Bronco Budget 2.0
Academic Revenue Unit
Appropriated Budget Protocols

A. Budget Spending Authority

An Academic Revenue Unit's total appropriated spending authority for the fiscal year will be established and approved on an annual basis. This spending authority will be determined based on the following factors:

1. Revenue Allocations for Fall / Spring Semesters, excluding self-support programs (local funds), online programs, dual credit students (local funds), and teacher professional education.

   Academic revenue units will receive a revenue allocation based on the following factors:

   - The projected number of student credit hours instructed to undergraduate domestic students (Fall, Spring).
   - The projected number of undergraduate domestic student majors calculated as the Fall / Spring semester average.
     - Students with multiple majors within the same Academic Revenue Unit count as one major.
   - The projected number of undergraduate domestic students graduated in the academic year (Summer, Fall, Spring).
   - The projected number of student credit hours instructed to undergraduate international students (Fall, Spring).
   - The projected number of undergraduate international student majors calculated as the Fall / Spring semester average.
     - Students with multiple majors within the same Academic Revenue Unit count as one major.
   - The projected number of undergraduate international students graduated in the academic year (Summer, Fall, Spring)
     - Graduates with multiple majors within the Academic Revenue Unit count as one major.
   - The projected number of graduate student credit hours instructed (Fall / Spring).

   Revenue allocations per student credit hour / degree / graduate are expected to remain relatively stable, however, may be adjusted on annually depending on the outcome of the State budget process and State Board of Education tuition setting process.

   Official definition of the metrics listed above are maintained by the Office of Institutional Research.

   2016-17 actuals were used for 2017-18 projections. For FY19 and beyond, final projections will be determined by the Vice President for Finance and Administration in consultation with the Provost and Academic Revenue Unit Dean.

2. Subventions

   Academic revenue units will receive a budget allocation (called subvention) as determined through the State of Idaho's and the University's annual budget development processes. The subvention will change based on decisions made by the State legislature as well as by university senior leadership. The President, Provost, and the Associate Vice President for Budget and Planning have the authority to change an Academic Revenue Unit's subvention. Subvention is primarily intended to address cost of instruction and mission differences amongst the Academic Revenue Units.

Memorandums of Agreements (MOA) are a future commitment to increase an Academic Revenue Unit's subvention. Most memorandums of agreement (MOA) require approval by the Provost, VPFA, and President. The Associate Vice President for Budget and Planning may modify existing MOAs based on changes in costs as well as approve new MOAs for initiatives which have already been approved by the President.

3. Revenue Allocations for Online Programs

   Academic revenue units will receive a revenue allocation based on the MOA for each online program that charges a State Board of Education approved online program fee. Funds will be transferred as one-time funds during the fiscal year and will increase the Academic Revenue Unit's overall spending authority for the fiscal year.

4. Summer Semester, excluding self-support programs (local), online programs, and teacher professional education.

   Academic Revenue Units may receive summer incentive funds based on the following factors:

   - The number of student credit hours instructed to undergraduate students
   - The number of student credit hours instructed to graduate students
   - Summer faculty expenses
   - Direct allocations of incentive funds as determined by Extended Studies

   Summer incentive funds will be transferred as one-time funds during the fiscal year and will increase the Academic Revenue Unit's overall spending authority for the fiscal year. Revenue allocations per student credit hour used in the summer incentive calculation will match those used for Fall and Spring semesters with the exception of international students. Since non-resident fees are not charged during the summer session, the summer incentive fund calculation will utilize the domestic student rates per student credit hour. The distribution of summer incentive funds will be managed by Extended Studies.

5. In-Service Teacher Education Fee

   This fee is only applicable to teacher education courses offered as teacher professional development and is not intended for courses which count toward an institution's degree program. Projected revenues from the in-service teacher education fee will be allocated directly to the College of Education.

6. Approved expenditures from reserves / carry forward

   Requests to spend from reserves will be considered during the annual budget development process and factored into the Academic Revenue Unit's overall expenditure authority for the fiscal year. Requests to spend from reserves in excess of what was approved during the annual budget development process must be approval by the Provost, AVP for Budget and Planning, VPFA, and President. Consideration will be given to the projected overall impact on the university's financial performance for the fiscal year.

Each Dean will determine how carry forwards will be managed for their Unit, however, carry forwards will not increase the overall expenditure authority for the Academic Revenue Unit for the fiscal year. If a Dean requests that carry forwards be loaded to their unit's budgets, a corresponding offsetting budget entry will be loaded in an Academic Revenue Unit account. Without this offsetting entry, carry forward funds loaded into the budget system would result in an Academic Revenue Unit's overall budget in the financial system exceeding the overall expenditure authority for the fiscal year. For FY18, carry forwards will be loaded into each individual unit.

7. Special funding requests

Approved special funding requests (SFRs) will increase the Academic Revenue Unit's overall expenditure authority for the fiscal year. Special funding requests may be used by an Academic Revenue Unit to request funds from their central reserve account, or to request new central one-time funding. Special funding requests which are used to request funds from an ARU's central reserve account require approval by the Provost and Associate Vice President for Budget and Planning. Most special funding requests for new central one-time funds require approval by the Provost, AVP for Budget and Planning, VPFA, and the President. The Associate Vice President for Budget and Planning may modify existing special funding requests based on changes in costs as well as approve new special funding requests for initiatives which have already been approved by the President.

B. Budget Management

1. Position Budget Management

All academic revenue units must prepare and maintain a base position plan consisting of all regular positions paid from regular salary that are expected to be filled for all or a portion of the fiscal year. The employee's full annual salary must be included in the base position plan for filled positions and the appropriate starting salary for vacant positions. The base position plan will be utilized to calculate CEC (Change in Employee Compensation) salary increase pools. When a change is proposed to the position plan, the academic revenue units must demonstrate sufficient base funding to support the position and a budget transfer must be submitted to adjust the position plan. The academic revenue unit is expected to maintain a structurally balanced budget whereby the unit is generating sufficient base funding to fund its base position plan at full employment while maintaining base minimum operating funds necessary to carry out its primary functions. For the purposes of position budget management, revenue allocations and direct budget allocations will be considered base funding. In limited situations and with approval, a consistent level of grant buyout funds may be considered base funding (see below).

Bronco Budget 2.0
Academic Revenue Unit
Appropriated Budget Protocols

The base position plan will serve as the starting point for developing the Academic Revenue Unit's annual regular salary and benefits budget. Benefits will be loaded at 95% of full employment funding and benefits savings will be retained by the academic revenue unit.

With approval of the Provost, AVP for Budget and Planning, and VPFA, academic revenue units may utilize projected grant buyouts as a funding source for their appropriated position base. Academic revenue units are expected to utilize grant buyouts to fund their appropriated position base on a very limited basis. The expectation is that grant buyouts will primarily be used for one-time expenditures that can be delayed or curtailed if the funds aren't generated in a given fiscal year (e.g. equipment purchases, travel, conferences). If approval is received to utilize projected grant buyouts to fund a limited portion of an academic revenue unit's appropriated position base, a corresponding offsetting budget entry will be loaded in an Academic Revenue Unit account. Without this offsetting entry, personnel funds loaded into the budget system would result in an Academic Revenue Unit's overall budget in the financial system exceeding the overall expenditure authority for the fiscal year. In addition, when CEC and benefit rate increase funds are provided through the central budget process, funds will not be provided to cover the portion of an academic revenue unit's position base covered by projected grant buyouts.

2. Budgetary Control / Deficits

   All Academic Revenue Units are expected to maintain a financially sound organization and monitor the financial operations of their academic revenue unit. Deans are responsible to ensuring total expenditures for the Academic Revenue Unit do not exceed the overall expenditure authority for the fiscal year. This responsibility includes enforcing budgetary controls at the department / program level and resolving budget deficits in a timely manner.

   The Office of Budget and Planning will monitor the status of the overall Academic Revenue Unit budget versus projected and actual expenditures. As part of this monitoring, Academic Revenue Units will be required to project expenditures on a quarterly basis and explain variances from plan. If a projected or actual deficit is identified, the Office of Budget and Planning will work with the Academic Revenue Unit to insure the deficit is closed by the end of the quarter.

3. Year-end Reconciliation / Reserves

   At the end of the fiscal year, the Office of Budget and Planning will calculate actual performance and compare to results to the approved budget plan. Surpluses will be added to the Academic Revenue Unit reserve account while deficits will be subtracted. If an Academic Revenue Unit does not have sufficient reserves to cover their deficit, they will be required to either reduce current year spending or cover the deficit in the following year's budget plan.

4. 505, 506, and 507 (graduate assistant) Accounts

   Although 505, 506, and 507 accounts reside in and are/may be managed under the Academic Revenue Unit, these funds are considered Graduate College funds and may not be used for any other purposes. These accounts will not be considered part of the overall expenditure authority of the academic revenue unit and will be excluded from the year-end reconciliation process when determining the amount of funding that will be added to or subtracted from reserves.

Academic revenue units may create graduate assistant accounts separate from these 505, 506, and 507 accounts. These accounts will not be considered Graduate College Funds; however, they will not receive centrally funded increases for benefits, etc.

C. Carry-forward

Academic revenue units may carry-forward up to 10% of their original base budget at 100%. A 10% carryforward cap will be calculated for each college using the original base budget. Some accounts may be deemed as special carry-forward and will be excluded from the original base budget for calculation purposes. For colleges exceeding the 10% cap, 50% of the total above the cap will be retained centrally. The accounts deemed as special carry-forward will be allowed to carry-forward 100% of their balance. In any given year, the AVP for Budget and Planning may adjust the carryforward to help address difficult financial circumstances the university may be facing.