

New Administrator Training

Budget Model Overview

A complete overview of the University's budget model and process can be found at www.bsu.edu/budget.

In the University's budget model, University units are classified as one of the following categories, which is based on a unit's ability to generate revenue:

- Primary units – academic units (colleges)
- Support units – units which do not directly generate revenue, like University administrative offices

Primary Units – Revenue

Tuition revenue for a given student is allocated as follows:

- 75% of the tuition is allocated to the College of Instruction – the college which is teaching the course
- 25% of the tuition is allocated to the College of Record – the college of the student's major

For example, a student in the College of Fine Arts takes an English course. In this case, 75% of the tuition revenue goes to the College of Sciences & Humanities (for teaching the course), and 25% of the revenue goes to Fine Arts.

Other fees include program/course fees, which are fees associated with certain majors and/or courses. Not all colleges/departments have such fees.

Revenue is offset by institutional financial aid:

- Undergraduate aid – institutional aid allocated based on a college's proportional share of undergraduate tuition
- Graduate aid:
 - Graduate Assistant fee remissions (based on where the student's stipend is paid from)
 - Graduate Assistant stipends

State appropriations are allocated to colleges as follows:

- **Instruction:** 80% of allocable appropriations based on college's share of completed credit hours instructed
- **Student Success:** 20% of allocable appropriations based on the number of degrees awarded in the following categories:
 - Resident
 - Non-Resident
 - At-Risk (students receiving Pell Grants in the year they earned their degree)
 - High-Impact (degrees considered 'high-impact' by the Indiana Commission for Higher Education)

Primary Units – Expenses

Aside from direct expenditures for items like wages, benefits, supplies & expense, and travel, primary units also fund the costs for support units.

The support unit costs allocated to the college are based on the college's share of certain metrics. For example, facilities costs are allocated based on the college's portion of net assignable square footage in comparison with all other colleges.

Timelines

The University's fiscal year begins July 1 and ends June 30. The closing/finalization of a fiscal month typically occurs on the fifth business day of the following month – monthly closing schedules can be found [here](#).

Finance Reporting

Finance reporting requests can be routed through your area's Director of Budget & Resource Planning. The University leverages Argos as its dedicated reporting solution, and Banner also includes several native Finance-related reports.

FOAPALs

Finances in Banner (the University's ERP, or system of record) are recorded in various FOAPALs. 'FOAPAL' is a Banner acronym:

| FOAPAL Element | Length | Required? | Purpose |
|----------------------|------------|-----------|--|
| F und | 6 | Y | Entity where transactions are recorded for specific objectives |
| O rganization | 6 | Y | Represents a department, center, etc. |
| A ccount | 6 | Y | Classification of type of revenue, expense, etc. |
| P rogram | 4 | Y | Classification of operations to attain specific purposes |
| A ctivity | <=6 | N | Used to track specific expenses pertaining to a certain activity |
| L ocation | (not used) | N | Represents physical locations; used primarily with fixed assets |

For example, the salary FOAPAL for a department chairperson could be 100100; 700060; 610020; 2001, where:

| | | |
|----------------|---|---------------------------|
| Fund 100100 | = | General Operating Fund |
| Org 700060 | = | Department of Biology |
| Account 610020 | = | Faculty Wages Fiscal Year |
| Program 2001 | = | Instruction |

Fund Types

The following are types of University funds which exist in Banner. Not all departments have each of the types below:

| Type | Value | Purpose |
|------------------|--------|---|
| General Fund | 100100 | The general operating fund; base department expenses flow through this fund |
| Designated Funds | 1* | Funds created for specific purposes, like RIA, IDC (Indirect cost), field studies, events, etc. |
| Grant Funds | 2* | Funds from grant sponsors |

Account Codes

| Begins With | Represents |
|-------------|--------------------|
| 5* | Revenue |
| 6* | Wages & Benefits |
| 7* | Supplies & Expense |
| 738* | Travel |
| 8* | Fund Transfers |
| B* | Budget Pools |

Account Codes – When to Use

- 733010-Supplies -for under \$500 purchases (excludes computers). It is not required though
- 733210-Minor Equipment - for non-computer equipment valued at less than \$5,000 per item
- 734025-Computer Purchases - for computers valued at less than \$5,000 per item
- 734020-Computer Software Purchased - for software valued at less than \$100,000 per license
- 738510-Educational Equipment - valued at \$5,000 or more individually
- 735820-Auxiliary Equipment - valued at \$5,000 or more individually
- 739010-739150 - Account Codes in this range are typically used with plant funds (9xxxxx range) - If you are not responsible for entering a PR against a plant fund, please do not use Account Codes in the 739xxx range

Expenses

Some quick notes regarding expenses:

- University purchases are generally exempt from sales tax; more information regarding tax can be found [here](#).
- Expense reimbursements are subject to provisions in the [Expense Reimbursements Accountable Plan](#):
 - Non-travel expenses – reimbursement request must be submitted within sixty days of purchase date
 - Travel expenses, before travel occurs:
 - request must be submitted either within sixty days of purchase date, or
 - request must be submitted within sixty days of trip end date
- University funds cannot be used for the purchase of alcohol.
- Unless an employee is in travel status, University funds cannot be used to reimburse employee meals. Employees in travel status receive a per diem in lieu of reimbursement of actual meal expenses.
- Gift cards can only be procured through Tango, the University's dedicated incentive vendor for research incentives, and only in certain situations as stated in the [Procedure for Disbursing Awards, Prizes, Scholarships and Payments for Services to Students](#). Tango procedures can be found [here](#).
- Payments to students must follow provisions in the [Procedure for Disbursing Awards, Prizes, Scholarships and Payments for Services to Students](#).
- General Fund monies cannot currently be used to fund expenses for the private benefit of an employee (office parties, gifts, University-branded materials, etc.).

Purchasing Methods

Items can be ordered through SciQuest, the University's eProcurement system for procurement and payables. Departments may also use a purchasing credit card ("procurement card" or "p-card") for certain expenses in conjunction with provisions of the [Credit Card Policy](#).

Transferring Funds Between FOAPALs

A journal voucher (JV) is the mechanism to move funds from one FOAPAL to another, and there are some limitations to what can be transferred between FOAPAL elements. Administrative coordinators should have the access to complete a JV using the Banner FGJVC form. Training resources can be found by clicking the '[Banner Training Materials](#)' link on the [my.bsu.edu](#) page.

Budget Pools

Budget pools may exist in the categories below. Budgets can be transferred between compensation pools, or between supplies and travel, but compensation pools cannot be transferred to supplies or travel, or vice versa.

Supplies & Expense

Used for operating expenses in compliance with University purchasing and expenditure protocols.

Travel

Used for travel expenses – airfare, lodging, mileage, conference registrations, etc. in compliance with [University Travel Policy](#). Current reimbursable travel rates (mileage, hotel, per diem) can be found [here](#).

University students and employees proposing to travel outside the United States must register their travel in Terra Dotta, the University's risk management database. Additional international travel information can be found [here](#).

Graduate Assistants

Budget pools exist for GA fee remissions and for GA stipends.

Program Reserve

Program Reserve represents an additional pool of funds, which can be used at the Dean's discretion to fund non-recurring expenses for compensation (faculty, students, graduate assistants), supplies & expense, and travel.

Wages & Benefits

Compensation pools are based on employee classifications. Separate pools exist for students, staff, professional, service, tenure-track faculty, contract faculty, adjuncts, and faculty summer salaries.

An Unfilled Position Reserve exists for each college. The funds in the Reserve are based on employee movements. The reserve increases as employees are hired at a lower salary than the prior incumbent of a given position.

Reserve funds can be used to supplement salaries in the college, and funds are not tied to specific positions.

Contracts

Contracts with outside parties can only be signed by either the President, VP for Business Affairs & Treasurer, or the AVP & Chief Budget Officer and must follow the proper [contracts process](#). The University also offers several contract templates to expedite the process. Please work with the Director of Budget & Resource Planning (Budget Director) in your area for assistance.

Systems Access

Access for most University applications can be requested through the [HelpDesk](#) by clicking 'Request Services' and going to 'Security Access.'

Graduate Assistantships

Tuition Revenue

Regardless of whether the student is a GA or not, the tuition revenue for any given student is as follows:

- 75% of the tuition charged to the student allocated to the College of Instruction – the college that is teaching the course
- 25% of the tuition charged to the student allocated to the College of Record – the college of the student's major

GA Stipends

GA stipends are charged to the 650010 account code and are part of the B65000 budget pool. Typically, the hiring department submits the EPAF to hire the GA. The stipend FOAPAL is based on what was entered *on* the EPAF, but not who *enters* the EPAF.

GA Remission

GA remissions are charged to the 650011 account code and are part of the B00012 budget pool. The remission 'follows' the stipend, so wherever the stipend is charged is where the remission will post.

Hiring GAs From Other Areas

In the case where College A hires College B's graduate student, College A should enter the EPAF and list College A's FOAPAL as the labor to be charged for the stipend. The remission, by default, would be charged to College A. Colleges are free to negotiate which college will pay for the remission.

In the case where a non-academic unit hires a GA from a college, the stipend would be charged to the non-academic unit and the remission expense would be allocated across all colleges as a support unit expense.

Foundation

Foundation funds assigned to a college or department should be used in compliance with the Foundation's expenditures policy, in accordance with the stated purpose of the Foundation fund, and in compliance with any spending restrictions associated with the fund. University funds cannot be transferred into a Foundation fund.

Expenditures using Foundation funds are recorded in dedicated University FOAPALs. A completed [Foundation Withdrawal Request Form](#) must be signed by appropriate personnel (unique to each Foundation fund) and submitted to the Foundation. The Foundation will then review the Form and reimburse the University FOAPAL upon approval.

Personnel

Overview

University employees are classified in Human Resources through the use of position numbers and suffixes. Suffixes are meant to detail an assignment that is different than the employee's base assignment. For example, an employee receiving a cell phone stipend would have two suffixes – one suffix for the primary position and one for the cell stipend.

Position numbers have budget dollars assigned to them which make up the compensation budget pool amounts in Banner Finance. Personnel budgets must be evaluated as part of any personnel decision. Funds from a vacant position may be used to fund another position on a non-recurring basis.

Hires

Position postings are recorded in the TMS module and are subject to Provost approval. Other notes about hiring:

- Candidate expenses – candidate travel may be reimbursed from the General Operating Fund (outside of the college) using the following FOAPAL: 100100; 130040; 738140; 2006
- Moving expenses - tenure-track faculty moving expenses must comply with provisions of the Faculty Moving Policy. If allowable, expenses are funded from 158039; 130040; 733500; 2001. Moving allowance requests in excess of \$2,000 must be approved by the Provost and Vice President for Academic Affairs prior to inclusion in the offer.

Miscellaneous

- A 'Notice of Change in Status/Compensation' (P-3) form needs to be completed and submitted for any faculty/professional personnel who are retiring/resigning before the end of their contract period.
- The Talent Management System (TMS) is used to update position descriptions, create job postings, and hire candidates.
- The Faculty Load & Compensation (FLAC) module is used to tie instructional and non-instructional assignments to position numbers to generate payment records for the assignment(s).
- An Electronic Personnel Action Form (EPAF) is used to create or update employee records – students, graduate assistants, salary changes, stipends, miscellaneous faculty assignments, etc., would have their job details entered via EPAF, which creates the payment record for the assignment.

Resources

Your college's Director of Budget and Resource Planning (Budget Director) can assist with questions pertaining to your college's or department's finances. For questions and information concerning University policies, training guides, etc., please see below:

| TOPIC | OWNER | WEBSITE | CONTACT | EXAMPLES |
|---|---------------------------|----------------------|--|---|
| System Training Resources (Finance, Argos, A/R, etc.) | Miscellaneous | Link | Miscellaneous | Journal voucher training |
| Finance Policies, Finance Training | Controller's Office | Link | ERPFINANCE@bsu.edu | |
| Travel, Travel Training | Accounts Payable | Link | travel@bsu.edu | Chrome River training |
| Sponsored Projects Policies | Sponsored Projects Admin. | Link | spadmin@bsu.edu | |
| Personnel Actions | Human Resources | Link | humanresources@bsu.edu | EPAF instructions |
| Procurement Policies & Training | Purchasing Services | Link | procurement@bsu.edu | Purchasing credit cards, move requests, SciQuest training |
| Foundation | BSU Foundation | Link | FDFINANCE@bsu.edu | |