

**The University of Alabama in Huntsville**

**Budget Committee Meeting**

**October 8, 2010**



# BUDGETING

# 101



## 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



## Types of Ledgers

Ledger 6	Endowed Scholars & Scholarships Gifts & Donations
Ledger 7	Plant fund account Transfers from state-funded accounts



## Budget Summary: FY 2010-2011 (October 1)

### Revenues

Tuition & Fees	\$ 60.2 M	30%
State Appropriations	44.0 M	22%
External Contracts	78.8 M	40%
Auxiliary Services	9.2 M	5%
Other	<u>5.8 M</u>	<u>3%</u>
Total	\$198.0 M	100%





## Budget Summary: FY 2010-2011 (October 1)

### Expenditures

Personnel	\$107.4 M	54%
Supplies/Operating	67.0 M	34%
Equipment/Capital	2.9 M	2%
Scholarships	14.3 M	7%
Debt Service/Transfers	<u>6.4 M</u>	<u>3%</u>
Total	\$198.0 M	100%



## 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

Dean of Students

Student Health Services

Counseling Center

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

Diversity & Student Support Services

Office of the VP  
Multicultural Affairs



## Financial Organizational Structure

University Advancement

Office of the VP  
Alumni Affairs  
Development



## 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.**



**Budget Book and other budget information:**

**<http://www.uah.edu/admin/Budget/budgetinfo.php>**

**Actual Payroll Expenses:**

**<https://apps.uah.edu/ARRAreporting/>**