Budget Management for Academic Departments
Objectives

- The State Budget Cycle
- State Appropriations
- UM Budget
- Funding Sources
- Accounting Structure
- How to review your Budget
- Budget Reports
- THEC Funding Formula
Higher Education Funding

Tennessee Higher Education Commission (THEC)

- Coordinates two systems of higher education in Tennessee
  - The Board of Regents
  - UT System

- Tennessee Board of Regents (TBR) system consists of 46 institutions
  - 6 State Universities
  - 13 Community Colleges
  - 27 Technology Centers

- Each Fall THEC submits a State funding request for Higher Education & this request is incorporated into the Governor’s Budget
The State Budget Cycle
The University’s Budget

State Funding

THEC Formula Recommendation

Governor’s Budget

Legislative Appropriation

TBR Approval of Spring Proposed Budget

July 1st University Budget
**Budget Terms**

**Base Budget**
- Recurring, reported as the July Original & Banner “Adopted” (funds that are expected to continue from year to year)
- *must balance:* Revenue = Expenditures

**Revised (Current) Budget**
- Includes One-Time Funds & Carryforwards, reported in October & Spring (Estimated), Banner “Adjusted”
- *the equation:*

```
PY Carryforwards + Revenue = Expenditures + CY Carryforwards
```
UM Budget Cycle

Spring Budget Development

Estimated Budget Final Current Year
(thru June 30th)

Revised October Budget
(Base & Carryforwards)

July Budget
Base (no carryforward)
(Adopted Budget - Banner)

Submit Budget to TBR for Approval

July Budget
Next Year Base
State Appropriations
The University received State & Federal Stimulus funding in FY10 & FY11
Stimulus + MOE + State One-Time

Stimulus funds ended 6/30/11 resulting in $30M State Appropriations reduction for FY12

* FY12, FY13 & FY14 include base funding for the ATB salary increase & retirement/insurance increases
## Breakdown of State Appropriation Changes

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Ed Reduction</td>
<td>(1,946,400)</td>
<td>(1,779,000)</td>
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</tr>
<tr>
<td>Outcomes Formula</td>
<td>235,400</td>
<td>(1,152,900)</td>
<td>(2,234,600)</td>
</tr>
<tr>
<td>Hold Harmless</td>
<td>(6,743,100)</td>
<td>(1,046,700)</td>
<td>(2,311,800)</td>
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<tr>
<td>New Funding</td>
<td></td>
<td>2,138,000</td>
<td>3,809,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(8,454,100)</strong></td>
<td><strong>(1,840,600)</strong></td>
<td><strong>(737,300)</strong></td>
</tr>
</tbody>
</table>

| ATB Salary & Benefits Increase       | 3,300,000     | 4,022,300     | 2,400,000     |
| **Net Change to State Appropriation**| **(5,154,100)**| **2,181,700** | **1,662,700** |
Five Year Enrollment History (Headcount)

100 full-time-equivalent (FTE) student = approximately $800k in tuition revenue
UM Budget
# UM Base Operating Budget

<table>
<thead>
<tr>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational and General (E&amp;G)</td>
</tr>
<tr>
<td>Auxiliary</td>
</tr>
<tr>
<td>E &amp; G Transfers</td>
</tr>
<tr>
<td>Auxiliary Transfers</td>
</tr>
<tr>
<td><strong>Total E &amp; G Budget</strong></td>
</tr>
<tr>
<td>Restricted Budget</td>
</tr>
</tbody>
</table>

**Total UM Base Operating Budget** $478 M
E&G Base Budget Expenditures by Category

FY14 E&G Proposed (excluding One-time items)

Note: Excludes Transfers, Auxiliary Units and Restricted Budgets
Funding Sources
1) Unrestricted Educational & General (E&G)
2) Auxiliary Enterprises – Breakeven Activities
3) Restricted – Externally Funded
1. University Operating Budget
   - Includes Base and Carryforward Budgets
   - Academic Course Fee
   - Materials Fee
   - UM Online Fees

- Other Sources
  - IDCR (F & A)
  - Conference & Institutes
  - Breakeven units (revenue generating activities)
    - Continuing Education
    - Community Music School
  - TAF

Breakdown by the Numbers

- 3 Main Fund Groups “buckets”
  - E&G = Fund 11XXXX 12XXXX
    - Auxiliary = Fund 3XXXXX
    - Restricted = Fund 2XXXXX
2) Auxiliary Enterprises – Breakeven Activities
- Residence Life
- Food Services
- University Bookstore
- Parking

Breakdown by the Numbers

3 Main Fund Groups “buckets”

E&G = Fund 11XXXX 12XXXX

Auxiliary = Fund 3XXXXX

Restricted = Fund 2XXXXX
2) Restricted – Externally Funded

- Federal & State Financial Aid Programs (Hope, Pell, etc.)
- Centers of Excellence
- Sponsored Programs & Research
- Private Gifts & Foundation Support

Breakdown by the Numbers

- 3 Main Fund Groups “buckets”
  - E&G = Fund 11XXXX 12XXXX
  - Auxiliary = Fund 3XXXXX
  - Restricted = Fund 2XXXXX
Accounting Structure
# Financial Structure

## Expenditure Budgets

Following the university's organizational configuration, a series of Banner codes are used to classify expenses according to: 1) the org/unit/dept, 2) function/program, 3) object account codes, under the following main categories:

<table>
<thead>
<tr>
<th>Divisions/Org/Units</th>
<th>Functions/Programs</th>
<th>Natural Classifications/Acct Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Instruction</td>
<td>Salaries</td>
</tr>
<tr>
<td>Academic Affairs</td>
<td>Research</td>
<td>Benefits</td>
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<td>ITD</td>
<td>Public Service</td>
<td>Travel</td>
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<td>Business &amp; Finance</td>
<td>Academic Support</td>
<td>Operating</td>
</tr>
<tr>
<td>Student Affairs</td>
<td>Student Services</td>
<td>Scholarships</td>
</tr>
<tr>
<td>Marketing, Communications, PR</td>
<td>Institutional Support</td>
<td>Capital/Equipment</td>
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<tr>
<td>Advancement</td>
<td>Plant Operation &amp; Maint</td>
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</tr>
<tr>
<td></td>
<td>Scholarships</td>
<td></td>
</tr>
</tbody>
</table>
**KEY CONCEPT: FOAPAL String**

**Fund** – a six digit code “110001” that identifies the source of the money; (e.g. E&G funds, designated, or restricted)

**Organization** – a six digit code that identifies the department spending the money; (e.g. English, Admissions, Payroll)

**Account** – a five digit code that identifies the type of expenditure; (e.g. salaries, travel, office supplies)

**Program** – a 4 digit code that identifies the general purpose of expenditures (e.g. instruction, research, and student services)

**Activity** – a 6 digit code that can be used to track a project or event within your budget (e.g. Grant Cost Shares, Physical Plant projects)

**Location** – currently not used at this time
KEY CONCEPT: FOAPAL String

All parts of the “FOAP” (fund, organization, account, program) must be used in coding.

“AL” (activity, location) are optional codes.

Basic FOAP string is xxxxxx-xxxxxx-xxxxx-xxxx

Example: 110001 – 205000 – 74500 – 2000
110001 = General E&G funds
205000 = English Department
74500 = Supplies
2000 = Instruction

This transaction means that English used funds from it’s operating budget to purchase office supplies.
What is an INDEX 2-XXXXX

- Crosswalk from the Legacy system
- 6 digit code maps to the FOAPAL
- Used interchangeably with account number

- Finance Program Guide Lookup

<table>
<thead>
<tr>
<th>Fund</th>
<th>ORG</th>
<th>Prog</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</table>

Example: 2-10150 = 110001 – 205000 – 2000
How can I identify all of my FOAPs?

FYGU002 – Operating Ledger Summary by Organization

- Review e~print report - Monthly
- Clean high-level report that lists all FOAPS
- Will not provide index
# FYGU002 Operating Ledger Summary by Organization

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<thead>
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<th>Fund Type</th>
<th>Fund Title</th>
<th>Program Title</th>
<th>Revenue Budget</th>
<th>Actual Revenue</th>
<th>Expenditure Budget</th>
<th>Actual Expenditures</th>
<th>Commitments</th>
<th>Bal Avail</th>
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<td>265000</td>
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<td>Education and General</td>
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<td>110001</td>
<td>Undesignated E and G</td>
<td>General Academic Instruction</td>
<td>146,800</td>
<td>96,312.64</td>
<td>4,949,300</td>
<td>1,439,320.77</td>
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<td>1,072.48</td>
<td>-</td>
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<td>-200.48</td>
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<td>110001</td>
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<td>Academic Administration</td>
<td>1,143,443</td>
<td>381,694.71</td>
<td>703,309.76</td>
<td>58,438.53</td>
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<td>114000</td>
<td>Indirect Cost Recovery</td>
<td>Indirect Cost Recovery</td>
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<td>152.40</td>
<td>5,011.75</td>
<td>45,135.85</td>
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<td>114500</td>
<td>Cost Share</td>
<td>Individual and Project Research</td>
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<td>89,363.95</td>
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<td>Chairs of Excellence I</td>
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<td>116000</td>
<td>Lambuth</td>
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<td>155,209.47</td>
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<td>174,214.00</td>
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<td>124000</td>
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<td>General Academic Instruction</td>
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<td>750.00</td>
<td>5,250.00</td>
<td>4,700.00</td>
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<td>126400</td>
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<td>Revenue Producing Instruction</td>
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<td>127456</td>
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<td>Conferences and Institutes</td>
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<td>31,510.24</td>
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<td>8,601.57</td>
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<td>316,800</td>
<td>201,178</td>
<td>7,097,176</td>
<td>2,133,020</td>
<td>3,987,861</td>
<td>976,295</td>
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<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Fund Title</th>
<th>Program Title</th>
<th>Revenue Budget</th>
<th>Actual Revenue</th>
<th>Expenditure Budget</th>
<th>Actual Expenditures</th>
<th>Commitments</th>
<th>Bal Avail</th>
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<tr>
<td>21</td>
<td>Restricted Funds</td>
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<td>203456</td>
<td>Chair Blue Bird Nest</td>
<td>General Academic Instruction</td>
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<td>241.40</td>
<td>115,412</td>
<td>241.40</td>
<td>85,170.60</td>
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<td>216,631</td>
<td>24,103</td>
<td>216,631</td>
<td>24,103</td>
<td>120,389</td>
<td>72,140</td>
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<td></td>
</tr>
</tbody>
</table>
How to Review Your Budget
The most important financial controls:

- **Budget**
- **Financial Manager**
The budget is a plan

Essential for effective financial management

Control mechanism to match anticipated actual revenues & expenditures

A budget assists in controlling actual costs
The most important financial controls:

- Budget
- Financial Manager
Financial Manager

- An individual designated by position title with **budget responsibility and authority** to create and approve:
  - Financial transactions in Banner and Tigerbuy,
  - Time and leave reporting
    - (aka - the Web time entry approver)
  - Electronic Personnel Action Forms (EPAFs)
Responsibility of a Financial Manager

- Ensure budget is aligned at beginning of year and adjust as needed throughout the year
  - Prior year actual is a good frame of reference

- Review all accounts **MONTHLY**
  - Ensure correct employees have been paid
  - Look for expenditures that exceed budget
  - Compare expenditures to prior year
  - Look for unexpected transactions
  - Review revenue periodically to ensure on track

- Ideal timing for review:
  - Beginning of second week for review of prior month expenditures
  - Don’t review salary account codes until after payroll and encumbrance deobligations have hit
    - There is a time when salary has hit and encumbrance has not been removed
An individual appointed by a financial manager to act on his/her behalf when creating and approving financial transactions (electronic or paper forms).

- This person is called a proxy when approving time and leave reporting, with access to HR and Finance data in Banner.
- The Financial Manager retains responsibility for Designee’s actions.
- A Designee (or Financial Manager) should never approve their own leave or expenditures/travel (or that of a relative).
Other Financial Roles

- ** Approver: ** An individual appointed by a financial manager to act on his/her behalf when approving invoices, cash reimbursements, and transfer vouchers only. Banner access to create financial transactions, as well as, access to create Tigerbuy transactions with approval authority in Tigerbuy up to $5000.

- ** Tigerbuy Requestor: ** An individual appointed by a financial manager to create purchase orders in Tigerbuy with no approval authority. No access is granted to Banner.
When reviewing your accounts...
What may not be in your Base Budget

- **E & G Accounts** (typically have a base budget)
  - Budgets that are funded centrally
    - Benefits
    - Graduate Assistant Fee Waivers
    - Extra Day
    - Degree Incentive

- **Budgets that may not be in departmental budgets**
  - Summer School Instruction
  - Part-time Instruction
  - GA Stipends
  - Off-Campus Instruction
  - RODP Instruction
Position Budgets

- Regular Positions – 1 person per position
  - Report NYBR002 - List of Positions by ORG

- Group Positions – Multiple employees per position
  - GA
  - Students
  - Temporary
  - Part-time Instruction
  - Overtime
# Report NYBR002

## Positions by Org with FOPAL

<table>
<thead>
<tr>
<th>Orgn Number</th>
<th>Orgn Title</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
<th>ECLS Acct</th>
<th>Total Budget</th>
<th>% Budget</th>
<th>Base Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>208000</td>
<td>Red Bird</td>
<td>2100</td>
<td></td>
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<tr>
<td>126400</td>
<td>UM Online Program Incentive</td>
<td>2100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Posn 016183 S: Instructor
- **Name:** Rabbit, Roger R.
- **ECLS Acct:** P9 61210
- **Total Budget:** 35,000.00
- **% Budget:** 100%
- **Base Budget:** 35,000.00

### Posn 016130 S: Project Associate
- **Name:** Purple, Peggy P.
- **ECLS Acct:** AD 61610
- **Total Budget:** 32,960.00
- **% Budget:** 100%
- **Base Budget:** 32,960.00

### Posn 016110 P: Temporary Instructor Part Time Not Filled
- **ECLS Acct:** 61253
- **Total Budget:** 0.00
- **% Budget:** 100%
- **Base Budget:** 0.00

### Posn 012835 P: Graduate Assistant
- **Name:** Farm, Frank F.
- **ECLS Acct:** GA 61257
- **Total Budget:** 0.00
- **% Budget:** 100%
- **Base Budget:** 0.00

### Posn 012835 P: Graduate Assistant
- **Name:** Meadows, Melissa M.
- **ECLS Acct:** GA 61257
- **Total Budget:** 0.00
- **% Budget:** 100%
- **Base Budget:** 0.00

### Posn 012838 P: Student Assistant Regular
- **Name:** Not Filled
- **ECLS Acct:** 61410
- **Total Budget:** 0.00
- **% Budget:** 100%
- **Base Budget:** 0.00

### Posn 016450 P: Professional Temp Employees
- **Name:** Not Filled
- **ECLS Acct:** 61675
- **Total Budget:** 0.00
- **% Budget:** 100%
- **Base Budget:** 0.00

### Posn 016450 P: TOTAL FOAPAL
- **Name:**
- **ECLS Acct:** 126400 208000 2100
- **Total Budget:** 67,960.00
- **% Budget:**
- **Base Budget:** 67,960.00

### Regular Pay Positions: 2

### Group Positions: 5
Budgeting Details

- We budget Operating & Travel in Pool Account codes (7XXXX) and spend in detailed Account codes (74300)

- All Salary account codes are budgeted at the detail level

- Over expended Letters
  Emailed monthly beginning in October
  - (exception – skip Dec – report of November over expenditures – short month)
Breakeven Activities (Ledger 4) Conference and Institute Accounts (C&Is)
- Expenditure = Revenue
- Typically fund their own benefits

Restricted Grant Accounts
- Typically fund their own benefits
- Indirect Cost charges run monthly
Self Service Banner Screens (SSB)

Budget Query

- Budget Status by Account OR Budget Status by Organizational Hierarchy
- Check 4 boxes – Accounted Budget, Year to Date (YTD), Encumbrances and Available Balance
- Review by index or FOP
- Name and save your query
Welcome to the myMemphis portal - your source for personalized online resources at the University of Memphis.

Always log out of the myMemphis portal and close your browser windows when you have completed your session so that no one else has access to your personal records. Even if you follow an outside link, you will remain logged in until you hit the log out button.

Never share your password with anyone. Your password gives those who have it access to your personal information and any other secured University information accessible to you.

Need additional help? Contact the umTech Helpdesk at (901) 678-8888.
My Memphis - Finance Tab
FYBR005 – Budget by Organization Current Year & Base shows:
- Only Expenditures (No revenue information)
- Actuals from the previous year
- Budget for the current year
- Balance Available for the current year
- Base Budget for the future year

FYBR006 – Budget Status by Organization shows:
- Revenues & Expenses Budget
- Revenues & Expenses Actuals
- Expenditure Balance Available

NYBR002
- List of Positions by Organization
FYBR005 Budget Report

- Budget by Organization Current Year & Base shows:
  - Only Expenditures *(No revenue information)*
  - Actuals from the previous year
  - Budget for the current year
  - Balance Available for the current year
  - Base Budget for the future year
**FYBR005 Budget by Organization**

**Current Year & Base**

<table>
<thead>
<tr>
<th>Account</th>
<th>Account Title</th>
<th>Actual Prior FY</th>
<th>Adjusted Budget Current FY</th>
<th>Expenses and Commitments YTD Current FY</th>
<th>Available Balance Current FY</th>
<th>Base/Future Next FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Org 265000</td>
<td>Finance</td>
<td></td>
<td></td>
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<tr>
<td>Prog: 2100</td>
<td>Revenue Producing Instruction</td>
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<tr>
<td>61255</td>
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<td>Other Services and Expenses</td>
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<td>170,903.00</td>
<td>19,381.84</td>
<td>151,521.16</td>
<td>80,000.00</td>
<td></td>
</tr>
<tr>
<td>Total Actv 716</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Prog 2100</td>
<td>Revenue Producing Instruction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Fund 126400</td>
<td>UM Online Program Incentive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Budget Status by Organization shows:

- Revenues & Expenses Budget
- Revenues & Expenses Actuals
- Expenditure Balance Available
- Current Year only
## FYBR006, Budget Status by Organization

Current Year Only – Revenue and Expense

<table>
<thead>
<tr>
<th>ORGANIZATION:</th>
<th>265000  Finance</th>
</tr>
</thead>
</table>

### Fund: 124000  Technology Access Fee

#### 61410  Student Assistants Hourly

Subtotal 61 Salaries: .00

<table>
<thead>
<tr>
<th>Prog: 2000</th>
<th>General</th>
<th>Academic Instruction</th>
<th>Actv Code: NONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Budget</td>
<td>Actual Revenues</td>
<td>Expenditure</td>
</tr>
<tr>
<td>3,500</td>
<td>1,224.00</td>
<td>.00</td>
<td>2,276.00</td>
</tr>
<tr>
<td>3,500</td>
<td>1,224.00</td>
<td>.00</td>
<td>2,276.00</td>
</tr>
</tbody>
</table>

TOTAL: FD 124000 OR 214000 PK 2000: .00

### Fund: 126400  UM Online Program Incentive

#### 51501  UMOnline UG Course Fees Reg

### 51502  UMOnline UG Course Fees Sum

Subtotal 51 Tuition and Fees: 112,800

#### 61250  Support Pay Academic

#### 61253  Temporary Instructor Credit

#### 61256  Summer Credit Instruction

#### 61257  Academic Masters Graduate Assistant

#### 61276  Academic Temporary Post Retirement

Subtotal 61 Salaries: 112,800

<table>
<thead>
<tr>
<th>Prog: 2100</th>
<th>Revenue</th>
<th>Producing Instruction</th>
<th>Actv Code: NONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>Actual</td>
<td>Actual Expenditures</td>
<td>Commitments</td>
</tr>
<tr>
<td>100,800</td>
<td>54,200.00</td>
<td>8,163.67</td>
<td>2,276.00</td>
</tr>
<tr>
<td>12,000</td>
<td>.00</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>112,800</td>
<td>62,363.67</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>2,700</td>
<td>900.00</td>
<td>1,800.00</td>
<td>.00</td>
</tr>
<tr>
<td>10,125</td>
<td>3,375.00</td>
<td>6,750.00</td>
<td>.00</td>
</tr>
<tr>
<td>8,920</td>
<td>8,917.69</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>5,667</td>
<td>2,166.68</td>
<td>3,500.04</td>
<td>.28</td>
</tr>
<tr>
<td>10,130</td>
<td>2,531.86</td>
<td>7,106.64</td>
<td>2.48</td>
</tr>
</tbody>
</table>

Subtotal 62 Employee Benefits: 4,548

<table>
<thead>
<tr>
<th>Prog: 74000</th>
<th>Operating Expense Budget Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>211,561</td>
<td>.00</td>
</tr>
</tbody>
</table>

Subtotal 74 Operating Expenses: 211,561

TOTAL: FD 126400 OR 214000 PK 2100: 211,561.41
Grant Management Tool

Researcher’s Dashboard via UM Portal
**FYI - Access to Budget Reports**

- In response to a request from the Faculty Senate

- A process was implemented to give all Faculty access to the following budget reports
  - FYBR005 – Budget by Organization Current Year & Base
  - FYBR006 – Budget Status by Organization

- An update is run once a year to include all current Faculty with access to their Home Org.

- For access outside of the routine update period see link below.
  - [http://bf.memphis.edu/forms/tech/budg_reports.htm](http://bf.memphis.edu/forms/tech/budg_reports.htm)
THEC Funding Formula
New Outcomes Based Funding Formula

Three Components of the new Formula

- Outcome metrics
- Fixed Costs
- Performance Factor
## Outcome Metrics & Weights

<table>
<thead>
<tr>
<th>Weights Based on Institutional Mission</th>
<th>APSU</th>
<th>UTM</th>
<th>TTU</th>
<th>UTC</th>
<th>MTSU</th>
<th>ETSU</th>
<th>TSU</th>
<th>UM</th>
<th>UTK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Progression: 24 Credit Hours</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Student Progression: 48 Credit Hours</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Student Progression: 72 Credit Hours</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Bachelors Degrees</td>
<td><strong>30%</strong></td>
<td>30%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td><strong>15%</strong></td>
<td><strong>15%</strong></td>
</tr>
<tr>
<td>Masters Degrees</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Doctoral/Law Degrees</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>7.5%</td>
<td>7.5%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Research/Grant Funding</td>
<td><strong>10%</strong></td>
<td><strong>10%</strong></td>
<td><strong>10%</strong></td>
<td><strong>10%</strong></td>
<td><strong>10%</strong></td>
<td><strong>12.5%</strong></td>
<td><strong>12.5%</strong></td>
<td><strong>12.5%</strong></td>
<td><strong>15%</strong></td>
</tr>
<tr>
<td>Student Transfers</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Degrees per 100 FTE</td>
<td>15%</td>
<td>15%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Graduation Rate</td>
<td>5%</td>
<td>5%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>12.5%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Bachelors degrees; little research/doctoral degrees**

**Extensive doctoral degrees and emphasis on research**
Outcomes Funding Formula Measures

- The three most recent years of data
- 40% premium for UG adult & low income students
- Data metrics are scaled & applied to our Institutional weights to produce the total weighted outcome
- The weighted outcome value is multiplied by the SREB average faculty salary
- Fixed costs are calculated (Maint & Operations)
- “Quality Assurance” scores for each institution are applied
- Deduction for an Institution’s Out of State students
## Recap Outcomes Funding Formula

### Outcomes Model Summary - University of Memphis

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Data</th>
<th>Scaled Data</th>
<th>Weight</th>
<th>Weighted Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students Accumulating 24 hrs (Scale=1)</td>
<td>2,414</td>
<td>2,414</td>
<td>2.0%</td>
<td>59.8</td>
</tr>
<tr>
<td>Students Accumulating 48 hrs (Scale=1)</td>
<td>2,346</td>
<td>2,346</td>
<td>3.0%</td>
<td>89.3</td>
</tr>
<tr>
<td>Students Accumulating 72 hrs (Scale=1)</td>
<td>2,589</td>
<td>2,589</td>
<td>5.0%</td>
<td>168.8</td>
</tr>
<tr>
<td>Bachelors and Associates (Scale=1)</td>
<td>2,655</td>
<td>2,655</td>
<td>25.0%</td>
<td>927.8</td>
</tr>
<tr>
<td>Masters/Ed Specialist Degrees (Scale=0.3)</td>
<td>958</td>
<td>3,193</td>
<td>15.0%</td>
<td>479.0</td>
</tr>
<tr>
<td>Doctoral / Law Degrees (Scale=.05)</td>
<td>260</td>
<td>5,193</td>
<td>10.0%</td>
<td>519.3</td>
</tr>
<tr>
<td>Research and Service (Scale=20,000)</td>
<td>$64.2M</td>
<td>3,213</td>
<td>12.5%</td>
<td>401.6</td>
</tr>
<tr>
<td>Transfers Out with 12 hrs (Scale=1)</td>
<td>361</td>
<td>361</td>
<td>5.0%</td>
<td>18.1</td>
</tr>
<tr>
<td>Degrees per 100 FTE (Scale=.02)</td>
<td>18</td>
<td>902</td>
<td>7.5%</td>
<td>67.7</td>
</tr>
<tr>
<td>Six-Year Graduation Rate (Scale=.04)</td>
<td>44%</td>
<td>1,099</td>
<td>15.0%</td>
<td>164.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,896</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Weighted Outcomes</th>
<th>Avg SREB Salary</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,896</td>
<td>x 78,713</td>
<td>= $ 227,967,000</td>
</tr>
</tbody>
</table>

**Grand Total Calculation** $ 287,681,246

*Subsidy/Fee Policy* $ 86,609,400

**Formula is Funded @ 60.4%**

**THEC Formula Calculation** $ 143,309,000

Less Out of State Tuition $ (14,265,300)

**Grand Total Calculation** $ 287,681,246

**Formula is Funded @ 60.4%** $ 86,609,400
# Outcome Returns

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Increase</th>
<th>Increase in Funding Needs Calculation</th>
<th>~ Estimated Actual Financial Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduates Degrees*</td>
<td>100</td>
<td>$1,000,000</td>
<td>$600,000</td>
</tr>
<tr>
<td>Masters Degrees</td>
<td>50</td>
<td>$1,000,000</td>
<td>$600,000</td>
</tr>
<tr>
<td>Masters Degrees</td>
<td>10</td>
<td>$200,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>Doctoral Degrees</td>
<td>10</td>
<td>$800,000</td>
<td>$485,000</td>
</tr>
<tr>
<td>6-year Graduation Rate</td>
<td>3%</td>
<td>$425,000</td>
<td>$253,000</td>
</tr>
<tr>
<td>Degrees/FTE</td>
<td>10%</td>
<td>$265,000</td>
<td>$160,000</td>
</tr>
<tr>
<td>Research Funding</td>
<td>$10,000,000</td>
<td>$2,500,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Change Carnegie Rank</td>
<td>Very High Research</td>
<td>$20,000,000</td>
<td>$12,000,000</td>
</tr>
</tbody>
</table>

- **4:1 ratio for Doctoral to Masters degrees**
- **2:1 ratio for Masters degrees to Undergraduate**

* UG Degree outcome does not include any premiums for Adult/Low income students (an additional 40% premium is awarded for these students)
Additional Information....

- UoM Budget on the Web: [http://bf.memphis.edu/finance/budget/](http://bf.memphis.edu/finance/budget/)
  - Recommended Summaries: Form I, III, V, IX


- UoM Financial Planning & Budget: [http://bf.memphis.edu/finance/budget/](http://bf.memphis.edu/finance/budget/)

- Questions?
  - Contact Office of Financial Planning & Budget: budget@memphis.edu 901-678-2117
Questions?