

University Funding 101

Operating Funds

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Vice President for Administration

BINGHAMTON
UNIVERSITY
State University of New York

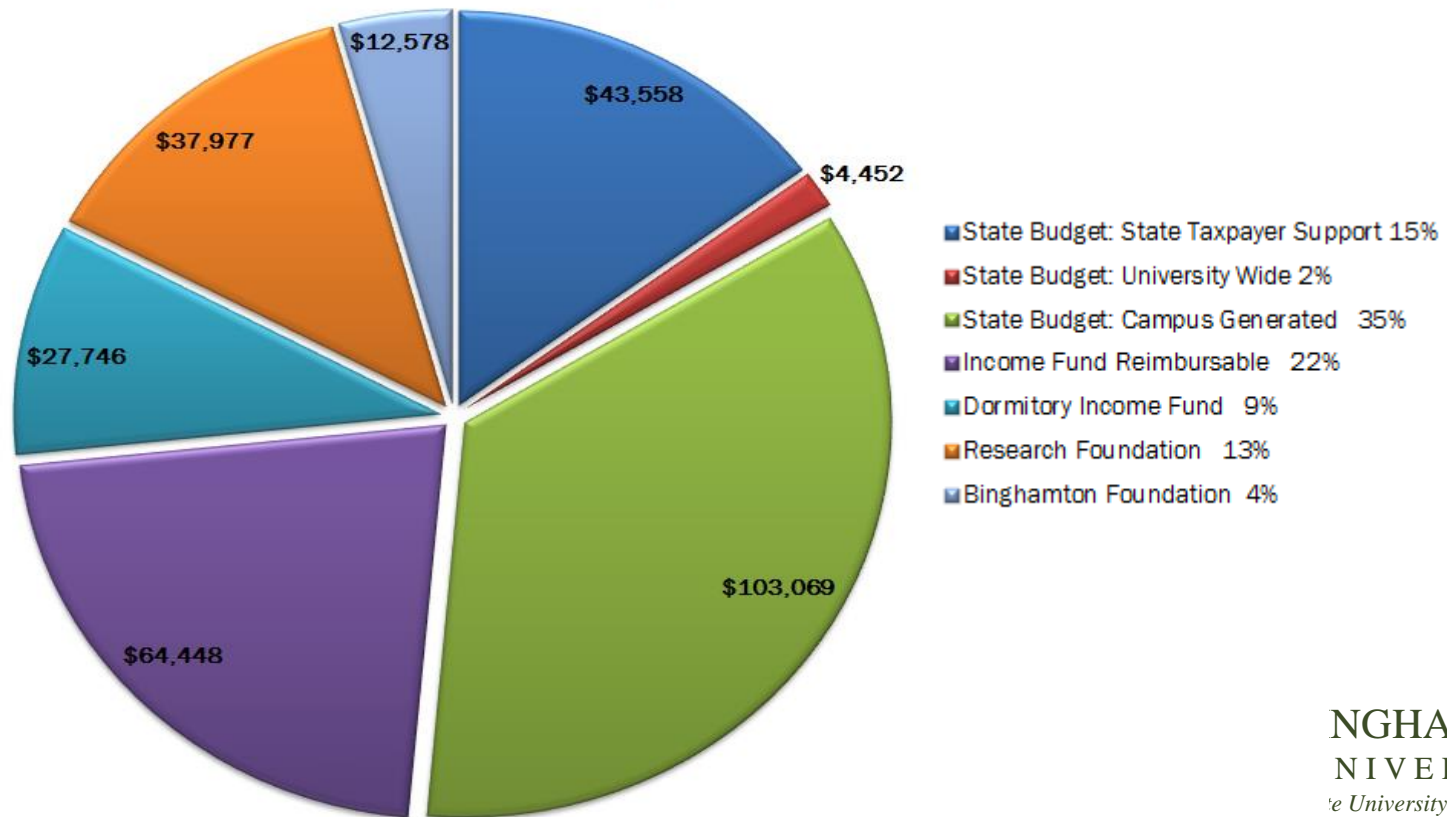
Overview

Types of Funding Sources

- STATE BUDGET
 - State support – state taxpayer
 - University wide – state taxpayer
 - Campus generated – tuition, interest, fees
- CAMPUS FUNDS
 - IFR
 - DIFR
 - SUTRA
- NOT-FOR-PROFIT CORPORATIONS
 - Binghamton Foundation
 - Research Foundation

All Fund Disbursement Summary

BINGHAMTON UNIVERSITY
OPERATING DISBURSEMENTS: ALL FUND SOURCES
FY 2011-2012
Total \$293,828
(In Thousands)



General Points

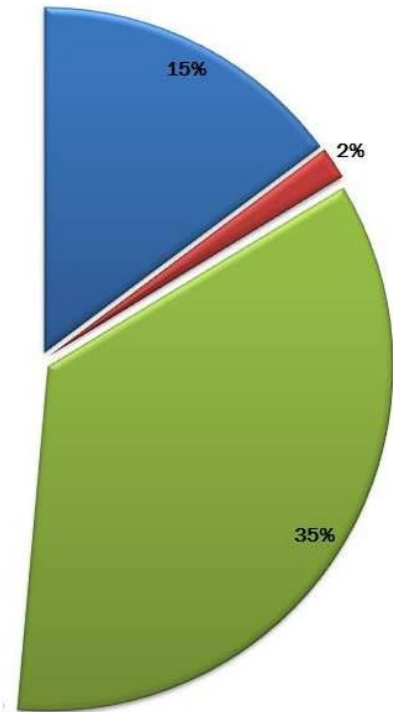
- University fiscal year July 1-June 30
- State fiscal year April 1-March 31
- Allocations and disbursements are monitored
- With the exception of the Binghamton University Foundation and the Research Foundation, all funds are:
 - subject to New York State fiscal and operating rules and regulations
 - administered through the SUNY financial management system
- University administrative fees are assessed revenues generated through operations and donations
- A facility and administrative charge is levied on sponsored research grants and contracts

State Budget

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:

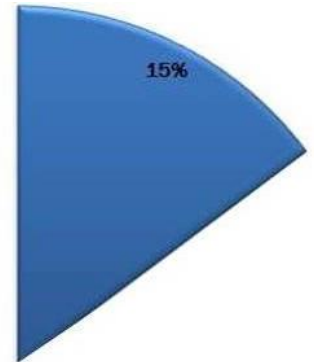
- State Taxpayer (15%) and University-Wide (2%) Funds: Personal income taxes, business taxes, sales taxes and other State revenue
- Campus Generated Revenue (35%): Tuition, interest, fees and legislated revenue offsets



State Budget

State Taxpayer Support:

- Dependent on state fiscal and political conditions
- Budget Allocation Process-Enrollment/Research based but SUNY not adequately funded
- Long range planning difficult
- No rollover of unused funds
- Usage of allocations closely monitored
- NYSUNY 2020 provides a level of funding protection through “Maintenance of Effort “



University-Wide

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)



University-Wide

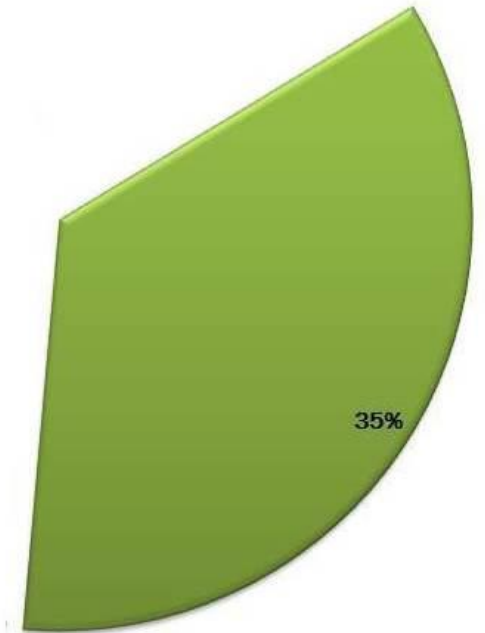
Major Rules:

- Cannot transfer funds to other purposes
- No rollover of unused funds
- Periodic reviews by SUNY or outside entities
- Allocation timetable different than state fund allocation; often late in fiscal year
- Annual program specific appropriation/allocation adjustments

State Budget

Campus Generated Revenues:

- University establishes enrollment and revenue projection plan (with SUNY approval); provides high level of control over revenue stream
- Campus is credited for revenue generated
- Allocation treated same as taxpayer support



State Budget

The combination of state taxpayer support and campus generated revenue is referred to as **"THE STATE BUDGET"**

- SUNY uses a formula based process to allocate appropriated funds to individual campuses- "BAP"
- The campus budget process distributes funding at the division level; funds are generally administered at the department or operation level
- Positions and allocations are monitored at department level
- End of year reconciliation at the Division level

State Budget

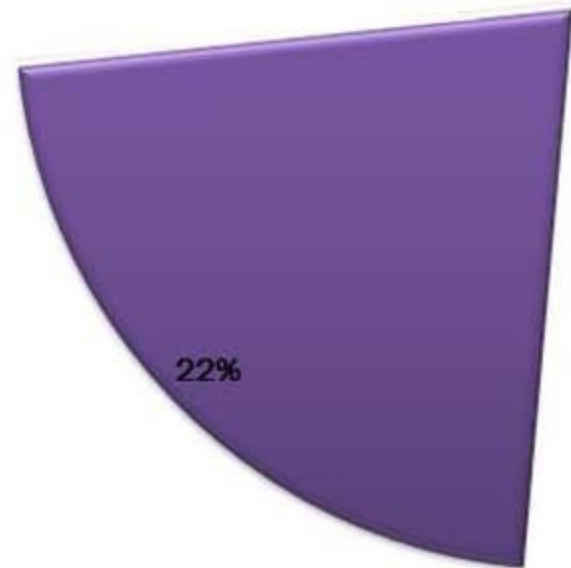
Major Rules:

- Lapse with fiscal year
- Not assessed fringe benefit costs
- No administrative fees
- Allocations made to individual departments by expense categories
- Some restrictions moving allocations to or from personal service category
- Activity closely monitored by University as well as outside agencies

Income Fund Reimbursable (IFR) Funding

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
- Generally a 10% administrative fee applied to all collections
- Fringe benefit charges levied to all personal service and temporary service expenditures (rate changes annually – Historically ~ 50% of Personal Service Expenditures)
- Increased costs absorbed by individual accounts
- Employee termination costs absorbed by individual accounts
- Cash balances remain with account
- Allocation transfers between categories flexible
- Revenues and expenditures should pertain to account purpose
- Annual expenditure plans required

SUTRA (State University Tuition Reimbursement Account) Funding

Fund established by State for programs closely related to campus core purpose:

- Special programs
 - International programs
 - Summer and winter sessions
 - Contract courses
- Other activity
 - Over-enrollment revenue
 - Interest earnings in excess of targets
 - Legislated purposes

SUTRA (State University Tuition Reimbursement Account) Funding

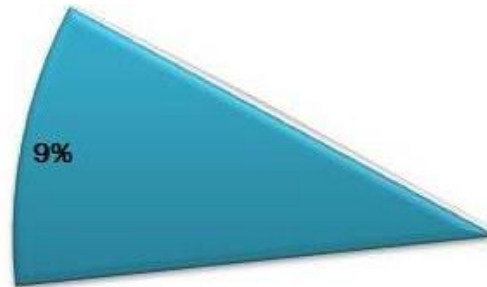
Major Rules (Similar to IFR):

- Summer and winter session fringe benefits and administrative overhead assigned through agreed to assessment;
- Generally 10% administrative fee is applied to collections
- Each account must be self-supporting
- Cash balances remain with account
- Allocation transfers between categories flexible
- Account revenues and expenditures should pertain to account purpose
- Annual expenditure plans are required

DIFR (Dormitory Income Fund Reimbursable) Funding

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)



DIFR (Dormitory Income Fund Reimbursable) Funding

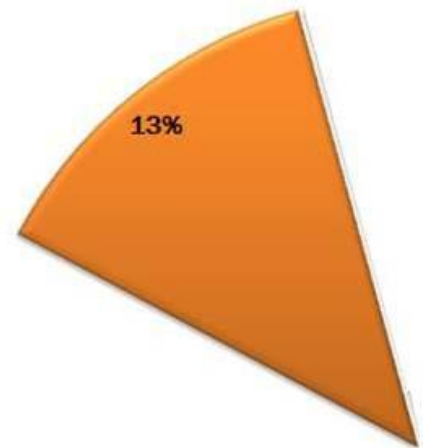
Major Rules:

- Annual room rate setting process establishes rates for upcoming year
- Line item control for Personal Service budget
- Excess funds remain with operations after all reserve requirements are met
- Cannot transfer DIFR allocation or revenues to other funds
- Fund and expenditure transfers to and from accounts allowed only for a specific program purpose
- Increased costs absorbed by fund operations
- Employee termination costs absorbed by fund operations

Research Foundation

The Research Foundation is a registered not-for-profit corporation that administers research activity for SUNY

- Awarded sponsored grants and contracts are accepted by the Research Foundation.
- The University Division of Research
 - Administers the grants and contracts
 - Ensures that the sponsors deliverables are fulfilled and funds used in accordance with all applicable rules and regulations



Research Foundation

Major Rules:

- Processes and procedures are established by the Research Foundation and supplemented by the Division for Research
- 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

Binghamton University Foundation

Registered not-for-profit corporation with the primary purpose to solicit and maintain funds donated by alumni, parents, friends and members of the University community

- Board of Directors establishes Foundation policies and oversees operations
- Subsidiaries:
 - University Housing Corporation
 - Campus Related Properties, Inc.
 - Sothern Tier High Technology Incubator, Inc.



Binghamton University Foundation

Four types of accounts are maintained by the Foundation:

- *Endowed*: Principle invested and income from principle used for the purposes designated by the donor in the endowment agreement
- *Restricted*: Donor designated a specific use of the funds; can spend principle and investment income
- *Unrestricted*: Donations used at the discretion of the University to meet greatest need; can spend principle and investment income
- *Agency*: Non-donation, non-state funds; operation designates usage; foundation acts as custodian of the funds

Binghamton University Foundation

Major Rules:

- Funds must be administered in accordance with donor intents and specifications
- Fees are generally assessed to all revenues deposited to accounts
- Cash balances remain with account
- No allocation process
- Personal service costs are assessed fringe benefits at the Research Foundation rate
- State purchasing and hiring rules do not apply to Foundation funds

Reference Sources/Questions

- University Fiscal Manual
- Accounting Office and Budget Office
- Division of Administration Policies and Procedures (<http://administration.binghamton.edu>)
- Questions or comments can be directed to: budget@binghamton.edu