The Color of Money

May, 2020
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• General Revenue (GR) Funds
  – State Appropriations
  – University Income Fund (UIF)
• Bond Revenue (Auxiliary Facilities System – AFS)
• Agency (Other Local Funds)
• Grants and Contracts

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• Foundation Funds
• Service Accounts
• Lab Schools
Identifying Fund Types

First 3 digits of account; \textit{xxxx}-xx-xxxxxxxxxx-xxxxxx

101xx – General Revenue Budgets
104xx – General Revenue Expenses
105xx – Service Departments
106xx – Bond Revenue (Auxiliary Facilities System)
107xx – Other Local Funds (Agency)
115xx – Grants and Contracts
117xx – Lab Schools
880xx – Foundation Payrolls
How Information Gets from Here to There

Payroll expenditures in summary

iPeople
HR/Payroll System

Budget Center
(Transfer Center)
Budget System

Datatel
Financial System

Personnel Data

Operating Transfers

Operating Data
General Revenue (GR)

- 101xx OR 104xx
- Sources of funds:
  1) Appropriations from the State of Illinois
  2) Tuition Revenue
- Must be used within academic mission; cannot subsidize other fund types
- 60% of budget
- Not revolving (use within FY)
Historical State Appropriations

State Appropriations ($000)  
FY2002 - FY2020

<table>
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<th>Year</th>
<th>Appropriations</th>
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- **State Appropriations**
- **Trendline**
How Do We Get Our Appropriation?

- **October**: BOT approves budget request; ISU submits request to IBHE
- **December**: IBHE visits campus for budget meetings
- **February**: ISU sends budget materials to state legislature
- **Feb-March**: Governor gives Budget Address
- **March-Apr**: ISU leaders meet with appropriation committees from the Illinois General Assembly
- **May-June**: Appropriation Bill is enacted
Status of State Funds

- FY2015
  - 2.25% mid-year cut in state appropriations to $72.2M
- FY2016
  - Budget Impasse – received only $20.9M
- FY2017
  - Restored ISU to FY2015 level - $72.2M - but not until FY2017 was over
- FY2018
  - Reduced to $65.0M (10% cut)
- FY2019
  - $66.3M Operating Appropriation (2% increase)
  - $65.9M Capital Appropriation
  - MAP funded at State Level - $401M
- FY2020
  - $69.6M Operating Appropriation (5% increase)
  - $195.5M Capital Appropriation
  - MAP funded at State level - $451M
Bond Revenue (AFS)

- 106xx
- Sources of funds:
  - Proceeds from selling bonds on public market
  - Revenues from selling products and providing services
  - Some student fees
- High restrictions on use of funds
- Each bond entity must be self-sufficient and is expected to build reserves
- Dollars cannot be transferred across bond entities or to/from other fund types
- 20% of budget
Grants and Contracts

- 115xx and 116xx
- Sources of funds:
  - Funds awarded to faculty or staff for research projects or institutional improvement
  - May come from federal, state, local, private agencies
  - Includes federal and state student financial aid (116xx)
- Very high restrictions on use of funds
- 8% of budget (Budgeted outside of Budget Office)
Agency Accounts (Other Local Funds)

• 107xx

• Sources of funds:
  – Indirect Cost
  – Revenues generated by self-supporting units
  – Course material fees
  – Mandatory student fees

• Many different types; Must be used for the purpose in which they were charged

• 12% of budget
DEFINITION OF AGENCY FUNDS

Resources held by the institution as custodian or budget officer for individual students, faculty, staff members, or organizations.

These funds are restricted in use to the specific purpose for which they are charged.

Dollars cannot be transferred across fund types.
SOME EXAMPLES

- Vidette
- WGLT
- Shakespeare Festival
- Gamma Phi Circus
- Conference Services
- TechZone
- University Farm
- Study Abroad
- Course Material Fees
- RSOs
- Activity Fees
- Ticket Sales
LAC Guidelines - Entities

• The Legislative Audit Commission’s [University Guidelines of 1982 (amended 1997)] require that Agency accounts be assigned an accounting category or “entity”:

• Indirect Cost Support - 10701
• Continuing Education & Public Service - 10702
• Sales & Service of Educational Activities - 10703
• Student Programs & Services - University Student
  – Activity Fees - 10704
  – Health Service Fees - 10705
  – Athletic Fees - 10706
  – U-High Student Activity Fees - 10707
  – Other - 10708
• Field Trip & Foreign Study Activities - 10709
• Agency & Clearing – 50701 (pass through)
AGENCY FUND ENTITIES

• 10701 Indirect Cost Support
  – Some agencies pay an administrative overhead fee when a grant is awarded. ISU then redistributes these funds out to departments.
  – Funds distributed 2x/year
  – Use Restriction – Low
  – Used for costs that support grants and contracts operations and overhead expenses; such as personnel, supplies, equipment, training, travel.
  – Funds cannot be transferred out of indirect cost accounts
AGENCY FUND ENTITIES

• 10702 Continuing Education & Public Service
  – Revenues generated from ticket sales, conference registrations, workshops, merchandise sales, etc.
  – Use Restrictions – High
  – Revenues and expenses must be directly related to the purpose of the “agency” or unit for which the account was created.
10703 Sales & Service of Educational Activities

- Revenue from material fees, lab fees, Milner Library, transcript fees, Speech & Hearing Clinic, Testing Office, etc.
- Use Restrictions – Very high
- Revenues and expenses must be directly related to the operations for which the account was created.
- Excessive rolling balances are not allowed.
AGENCY FUND ENTITIES

• 10704 and 10708 Student Activity Fees

  – Students pay mandatory fees that are directed to the areas they support.
  – Use Restrictions – High
  – Supports activities and programs created to enrich the student experience (Redbird Ride, SGA, RSO programs, Child Care Center, recreational programs, concerts, DoS programs, etc.)
  – Review committee
AGENCY FUND ENTITIES

• 10705 Student Health Services and 10706 Athletic Fees
  – Students pay mandatory fees that are directed to the areas they support.
  – 10706 also includes ticket sales and NCAA proceeds
  – Use Restrictions – High

• 10709 Field Trip & Foreign Study Activities
  – Revenue from student participants and partnering schools.
  – Use Restrictions – High
Pieces of the Budget Pie

FY2020 Operating Revenues by Source – $479.2 Million

- University Income Fund $216.5 M (45.2%)
- Bond Revenue Operations $94 M (19.6%)
- Grants and Contracts $38.5 M (8%)
- Other Local Funds $60.4 M (12.6%)
- State Appropriations $69.8 M (14.6%)
QUESTIONS