**All Funds Budget Model**

**Introduction**

Below is the description of the budget model announced by the Provost in September 2015. This model will go into effect July 1, 2017 (Fiscal Year 2018).

This model features:

* Simplicity, transparency and predictability;
* Clarity in reporting;
* Allocation of each revenue source separately and consistent with how each was generated;
* Allocation of utilities, facilities and capital maintenance expenses to all units, including central units;
* Utilization of a tax (“General Services Allocation”) for the majority of central expenditure recovery; and
* Timing that allows model to be run as a parallel shadow system in FY 2016 and FY 2017 to identify any unintended consequences prior to implementation in FY 2018.

**Detailed Information**

**Total University Budget: ~$1.2 Billion**

**Total Revenue**

* **Undergraduate Tuition and Fees** (gross) are allocated to colleges based on 75% credits taught using instructors’ college of record (ICOR) and 25% based on students’ Home School
* **Graduate Tuition and Fees** go directly to the colleges that generate them
* **Other Tuition and Fees** go directly to the colleges that generate them
* **State Restricted Appropriations** go directly to the colleges identified in state budget language
* **Federal Appropriation** (currently only College of Agriculture and Natural Resources) goes directly to the college identified by the federal government
* **Contract & Grants-Federal, State & Other** go directly to the colleges that generate them
* **Facilities & Administrative Cost Recoveries** go directly and entirely (100%) to the colleges or central units that generate them
* **Gifts** go directly to the colleges that generate them
* **Endowment Payout** goes directly to the colleges that generate it
* **Temporary Investment Income** goes directly to the colleges that generate it
* **Other Sources Revenue** goes directly to the colleges that generate it
* **Activities of Educational Departments** go directly to the colleges that generate them
* **Auxiliaries** go directly to the colleges that generate them

**Total Expenditures and Transfers**

* Direct, all funds expenses within each college (compensation, benefits, travel, supplies and expense, graduate tuition expense, plant O&M, sub-contracts, capital expenses, interdepartmental expenses), as well as transfers, are attributed to the colleges in which they are incurred.

**Allocation of Revenue and Expenses**

* **State Appropriation** revenue (unrestricted) is allocated based on an adjusted expenditure base as a proxy for the activity of the college:
  + Total All Funds Expenses

*Less*: 90% of subcontract expenditures

*Less*: graduate tuition expense

*Equals*: Adjusted Expenditure Base for State Appropriation

* **Utilities** expenses are allocated by square footage with a lab factor of 35%
* **Facilities** expenses are allocated by square footage
* **Capital Maintenance** expenses are allocated by square footage
* **Financial Aid** expenses are allocated to colleges based on 75% ICOR and 25% Home School
* **General Services Allocation** (supplemented by central revenues) supports all other central (non-college) operating expenses. This is a tax assessed on an adjusted expenditure base of each college:
  + Total All Funds Expenses

*Less*: state restricted expenditures (defined by fund)

*Less*: federal restricted expenditures (defined by fund)

*Less*: contracts & grants expenditures (defined by fund)

*Less*: graduate tuition expense

*Equals*: Adjusted Expenditure Base for General Services Allocation

**One University Support**

All parts of the University benefit from and rely upon our strength as a collective with many and varied fields. **One University Support** is a redistribution of funds that accommodates the understanding that different programs have differential costs of delivery and infrastructure needs.

*For your convenience, a printer-friendly version of this document is available.*