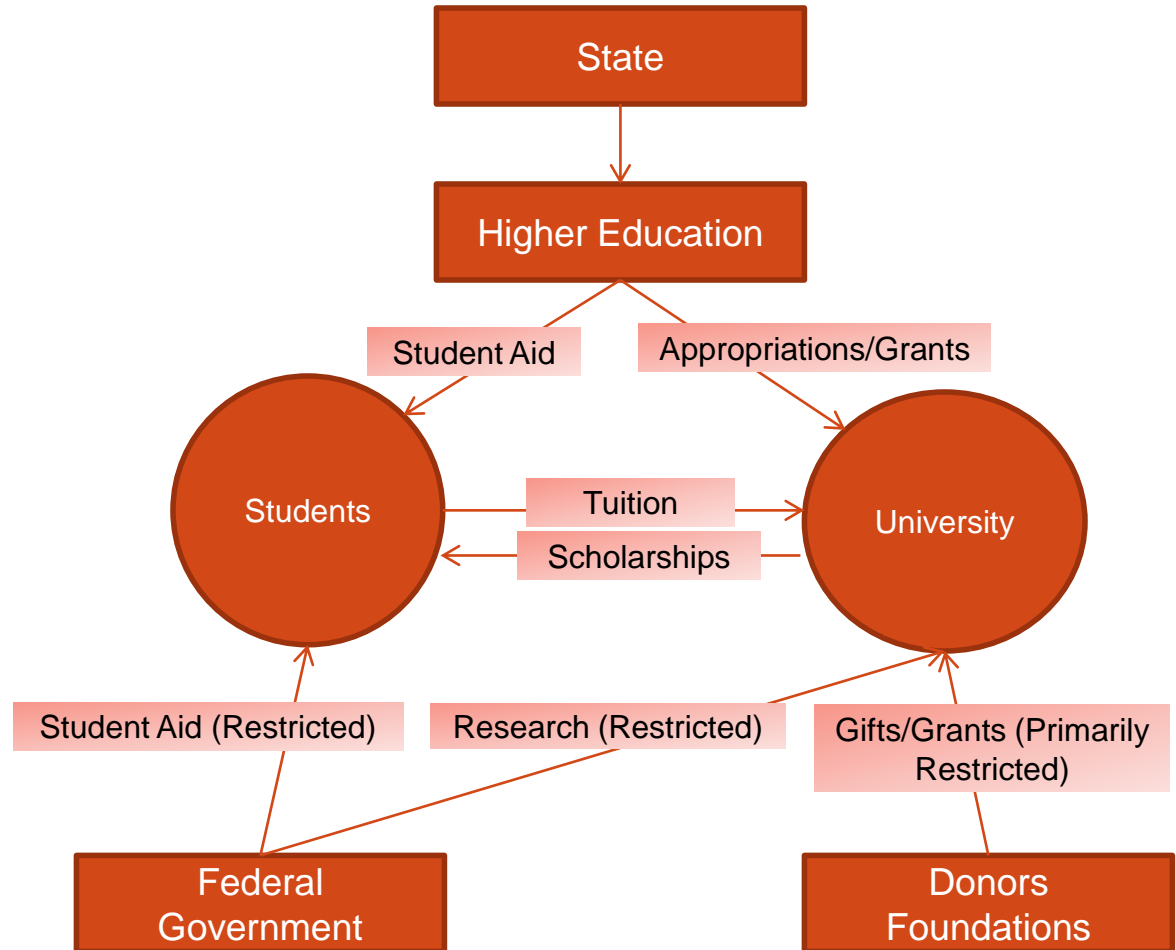
PRIVATE

} More restricted

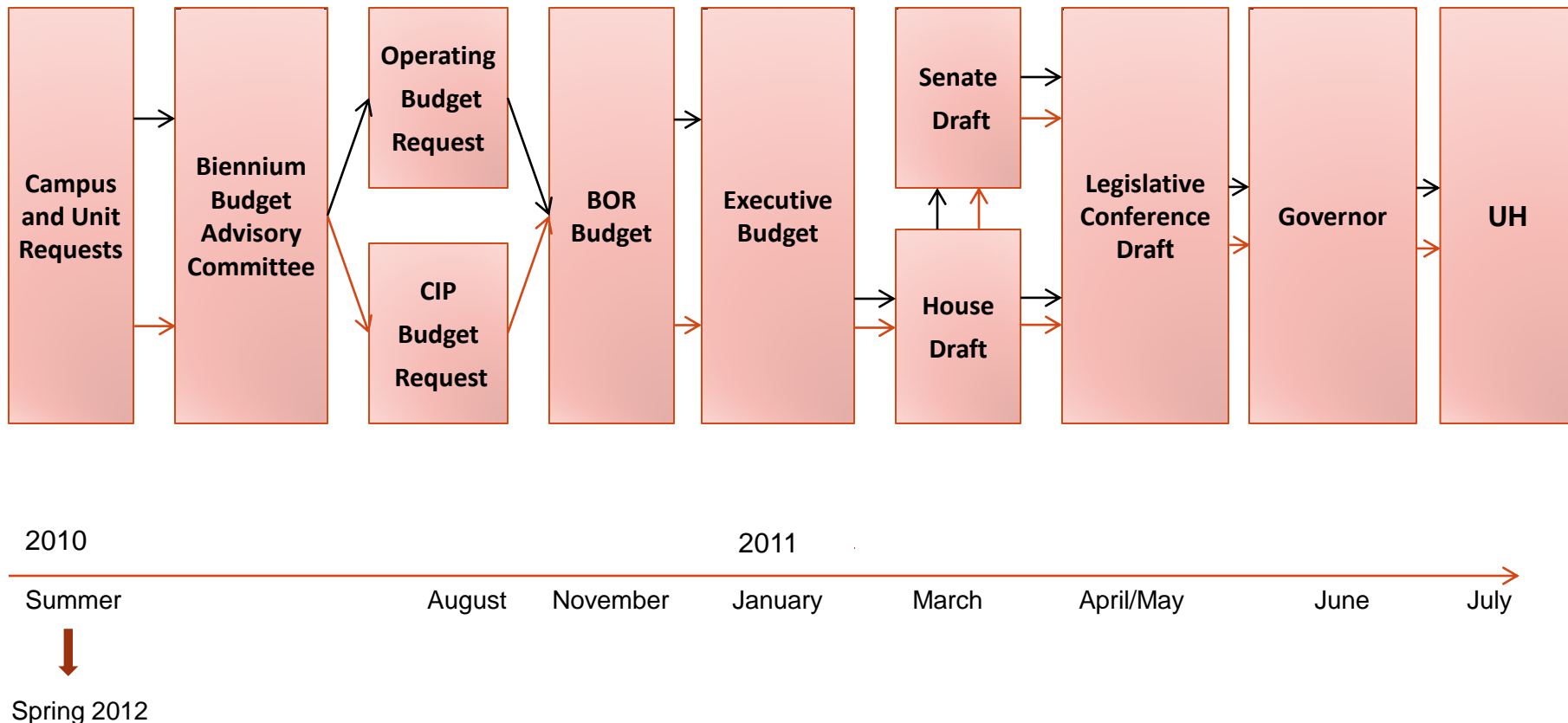
## Building a budget

What is a Budget?

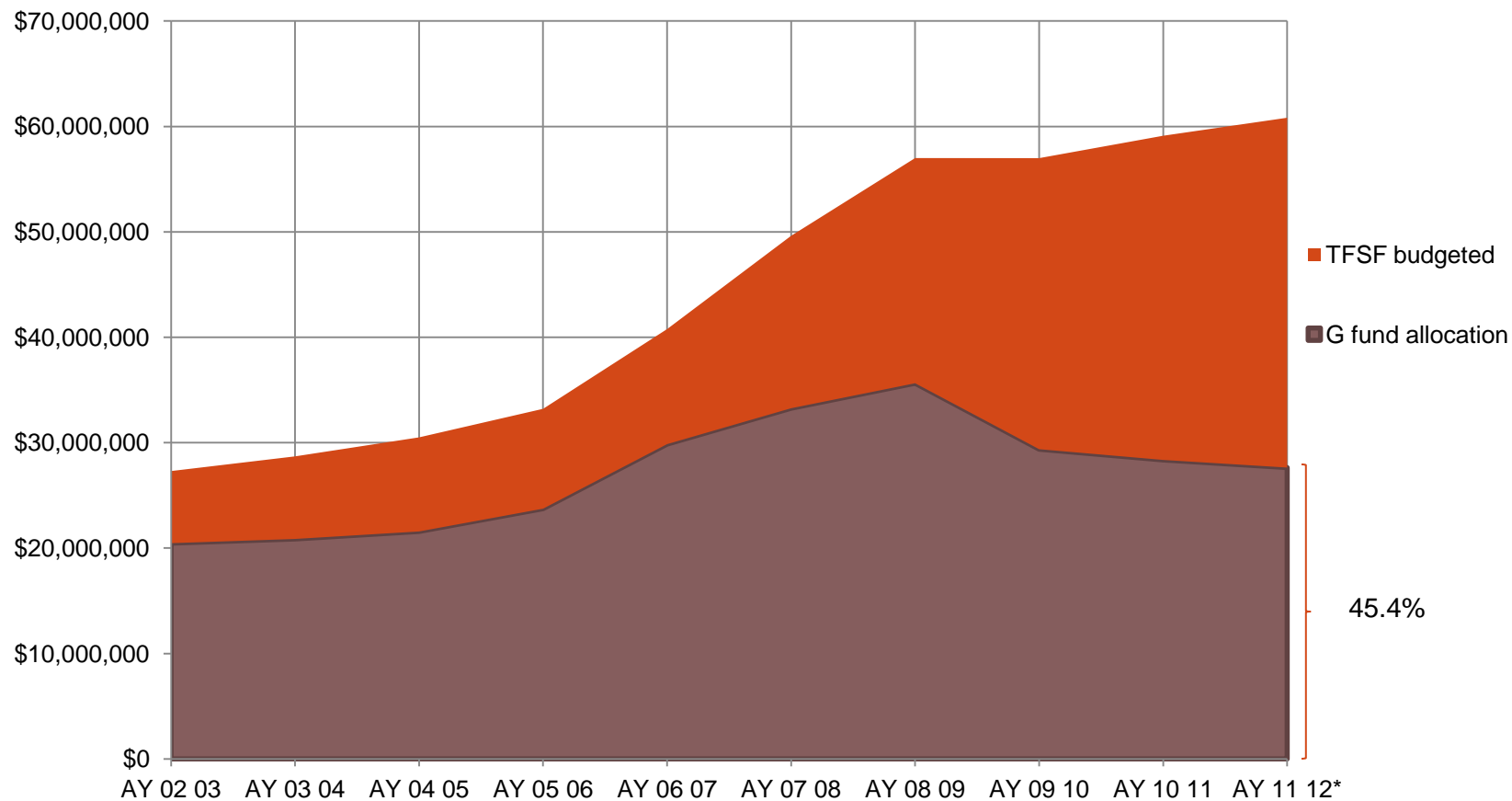
A budget is a projected **spending plan**, based on **projected revenues**



# Building the University Budget, State funding Biennium 2011-13



## G funds are less than half UHH general budget revenue



\*Projected

# Spending items: 'Categories' of the budget Budget 101

- Salaries
  - Full Time
  - Temporary
  - Fringe Benefits
  - Vacation Payout
- Supplies
  - Operating
  - Office
  - Food
  - R&M Upkeep
  - Other
- Travel
  - Airfare
  - Ground Transport
  - Lodging
  - Parking
  - Car Mileage
  - Subsistence
  - Relocation –  
moving expense
- Advertising
- Dues & Subscriptions
- Postage
- Freight & Delivery
- Telephone
- Utilities
- Printing and Binding
- Rental
  - Equipment
  - Land and Building
  - Other
- Insurance
- Repairs and Maintenance
  - R&M – Equipment
  - R&M – Buildings
  - R&M – Vehicles
  - R&M – Other
- Services – Non State Employees
  - Legal service
  - Medical service
  - Engineers/Architects
  - Other
- Grant-in-Aid
  - Scholarships
  - Stipends
  - Fellowships
- Other
  - Photocopy
  - Registration fee
  - Computer software & license
  - Bank service charge
- Equipment
  - Office
  - Educational
  - Scientific
  - Library Books
- Motor Vehicle

# Functional spending : 'Components' of budget

## Budget 101

- **Instruction** e.g. Colleges' instructional costs, Summer Session
- **Academic Support** e.g. Library, technology service, Dean's offices, CCECS administration
- **Student Services** e.g. Division of Student Affairs, Athletics, CoP Student Affairs, Student Activities, Student Life Center
- **Institutional Support** e.g. Chancellor's office, VC Academic Affairs, VC Administrative Affairs, Human Resource, R&M, University Relations
- **Operations & Maintenance** e.g. Security, OMKM, Utilities, O&M
- **Scholarships & Fellowships** e.g. Tuition Scholarship, Athletics Scholarship, Federal Work Study
- **Auxiliary Enterprises** e.g. Theater, Student Housing, Food Service, Motorpool, Graphics, Parking
- **Public Service** e.g. Imiloa, NHERC, CCECS non-credit

UH Hilo  
 FYE 6/30/11  
 Expenditure and Encumbrance  
 Report  
 Unaudited

## Other non general funding sources support university functions

Revenue Function	Expenditure Function									
	Instruction	Academic Support	Student Services	Scholarship/ Federal Work Study	Institutional Support	O&M Plant	Research	Public Service	Auxiliary Enterprise	Total
General Fund	16,740,552	2,626,997	3,249,864	89,026	3,045,961	1,974,709		488,840	146,968	28,362,917
Tuition and Fees	7,111,304	5,513,044	3,315,423	3,541,004	2,675,714	7,107,949		1,093,345	9,268	30,367,051
Student Fees			1,053,089							1,053,089
Sales/Services	55,992		225,945						4,050,379	4,332,316
Federal	300,000			513,722	1,074		1,400,063			2,214,858
Private				149,997						149,997
Other		9,657			153				24,709	34,519
<b>Total</b>	<b>24,207,848</b>	<b>8,149,699</b>	<b>7,844,321</b>	<b>4,293,749</b>	<b>5,722,902</b>	<b>9,082,658</b>	<b>1,400,063</b>	<b>1,582,186</b>	<b>4,231,323</b>	<b>66,514,748</b>
Expenditure %	36.39%	12.25%	11.79%	6.46%	8.60%	13.66%	2.10%	2.38%	6.36%	100.00%

General Funds 28,362,917  
 Special Funds 33,609,835  
 Revolving Funds 3,973,274  
 ARRA Funds 300,000  
 Federal Workstudy 268,722

66,514,747

Source: 6/30/2011 G, S, R download from GALC for BLS

Used account attribute for revenue and expenditure functional code

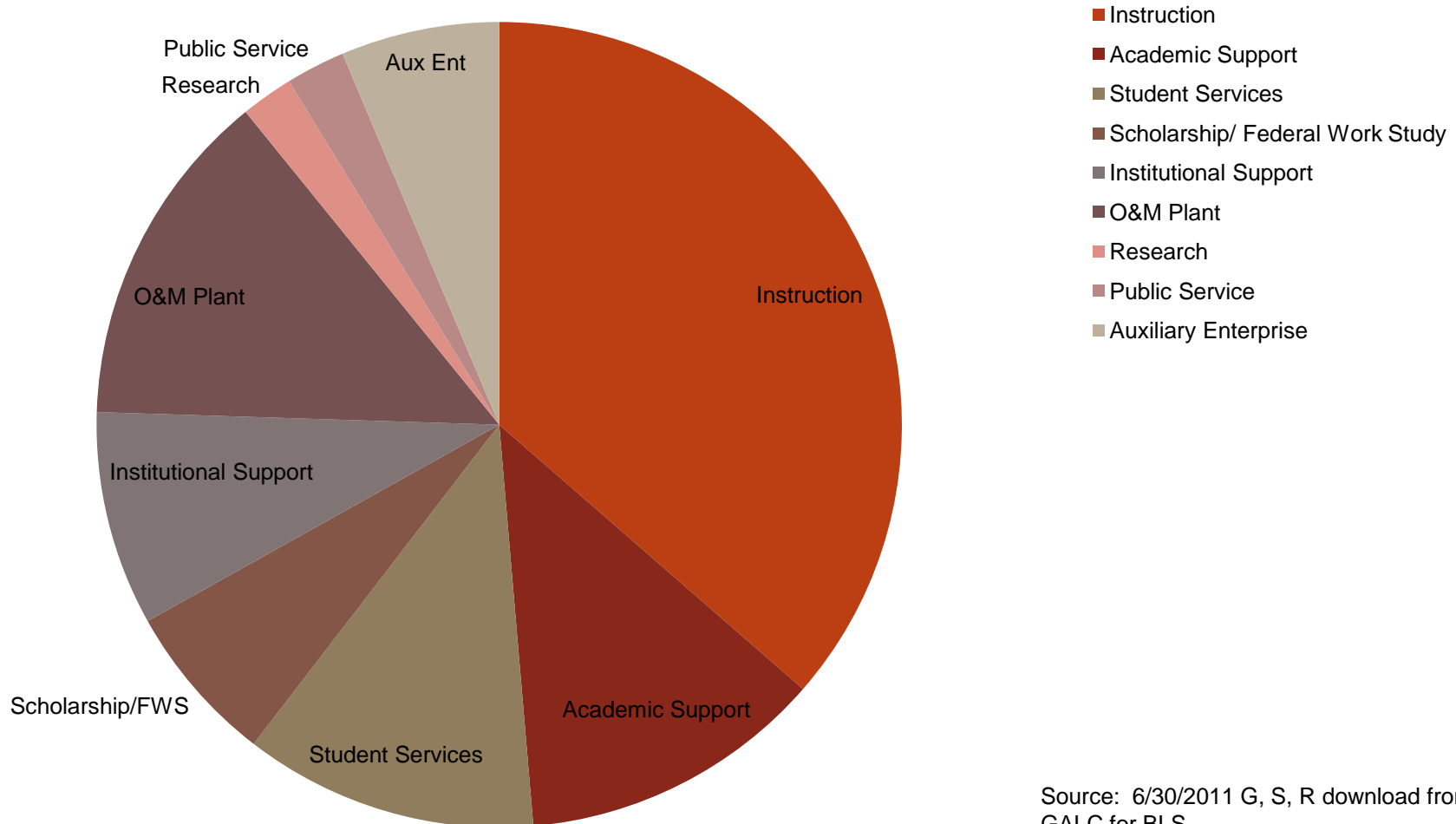
DOES NOT include F & P contracts and grants

DOES NOT include UH Foundation



# Proportion of expenditures on university functions

FY 10-11, as of 6/30/11



Source: 6/30/2011 G, S, R download from GALC for BLS

Used account attribute for revenue and expenditure functional code

DOES NOT include F & P contracts and grants

DOES NOT include UH Foundation

# Summary

Budget 101

- G-fund support from State decreasing
- Financial support for core functions shifting to tuition
  - Hiring competes with operating needs & expansion
  - Ability to add positions is constrained by tuition growth
- Hiring slower than we are used to
- Going forward, hiring connected to Strategic Plan

# FAQ's Budget 101

## What is an 'A' budget and a 'B' budget?

- 'A' budget : salaries and fringe for all employees
- 'B' budget : current expense, equipment and motor vehicle

Budget cost elements

A-Salaries

B-Current Expense

C-Equipment

M-Motor Vehicle

- UHH also use the terms 'salary' budget and 'non-salary' budget

## How are position counts funded?

- A position count can be authorized with full funding, partial funding or no funding
- If funds appropriated for a position fall short of actual salary, the program must fund the shortfall within their existing budget by internally re-allocating funds
- Re-allocating funds from salary savings of vacant positions will result in these position counts having no funds

# FAQs

Budget 101

## What are UH Hilo's non-general funds?

UH Community Service Special Fund  
 UH Library Special Fund  
 Revenue Undertaking Special Fund  
 UH Auxiliary Enterprises Special Fund  
 Student Scholarship and Assistance Special Fund  
**UH Tuition and Fees Special Fund (TFSF)**  
 Mauna Kea Lands Management Special Fund  
 Theater Special Fund  
 Intercollegiate Athletics Special Fund  
 College Work Study Program Federal Fund  
 Career and Technical Training Projects Revolving Fund  
 Hawaiian Language College Revolving Fund  
 UH Commercial Enterprises Revolving Fund  
 Conference Center Revolving Fund  
 Transcript and Diploma Revolving Fund  
 Student Activities Revolving Fund  
 Parking Revolving Fund  
 Research and Training Revolving Fund  
 UH Real Property and Facilities Revolving Fund

## What is return of overhead (RTRF)?

- Percentage of grant funding designated as overhead to pay the University for cost of administering grants
- Overhead on UH Hilo grants returned to UH system; a portion allocated to UH Hilo
- Of portion returned to UH Hilo, Research Council recommends formula for allocation to:
  - Admin Affairs – maintenance/utility costs of research space
  - Principal investigators
  - Colleges that generated the overhead
  - Departments that generated the overhead
  - Library
  - Office of Research