University Funding 101
Operating Funds

February 12, 2016
With the exception of the Binghamton University Foundation and the Research Foundation, most funds are:

- subject to New York State fiscal and operating rules and regulations.
- administered through the SUNY financial management system.
- A facility and administrative charge is levied on sponsored research grants and contracts.
Type of Funding Sources

- **State Budget**
  - State support – state taxpayer
  - University wide – state taxpayer
  - Campus generated – tuition, interest, fees
- **Campus Funds**
  - Income Fund Reimbursable (IFR)
  - Dormitory Income Fund Reimbursable (DIFR)
  - State University Tuition Reimbursable Account (SUTRA)
- **Not-for-profit Corporations**
  - Binghamton Foundation
  - Research Foundation
Binghamton University Operating Disbursements: All Fund Sources FY 2014-2015
Total $333,346 (in thousands)

- State Budget: State Taxpayer Support: $45,468
- State Budget: University Wide: $15,391
- State Budget: Campus Generated: $36,166
- Income Fund Reimbursable: $124,889
- Dormitory Income Fund: $75,322
- Research Foundation: $32,778
- Binghamton Foundation: $3,332
State budget proposed by Governor, appropriated by legislature, allocated to campus by SUNY Board of Trustees, distributed to units through University budget process

• Three Parts:
  • State Taxpayer (14%) and University-Wide (1%) Funds: Personal income taxes, business taxes, sales taxes and other State revenue
  • Campus Generated Revenue (37%): Tuition, interest, fees and legislated revenue offsets
State Taxpayer Support

- Dependent on state fiscal and political conditions.
- Long range planning difficult.
- No rollover of unused funds from year to year.
- Usage of allocations monitored.
University-Wide Funds

- Appropriations are identified for particular programs. SUNY distributes to campuses based on formulas.
- Programs:
  - Academic Equipment Replacement (AER)
  - Child Care Centers
  - Empire Innovation Program (EIP)
  - Empire State Scholarships
  - Educational Opportunity Program (EOP)
  - Faculty Diversity Program
  - Graduate Diversity Fellowships
  - High Needs Engineering and Nursing
  - Library Conservation & Preservation
  - Small Business Development Center (SBDC)
  - Student Loans
  - Student Support Services
  - State University Scholarship (SUSTA)
Campus Generated Revenues
(Tuition and Fees)

- University establishes enrollment and revenue projection plan (with SUNY approval); provides high level of control over revenue stream
- Campus is credited for revenue generated
The combination of state taxpayer support and campus tuition is referred to as “The State Budget”

- The campus budget process distributes state funding at the division level.
- End of year reconciliation at the Division level.
State Budget

Major Rules:

• Lapse with fiscal year
• Not assessed fringe benefit costs (55.88%)
• No administrative fees
• Allocations made to individual departments by certain expense categories (PSR, PST, OTPS) – Kelly Wemette
• Activity monitored by University as well as SUNY
State authorized fund to enable campuses to carry out related functions

- Sources of revenue
  - Student fees
  - Cost recovery
    - Research release time
    - Operations
  - Services
    - Facility rental
    - Activities
  - Commissions
IFR (Income Fund Reimbursable)

Major Rules:

- Must be self-supporting; operations and reserves
- 13% administrative fee applied to collections
- Fringe benefit charges levied to all IFR personal service and temporary service expenditures (except GA/TA and Student Assistant’s) Historically ~ 50%+ of Personal Service Expenditures)
- Increased costs absorbed by individual accounts  
  e.g. – mandated contractual increases; minimum wage
- Cash balances remain with account and roll over to next year.
- Revenues and expenditures should pertain to account purpose
- Annual expenditure plans required
Fund established by State for programs closely related to campus core purpose:

- Special programs
  - International programs
  - Summer and winter sessions
  - Contract courses
SUTRA (State University Tuition Reimbursement Account) Funding

Major Rules:

• Summer and winter session fringe benefits and administrative overhead assessed as funds are received
• Each account must be self-supporting
• Cash balances remain with account
• Account revenues and expenditures should pertain to account purpose
• Annual expenditure plans are required
Special fund established to enable SUNY to operate residence halls

- Must be self supporting, including establishing reserves for program continuity, bond covenants and facilities and equipment maintenance and replacement
- Specific SUNY guidelines and oversight of DIFR fiscal condition and operations
- Dormitory Authority of New York State (DASNY) has oversight responsibilities for maintenance and condition of residence hall facilities
- Room rates developed by campus, approved annually by SUNY
- Strict rules as to types of expenditures that can be incurred as part of DIFR fund
  - Assigned (Bond Costs)
  - Direct (Employees)
  - Assessed (Utilities)
The Research Foundation is a not-for-profit corporation that administers external sponsored projects awarded for SUNY.

Awarded sponsored grants and contracts are accepted by the Research Foundation for SUNY, not SUNY or individual faculty.

Research Administrative Services oversees the campus Research Foundation operations including:

- Grant Administration, RF Purchasing, RF HR/Payroll, Financial Reporting
- Administers the grants and contracts
- Ensures that the sponsor’s deliverables are fulfilled and funds used in accordance with all applicable rules and regulations
Major Rules:

• Processes and procedures are established by federal regulations, sponsor policy, the Research Foundation and the campus Research Foundation office.
• Primary guidelines for fiscal activity is established by sponsor requirements.
• Administrative overhead (facility and administration costs) assessed in accordance with sponsor agreements.
• Often awards are issued for more than one year and not tied to University fiscal year.
• Personal service costs are assessed fringe benefits at the Research Foundation rate.
• State purchasing and hiring rules do not apply to Research Foundation funds.
Research Foundation

Major Rules:

• Account revenues and expenditures must pertain to grant and contract purpose
• Usually funds can be used for purposes awarded; remaining funds are returned to sponsor
• Faculty can be released to research work with recovery of salary and fringe costs recovered via IFR account
• Each account must be self-supporting
• Flexibility of allocation transfers between expense categories dependent on sponsor rules
• Project expenditure and allocation plans are normally required
The Foundation is a not-for-profit corporation whose purpose is to raise funds for the benefit of the University, to support the activities of the University by means of scholarships, awards, fellowships and grants to deserving applicants, and to support other University activities.

The Foundation provides stewardship of all assets held in trust for the benefit of the University.

Board of Directors establishes Foundation policies and oversees operations.

Affiliated entities:
- Binghamton University Foundation Housing Corp.
- Campus Related Properties, Inc.
- Southern Tier High Technology Incubator, Inc.
- BFSS, LLC
Foundation accounts:

- **Endowed**: Principle invested and the Foundation Board of Directors determines an annual spending plan allocation from income. Income is expendable per the purpose(s) designated by the donor(s) in the gift agreement. Annual investment management fee of 1%.

- **Restricted**: Donor has designated a specific purpose for the funds and all funds are available for current use. One-time fee of 10% on deposits, except for donations for direct Student Aid, where there is no fee. The Foundation did **not** increase fee to match the University’s IFR fee of 13%.

- **Unrestricted**: Donations are used at the discretion of the Foundation, examples include funding for student recruitment, scholarships and fellowships.
The Foundation provides bookkeeping services to the following:

- Agency Accounts – Funds are non-donation, non-state funds; funds are subject to a fee (10% on deposit) (see SUNY Policy 7000 Agency Account Guidelines; Foundation acts as bookkeeper of the funds)
- SUNY at Binghamton Alumni Association
- Graduate Student Organization at the SUNY at Binghamton
- Student Association at the SUNY at Binghamton
Major Rules:

• Funds must be administered in accordance with donor intents and specifications
• Cash balances approved for use remain with accounts and are available year to year
• The Foundation Board of Directors approves the annual spending plan allocation for all endowment accounts
• The Foundation has policies and procedures to follow for all accounts
• The Foundation does not have employees and therefore, does not offer any payroll services
Reference Sources/Questions

- Office of the Senior Vice Provost – x72143
- Business Affairs
  - Budget – x72047
  - Revenue Accounting – x76100
  - General Accounting – x76100
  - Purchasing – x72184
  - Accounts Payable/Travel – x74660
  - DIFR Finances – x72099
Reference Sources/Questions

• Binghamton University Management Procedures (binghamton.edu/operations/policies)

• Research Foundation Administration – x76752

• Foundation Administrative Services - x75801