

Clemson University

**TigerPrints**

---

Budget Documents

Clemson University Controller

---

1-1-2016

## 2016 Budget Document

Clemson University

Follow this and additional works at: [https://tigerprints.clemson.edu/budget\\_docs](https://tigerprints.clemson.edu/budget_docs)

---

### Recommended Citation

University, Clemson, "2016 Budget Document" (2016). *Budget Documents*. 4.  
[https://tigerprints.clemson.edu/budget\\_docs/4](https://tigerprints.clemson.edu/budget_docs/4)

This Article is brought to you for free and open access by the Clemson University Controller at TigerPrints. It has been accepted for inclusion in Budget Documents by an authorized administrator of TigerPrints. For more information, please contact [kokeefe@clemson.edu](mailto:kokeefe@clemson.edu).



## Table of Contents

---

<b>Executive Summary</b> .....	iii
<hr/>	
<b>Overview</b> .....	1
<hr/>	
<b>Budget</b>	
Delegation of Authority to the Administration .....	1
Summary Revenue and Expense by Program Budget .....	2
Summary Revenue and Expense by Account Budget .....	3
Operating Resources by Source .....	4
Operating Uses by Program .....	6
Operating Uses by Account .....	8
<hr/>	
<b>Student Fees</b>	
<b>Academic Fee Schedule</b>	
Undergraduate Student Academic Fee Schedule .....	1
Graduate Student Academic Fee Schedule .....	3
<hr/>	
<b>Supplemental</b>	
Comparison of the Operating Budget with Audited Financial Statements .....	1
Operating Resources by Source .....	3
Operating Uses by Program .....	4
Operating Uses by Account .....	5
<hr/>	
<b>Glossary</b>	
Definition of Terms .....	1

---



# Executive Summary

## Introduction

This document presents Clemson University's proposed FY 2015-16 Operating Budget and the Proposed Academic Fee Schedule for Fall 2015. The proposed balanced budget is an estimate of the anticipated sources and uses of funds in FY 2015-16. It reflects the University's plan and serves as a management tool to drive accountability by providing a reference point for measuring actual financial performance. Multiple views of the proposed operating budget are presented in the Budget Section to promote a consistent, transparent basis for reporting financial performance to the Board throughout FY 2015-16. The Supplemental Section offers an alternative view of the budget that is comparable to the Statement of Revenues, Expenses and Changes in Net Position (SRECNP) in the University's Comprehensive Annual Financial Report (CAFR), which is based on Generally Accepted Accounting Principles (GAAP). This section describes the differences between an operating budget perspective and the financial statement or CAFR perspective, and provides a view reconciling the two perspectives.

Unrestricted and Restricted Operating revenues and State Appropriations are projected to increase by \$53.7M. Correspondingly, operating expenditures are projected to increase by \$53.7M. In summary, this represents a 6.4% increase in operating revenues and a 6.4% increase in operating expenditures. Additionally, the University is projecting a \$4.5M increase in noncash "resources" and "expenditures", an increase of 9.6%. Finally, the University is projecting to utilize \$40.1M of fund balance resources to support appropriate one-time costs such as start-ups, equipment purchases, and other one-time payments. This is actually a decrease of \$15.4M, or 27.7%, compared to last year's projected use of fund balance.

In total, the net change in the University's projected resources and expenditures is \$42.9M, or 4.5%. Again, this is inclusive of unrestricted and restricted operating activities, State Appropriations, noncash entries, as well as activities supported by prior year fund balances. When excluding noncash items and fund balance resources – the University's operating sources and costs are projected to increase by \$53.7M or 6.4%.

## Operating Resources Budget

Revenue Source	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change	Percentage Change
<b>Unrestricted Revenue</b>				
State Appropriations	\$ 109,266	\$ 105,903	\$ 3,363	3.2%
Federal Appropriations	12,627	12,452	175	1.4%
Student Fees	354,899	334,333	20,566	6.2%
Facilities and Administrative Cost	11,877	11,877	-	0.0%
Sales and Services	190,128	167,573	22,555	13.5%
Other University Generated	24,836	22,355	2,481	11.1%
<b>Total Unrestricted Operating Revenue Budget</b>	<b>\$ 703,633</b>	<b>\$ 654,493</b>	<b>\$ 49,140</b>	<b>7.5%</b>
<b>Restricted Revenue</b>				
State Higher Education Grants	\$ 51,270	\$ 49,900	\$ 1,370	2.7%
Financial Aid-Grants and Contracts and Other Revenues	50,894	48,990	1,904	3.9%
Grants and Contracts	90,255	89,496	759	0.8%
Other Restricted Revenue	1,364	855	509	59.5%
<b>Total Restricted Revenues</b>	<b>\$ 193,783</b>	<b>\$ 189,241</b>	<b>\$ 4,542</b>	<b>2.4%</b>
<b>Total Annual Operating Revenues</b>	<b>\$ 897,416</b>	<b>\$ 843,734</b>	<b>\$ 53,682</b>	<b>6.4%</b>
Unrestricted Use of Fund Balance Resources	40,131	55,493	(15,362)	-27.7%
<b>Total Unrestricted Resources (includes Fund Balance)</b>	<b>\$ 743,764</b>	<b>\$ 709,986</b>	<b>\$ 33,778</b>	<b>4.8%</b>
<b>Total Restricted Resources</b>	<b>193,783</b>	<b>189,241</b>	<b>4,542</b>	<b>2.4%</b>
<b>Total Revenue and Fund Balance</b>	<b>\$ 937,547</b>	<b>\$ 899,227</b>	<b>\$ 38,320</b>	<b>4.3%</b>
Noncash Waivers	51,702	47,154	4,548	9.6%
<b>Total Operating Revenues and Resources</b>	<b>\$ 989,249</b>	<b>\$ 946,381</b>	<b>\$ 42,868</b>	<b>4.5%</b>

## Operating Budget Highlights:

The proposed FY 2015-16 Operating Budget is characterized by investments and activities in a few key areas.

- Strategic Investments in 2020 Plan Priorities
- State-mandated and mandatory inflationary cost increases
- Significant increases in auxiliary and contractual activities
- State Appropriations for priority investments at CU-ICAR, and in PSA Agriculture and Agribusiness initiatives

In direct support of the 2020 Plan, the proposed budget plans for investments totaling just over \$7.0M in the Build to Compete category. These investments support mission critical IT systems as well as the University's facility stewardship and capital plan. Additional investments of around \$2.4M in scholarships are being made to "Enhance Student Quality and Performance". Investments funded through reallocations and a direct State Appropriation in support of CU-ICAR Project Deep Orange provide for additional "Engagement Opportunities for Students".

State-mandated and inflationary costs total approximately \$10.3M, the largest single category of cost increase in the proposed budget. The majority of this increase is attributable to state-mandated cost increases in fringe benefits and state-mandated bonuses. Increasing energy costs and insurance also contribute to this category.

Sales and services of auxiliary and self-supporting activities account for almost half of the increase in university revenue growth, and associated expenditure increases across a broad category of costs. These areas account for almost \$22.5M in new revenues and associated expenditures. We continue to see auxiliary and other self-supporting areas becoming more entrepreneurial in responding to the demands of Clemson's broad customer base.

Finally, the University's restricted fund activity shows marginal growth, of 2.4%. Restricted research is predicted to decline slightly, while restricted activity related to IPTAY, scholarships, and financial aid experience growth.

In summary, the University's proposed FY 2015-16 budget continues to fund 2020 Plan priorities, cover mandatory and inflationary costs, provides enhanced financial aid resources, and reflects increased entrepreneurial activities of auxiliaries and self-supporting / self-funded activities.

## Revenue Summary:

### Total Operating Resources Summary

Unrestricted and Restricted Operating revenues are projected to increase by \$53.7M. This represents a 6.4% increase in operating revenues. Additionally, the University is projecting a \$4.5M increase in noncash resources, an increase of 9.6%. The University anticipates a decrease of \$15.4M in the use of fund balance resources, which are utilized for appropriate one-time costs such as start-ups, equipment purchases, and other one-time payments. In summary, the net change in operating resources is \$42.9M, an increase of 4.5%.

Components of the \$42.9M net change in operating resources include:

- Sales and Services revenues \$22.5M
  - ▶ Auxiliary Enterprises revenues \$18.7M
  - ▶ Public Service and Agriculture (PSA) revenues \$2.5M
  - ▶ Educational and General (E&G) revenues \$1.3M
- Student fee revenues \$20.6M
  - ▶ Tuition and fee increase
  - ▶ Enrollment growth
  - ▶ Growth in online and continuing education
- Growth in State and Federal Appropriations \$3.5M
  - ▶ Clemson Center for Human Genetics
  - ▶ CU-ICAR Project Deep Orange
  - ▶ PSA Emerging Farmers, Fruit and Vegetable Production, and 4-H and Youth Agriculture and Natural Resources
  - ▶ Partial funding for state-mandated cost increases
- Other University Generated Revenues \$2.5M
- Anticipated growth in Restricted state-funded and other scholarships \$3.3M
- Projected increase in Other Restricted revenues \$1.3M, mostly for endowments
- Use of Fund Balance resources (\$15.4M)
- Noncash Waivers \$4.5M

## Unrestricted Funds Revenue Summary

- Student Fee revenues are projected to grow by approximately \$20.6M over the FY 2014-15 revised initial budget, attributable to three primary factors: enrollment growth, a modest tuition and fee increase for undergraduate and graduate students, and continuing growth in online and distance education.
- The budget reflects an increase of 3.2% or \$3.4M in State Appropriations support to Clemson University, including E&G and PSA. State Appropriations as a percentage of total budget are remaining flat at 11.0%. At \$109.3M the State Appropriations budget is still significantly lower than the FY 2007-08 level of \$161.9M. The growth in this budget can be attributed to the State's investment in Clemson University to support student engagement, research, and economic development. This budget includes \$1.5M for the Clemson Center for Human Genetics and \$750K for CU-ICAR Project Deep Orange. The budget also includes recurring funding of \$1.5M for PSA Emerging Farmers, Fruit and Vegetable Production, and 4-H and Youth programs in Agriculture and Natural Resources. The FY 2015-16 budget includes an estimate of increased funding from the State for the state-mandated rising health insurance, retirement and bonus costs, for a total of approximately \$2.2M. However, the mandatory increases for health insurance, retirement and bonuses are expected to cost the University \$8.9M overall, leaving the University to fund 75% of these mandatory costs.
- The University's auxiliary operations are projected to contribute approximately \$18.9M to the net unrestricted revenue growth. The projected growth is primarily attributable to increases from CCIT external contracts and Athletic sales and services revenues from conference distribution and ticket sales. Additional growth in auxiliary revenues is attributable to enrollment growth and a modest increase in room and board fees for FY 2015-16, which will be used to improve dining, housing and student life facilities, as well as support state-mandated costs.
- Revenue growth of \$2.5M or 11.1% is anticipated in the Other University Generated Revenue category. The Clemson University Restoration Institute (CURI) projects an increase in revenues from wind turbine and grid simulation testing, while the Office of Global Engagement expects growth in study abroad revenues.

## Restricted Funds Revenue Summary

- The Scholarships and Student Aid budget is expected to increase approximately 3.3% or \$3.3M. As a result of increased enrollment and retention, State-funded higher education grants such as Palmetto Fellows and LIFE Scholarships comprise \$1.4M of the increase. The budget is increasing by \$1.9M for growth in Trustee and Clemson Scholars programs, Clemson Community Endowed Scholars Program, and private scholarship gifts.
- The budget for sponsored programs and research activity continues to decline (3.8%). With the government operating under sequestration and continuing resolutions, there is limited potential for new federal research initiatives for the University. Faculty have been successful with new awards in this highly competitive environment but due to multi-year awards, it will be FY 2016-17 before the expenditures are realized and reflected in the sponsored research budget.

## Expense Summary:

### Total Operating Uses Summary

The University's spending plan is aligned with available and anticipated resources. The budget demonstrates the University's strategic management of costs and commitment to fund the University's priorities through new revenue generation, aggressive internal reallocations, and modest increases in fees.

Unrestricted and Restricted Operating expenses are projected to increase by \$53.7M. This represents a 6.4% increase in operating revenues. Additionally, the University is projecting a \$4.5M increase in noncash resources, an increase of 9.6%. The University anticipates a decrease of \$15.4M in the use of fund balance resources, which are utilized for appropriate one-time costs such as start-ups, equipment purchases, and other one-time payments. In summary, the net change in operating uses is \$42.9M, an increase of 4.5%.

Key components of the FY 2015-16 expense budget include the following:

- Increased mandatory and inflationary costs are estimated at a total of \$10.3M for the University. This growth includes increased costs from state-mandated health insurance, retirement and employee bonuses, which will be partially funded by the State at approximately 25% of the cost. These costs have an impact across most program expense budgets. In addition to state-mandated costs, the University anticipates an increase to the budget for other mandatory and inflationary costs, including utility costs for electricity and natural gas for existing and new space on campus, DHEC compliance, waste management, and property insurance.
- The budget reflects a significant investment in the University's Build to Compete priority. Essentially half of the investment is earmarked for the facility maintenance and capital plan. The other half will support mission critical systems, including the new comprehensive student information system and the University's electronic leave and time-keeping system. The program expense budgets for Academic Support, Student Services, Institutional Support, and Net Transfers are impacted by these investments.
- The increase in the Auxiliary Enterprises program budget (\$24.9M) represents more than half of the total University budget increase. The rising costs include additional resources needed in CCIT to fulfill contractual obligations, and growth in Athletics programs as a result of additional conference distribution and ticket sales revenues.
- The decreasing demand for fund balance resources for one-time costs results in a significant drop in the budget (\$15.4M), partially offsetting other budget increases mentioned above.
- The Restricted expense budget is essentially increasing as a result of the impact of IPTAY transfers for athletic scholarships. Without this increase, the Restricted expense budget would be essentially the same as the prior year.

### **Functional Expense Summary**

- Operating expenses in Clemson's core mission areas, E&G and PSA, are projected to increase 6.0%.
- Instruction, Research and Public Service budgets combined, which represent 44.1% of total budget, will see an overall 2.1% increase above the FY 2014-15 revised initial budget.
  - ▶ Instruction is projected to increase \$3.6M over the FY 2014-15 revised initial budget to a total of \$212.7M, representing 21.5% of the total budget, the University's single largest expense category. The instruction budget has grown 50.4% over the last ten years.
  - ▶ Research investments are anticipated to increase \$2.4M or 1.6%, primarily with growth in the unrestricted funds. When excluding a non-recurring allocation for PSA equipment in FY 2014-15 for \$3.0M, the growth in research is actually \$5.4M or 3.7%. Even though the sponsored programs research budget is declining by 3.3%, the other restricted research budget is increasing by 31.4% or \$2.9M as a result of growth in endowments. As the second largest component of Clemson's proposed annual operating budget, the \$152.2M investment is 15.4% of Clemson's FY 2015-16 total budget.
  - ▶ Public Service related expenses are projected to increase by \$2.8M, with growth in State funding, PSA programs and increased mandatory costs.
- Academic Support is expected to increase by \$5.4M to \$45.0M and accounts for 4.5% of the total budget. Additional investments in the Build to Compete priority for the mission critical student information system, library inflationary costs and additional expenses expected in CCIT for external contracts are the primary drivers of this increase.
- The FY 2015-16 program budget for Scholarships and Fellowships is forecasted to increase \$4.6M over the FY 2014-15 revised initial budget as a direct result of increased E&G funding for Trustee and Clemson Scholars, including scholarships for underrepresented students, and IPTAY scholarship transfers. The \$105.3M budget is slightly less than the total budgets for Institutional Support, Student Services, and Operations and Maintenance combined, and is almost three times the Scholarships and Fellowships budget in FY 2001-02.

- 
- Institutional Support is projected to grow by \$3.3M. The growth is partially attributable to state-mandated health, retirement and bonus costs and inflationary costs associated with business insurance and regulatory compliance. This budget also reflects an investment in the Build to Compete priority for mission critical systems, including the electronic leave and time-keeping system used campus-wide. The increase in this program also reflects growth in marketing, development enterprise, media and alumni relations. Even with this increase, the institutional support budget remains a small component of the University's total budget at 3.6%. The institutional support budget is \$10.2M lower or 22.5% less than the FY 2008-09 budget, demonstrating that the University has continued its commitment to contain administrative costs.
  - The Student Services budget is expected to grow substantially over the prior year, 15.5% or \$4.9M. This growth reflects an investment in the mission critical student information system which will provide support to Undergraduate and Graduate Admissions, Financial Aid, the Registrar's Office, and Student Financial Services. This budget addresses mandatory inflationary costs as well as an investment in safety and security.
  - The Operations and Maintenance budget is increasing by 8.3% or \$2.7M. Utility costs are expected to grow by \$1.4M for rising electricity and natural gas costs, DHEC requirements, and increasing property insurance costs. Included in this budget is an estimate of \$620K for state-mandated costs.
  - Auxiliary Enterprises program expenses are increasing by \$24.9M or 19.3% as a direct result of increased investments in auxiliary facilities and CCIT's contractual obligations described above.
  - Net Transfers are projected to decrease by \$1.1M or 2.1%. Net transfers include internal transfers of resources between operating unrestricted and restricted funds, and funding for debt service and capital projects, such as improvements to housing, dining and parking facilities.

#### Expense by Account Summary

- Clemson's compensation and benefits budget, which reflects the strategic priorities of the University to attract, retain and reward top people, provide engagement opportunities for all students, and Build to Compete is projected to increase by \$26.3M, or 5.8%. Approximately \$2.0M is attributed to the investments in mission critical systems. State-mandated cost increases for health insurance, retirement and employee bonuses comprise approximately \$8.9M of the growth in the compensation and benefits budget, with an estimate of \$2.2M in partial funding from the State. Other impacts include State funding for Clemson Center for Human Genetics, CU-ICAR Project Deep Orange, PSA programs, growth expected from CCIT external contracts, and overall growth in Athletics and revenue generating departments.
- Other Operating Costs are projected to increase by \$45.7M or 11.6%. The majority of the increase is from Auxiliary Enterprises, with growth in contractual obligations for CCIT and increased Athletic costs. Growth in Other Costs in the E&G funds is attributable to inflationary costs such as utilities, property insurance and library serials and journals, Build to Compete priorities including student information system and electronic leave and time-keeping system, and the State's investments in the Clemson Center for Human Genetics and the CU-ICAR Project Deep Orange.



## Proposed FY 2016 Operating Budget (In 000's)

The total proposed operating budget for FY 2015-16 is \$989.2M, 4.5% above the FY 2014-15 revised initial budget. It is comprised of three major components – Unrestricted Operating Funds, Restricted Operating Funds and Noncash Items. The total budgets for these components are summarized in **Figure 1**.

**Figure 1. Operating Budget by Resource Category**

Operating Resources	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent of Total FY 2015-16 Budget	Budget Change	Percent Change
Unrestricted	\$743,764	\$709,986	75.2%	\$33,778	4.8%
Restricted	193,783	189,241	19.6%	4,542	2.4%
Noncash Items	51,702	47,154	5.2%	4,548	9.6%
<b>Total Sources</b>	<b>\$989,249</b>	<b>\$946,381</b>	<b>100.0%</b>	<b>\$42,868</b>	<b>4.5%</b>

\*Unrestricted operating resources include fund balance resources from prior years.

### **Unrestricted Funds Resource Summary**

Annual unrestricted operating revenues are projected to increase 7.5%. Including prior years' fund balances required to support the anticipated return of generated funds, contractual start-up commitments and research initiatives, total unrestricted operating resources are projected to increase 4.8% above FY 2014-15 levels to \$743.8M. Unrestricted resources represent 75.2% of the University's resources, which are available to further the mission activities of the University. Primary drivers of this increase are Sales and Services and Student Fee revenues.

Unrestricted Operating Resources include four major categories of funding:

- **Educational and General (E&G)** budget includes an increase of 6.3% to E&G State Appropriations, which will support state-mandated bonuses (\$1.2M) as well as a projected \$700K increase for rising health insurance and retirement costs. The overall mandatory cost increase imposed by the State for the University is projected at \$8.9M. The State Appropriations budget also provides new recurring funding of \$1.5M for the Clemson Center for Human Genetics, a collaborative venture to promote genetics research and development across the State, as well as \$750K to assist with funding the CU-ICAR Project Deep Orange to promote research and industry collaboration in automotive engineering. The E&G budget includes modest growth in tuition

and fee revenues to support mandatory cost increases and investments in strategic priorities of the University:

- Manage mandatory and inflationary costs including health insurance and retirement benefits, rising utility costs for electricity and natural gas, waste management, property insurance and new DHEC requirements for storm water management.
- Enhance student quality and performance with additional scholarship opportunities.
- Increase safety and security with investments in police officers and university employee/student card access control for Clemson Campus.
- Build to Compete with continued support of mission critical systems and further investments in facility maintenance and the capital plan. Mission critical systems include the student information system, with impacts to Admissions, Financial Aid, Student Financial Services and Registrar's Office and the University's electronic leave and time-keeping applications. Funding also supports central investments in existing facilities and new investments in academic and research facilities, positioning the University to recruit a top-15 student body.

In total, E&G operating revenues are expected to increase by 6.5% to \$463.4M. These operating revenues comprise 46.8% of the total resource budget and 65.9% of the unrestricted operating revenue budget.

- **Public Service Activities (PSA)** operating revenues are approximately 6.7% of the total resource budget and 9.4% of the unrestricted operating revenue budget. The PSA budget includes a recurring increase of \$1.5M in State Appropriations for Emerging Farmers, Fruit and Vegetable Production, 4-H & Youth Agriculture and Natural Resource Programs as well as a one-time projected allocation of \$300K for state-mandated bonuses. The PSA State Appropriations budget is an overall decrease of 2.7% over last year due to a non-recurring allocation of \$3.0M in FY 2014-15 for PSA Agriculture Research Equipment. Unlike PSA appropriations, PSA Sales & Services revenues are projected to increase by \$2.6M or 19.5%.
- **Auxiliary Enterprises** operating revenues represent 17.6% of the total resource budget and 24.7% of the unrestricted operating revenue budget. Auxiliary enterprises operating revenues are expected to increase 12.2% to \$174.1M as a result of growth in Athletic revenues from conference distribution and ticket sales, CCIT increased revenues from external contracts and a modest increase of 3.0% in room and board fees.

- **Fund Balance Resources:** projected at \$40.1M, complete the remainder of the unrestricted operating resource budget. The use of fund balance is \$15.4M less than the FY 2014-15 amount.

#### **Restricted Funds Resource Summary**

Restricted resources comprise 19.6% of the total budget and are projected to increase by 2.4% to \$193.8M. Restricted funds, limited by legal requirements, are available for designated purposes. Excluding transfers, restricted resources are essentially flat. Restricted funds include three major categories of funding:

- **Sponsored Program Activities** revenues are projected again to be lower than the prior year budget, resulting in a decrease of 3.8% to \$68.6M. With the government operating under sequestration and continuing resolutions, there is limited potential for new federal research initiatives for the University. Faculty have been successful with new awards in this highly competitive environment but due to multi-year awards, it will be FY 2016-17 before the expenditures are realized and reflected in the sponsored research budget. Overall the FY 2015-16 budget is an increase of only 2.3% over FY 2005-06 levels and is 10.2% lower than FY 2010-11.
- **Scholarships and Student Aid** revenues are expected to grow by 3.3% to \$102.2M, which includes increases in State and Federal student aid programs, such as Palmetto Fellows and LIFE Scholarships. The growth also includes increases for IPTAY Scholarship transfers, Clemson Community Endowed Scholars Program and private scholarships. Much of this is transferred to unrestricted to support costs.
- **Other Restricted** revenues are forecasted to increase by 20.9% to \$23.0M, as a result of growth in Endowments, Work Study, Call Me Mister and PSA programs.

- **Noncash Items** represent 5.2% of the total budget and include Noncash Waivers only, which are a valuable tool supporting the University's recruitment and retention of quality students.

### Proposed FY 2016 Operating Resources Budget (In 000's)

The operating resources budget consists of the major funding sources shown in **Figure 2**.

**Figure 2. - Operating Resources Budget**

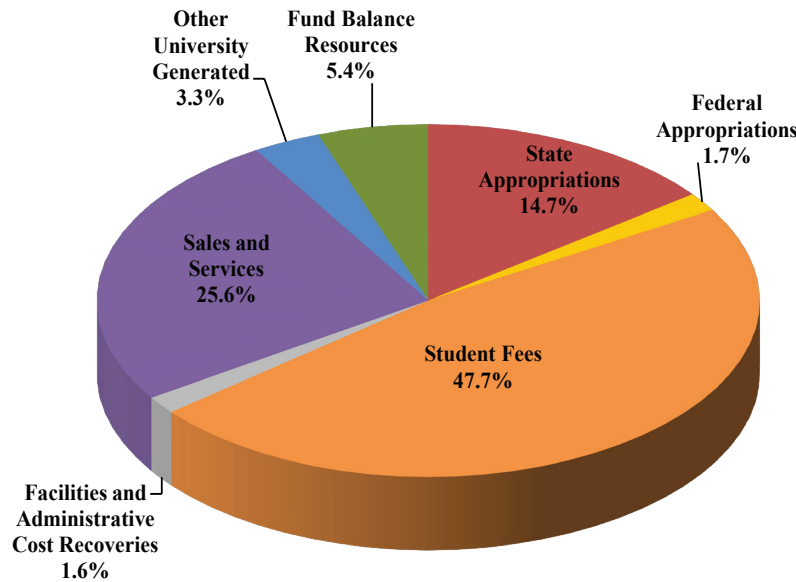
Revenue Source	FY 2015-16 Proposed Budget	Percent of Total FY 2015-16 Budget	FY 2014-15 Revised Initial Budget	Percent of Total FY 2014-15 Budget
Unrestricted Operating Revenue Budget				
State Appropriations	\$109,266	11.0%	\$105,903	11.2%
Federal Appropriations	12,627	1.3%	12,452	1.3%
Student Fees	354,899	35.9%	334,333	35.3%
Facilities and Administrative Cost Recoveries	11,877	1.2%	11,877	1.3%
Sales and Services	190,128	19.2%	167,573	17.7%
Other University Generated	24,836	2.5%	22,355	2.3%
Fund Balance Resources	40,131	4.1%	55,493	5.9%
<b>Total Unrestricted Operating Revenue Budget</b>	<b>\$743,764</b>	<b>75.2%</b>	<b>\$709,986</b>	<b>75.0%</b>
Restricted Operating Revenue Budget				
Financial Aid - State Higher Education Grants	\$51,270	5.2%	\$49,900	5.3%
Financial Aid - Grants and Contracts and Other Revenues	50,894	5.2%	48,990	5.2%
Grants and Contracts	90,255	9.1%	89,496	9.4%
Other Restricted Revenue	1,364	0.1%	855	0.1%
<b>Total Restricted Operating Revenue Budget</b>	<b>\$193,783</b>	<b>19.6%</b>	<b>\$189,241</b>	<b>20.0%</b>
Graduate and Undergraduate Waivers	\$51,702	5.2%	\$47,154	5.0%
<b>Total Clemson FY 2015-16 Operating Budget</b>	<b>\$989,249</b>	<b>100.0%</b>	<b>\$946,381</b>	<b>100.0%</b>

Figure 2 details the distribution of the University’s revenue by funding sources and provides a comparison between FY 2014-15 revised and FY 2015-16.

**Unrestricted Operating Resources Budget (In 000’s)**

The Unrestricted Resources budget represents 75.2% of the overall operating resources. The distribution of resources is shown in Graph 1.

**Graph 1. - Unrestricted Operating Budget**



The following sections provide a summary analysis of the FY 2015-16 budget for each of the University’s unrestricted funding sources.

**State Appropriations** ↑

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$109,266	\$105,903	\$3,363	3.2%

The FY 2015-16 budget for State Appropriations includes a recurring E&G allocation of \$1.5M for the Clemson Center for Human Genetics, a collaborative venture to promote genetics research and development across the State, as well as a recurring \$750K allocation for the CU-ICAR Deep Orange Project to promote research and industry collaboration in automotive engineering. The budget also includes a projected \$700K recurring increase for health insurance and retirement benefits and a one-time allocation of \$1.2M for state-mandated bonuses.

The growth in this category also includes recurring funding of \$1.5M in PSA State Appropriations for Emerging Farmers, Fruit and Vegetable Production, 4-H & Youth Agriculture and Natural Resource Programs. The budget also includes \$300K in non-recurring funds for PSA state-mandated bonuses. The combined estimate of State Appropriations for mandated costs is \$2.2M, which comprises 25% of the total costs of \$8.9M.

As a result of increased investment by the State of South Carolina in Clemson’s economic development, student engagement and agriculture programs, the State Appropriations budget is growing by \$3.4M or 3.2% to \$109.3M. Even with this growth, State Appropriations as a percentage of the budget remains flat at 14.7% of the unrestricted operating revenue budget and 11.0% of the total budget. Clemson’s FY 2015-16 State Appropriations budget is at FY 1989-90 nominal levels.

**Federal Appropriations** ↑

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$12,627	\$12,452	\$175	1.4%

Federal Appropriations are a small percentage of the University’s total revenue sources (1.3%), and are projected to remain flat in FY 2015-16. Public Service and Agriculture is the only division in the University projected to receive unrestricted Federal Appropriations in FY 2015-16. This federal funding is used to support research and extension programs. Federal Appropriations represent 18.2% of PSA’s total unrestricted resources.

 **Student Fees (includes Cash Waivers)**    ↑

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$354,899	\$334,333	\$20,566	6.2%

Student Fees represent the largest single source of revenue for the University. The FY 2015-16 projected Student Fees budget accounts for 47.7% of the unrestricted budget and 35.9% of the total budget. In total, student tuition and fees are projected to increase approximately \$20.6M or 6.2%, primarily as a result of enrollment growth and the modest tuition and fee increase. Online and distance education revenues are expected to increase by \$2.0M in FY 2015-16.

The FY 2015-16 budget includes a tuition and fee increase for undergraduate resident students and for undergraduate non-resident students. Tuition and fees for graduate students will increase as well. Modest tuition and fee increases are the result of successful efforts for new revenue generation and strategic funding reallocations. Tuition and fee revenues provide funding for Clemson's rising mandatory and inflationary costs and strategic priorities. These strategic priorities enhance student quality and performance; provide engagement opportunities for students; attract, retain and reward top people; and Build to Compete - facilities, infrastructure and technology. These resources will provide more scholarship opportunities, improved academic facilities, new technology, mission critical systems and other activities adding value to the educational experience and directly benefiting students. This budget allows the University to continue to focus on safety and security with increased investments in police officers and University-wide access card control.

 **Facilities and Administrative Cost Recoveries**    ↔

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$11,877	\$11,877	\$-	0.0%

The University recovers Facilities and Administrative Costs (F&A) from extramural sources to cover overhead costs generated by sponsored program activities. F&A cost recoveries represent 1.2% of total resources. As a result of a decline in funding for sponsored program activities, F&A recoveries are projected to remain flat.

 **Sales and Services**    ↑

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$190,128	\$167,573	\$22,555	13.5%

Sales and Services are the result of mission-oriented revenue generating activities in the Educational and General and Public Service and Agricultural areas, as well as in Auxiliary Enterprises. Sales and services revenues are expected to increase 13.5% in FY 2015-16. Auxiliary enterprises expect a 12.2% growth in revenue. This growth results from an increase in Athletic revenue for conference distribution and ticket sales, an increase in revenues for CCIT from external contracts and a modest increase in room and board fees in anticipation of continued improvements in dining, housing and student life facilities that are important factors for recruitment and retention. PSA sales and services revenues are projected to increase by \$2.6M or 19.5% as a result of growth in PSA research and extension programs.

**Other University Generated Revenue** ↑

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$24,836	\$22,355	\$2,481	11.1%

Other University Generated Revenue is projected to increase 11.1%, a reflection of the University’s commitment to generate other sources of revenue. This revenue source represents 2.5% of the total resources budget and 3.3% of the unrestricted revenue budget. Other University Generated Revenue will increase in FY 2015-16 due to study abroad program fees, orientation fees, admission application fees and program and activities revenues.

**Graduate and Undergraduate Waivers (Noncash)** ↑

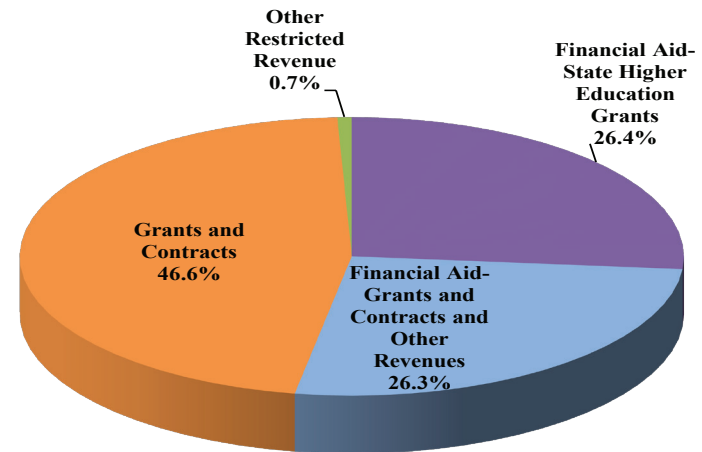
FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$51,702	\$47,154	\$4,548	9.6%

Noncash Waivers do not have a cash flow impact and should not be viewed as a monetary operating resource. However, these waivers are important to the University’s financial aid strategy and allow Clemson to recruit and retain quality students. Noncash waivers are expected to increase 9.6% in FY 2015-16 due to continued aggressive recruiting and enrollment of a top-15 student body.

**Restricted Operating Resources Budget (In 000’s)**

The restricted operating revenue budget at \$193.8M accounts for 19.6% of the University’s overall resources. The distribution of restricted revenue budget is shown in **Graph 3**.

**Graph 3. - Distribution of Restricted Resources**



The following sections provide an analysis of the FY 2015-16 budget for each of the University’s restricted funding sources as shown in **Graph 3**.

**Financial Aid - State Higher Education Grants** ↑

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$51,270	\$49,900	\$1,370	2.7%

State Higher Education Grants comprise 5.2% of the projected total revenue budget and 26.4% of the restricted revenue budget. State Higher Education Grants are projected to grow primarily due to a \$1.0M increase in Palmetto Fellows Scholarships and \$300K increase for LIFE Scholarships during the FY 2015-16 budget period.

 **Financial Aid - Grants and Contracts and Other Revenues** ↑

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$50,894	\$48,990	\$1,904	3.9%

Financial Aid - Grants and Contracts and Other Revenues are expected to increase by 3.9% with additional funding for the Trustee Scholars Program, IPTAY Scholarship transfers, as well as increased growth from private scholarship programs such as the Clemson Community Endowed Scholars Program and the TF Chapman '65 Leadership Scholarship.

 **Other Restricted Revenue** ↑

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$1,364	\$855	\$509	59.5%

Other Restricted Revenue is another small revenue resource representing 0.1% of projected total revenue and 0.7% of restricted revenue. Other restricted revenues are projected to increase slightly due to programs such as the Stay in School Campaign, SONOCO Institute and the Clemson LIFE Program.

 **Grants and Contracts** ↑

FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
\$90,255	\$89,496	\$759	0.8%

Grants and Contracts, excluding Financial Aid, are comprised of sponsored program activities and other earmarked funds from external sources. The budget for sponsored programs grants and contracts activity has been decreased (3.3%) to \$68.5M. With the government operating under sequestration and continuing resolutions, there is limited potential for new federal research initiatives for the University. Faculty have been successful with new awards in this highly competitive environment but due to multi-year awards, it will be FY 2016-17 before the expenditures are realized and reflected in the sponsored research budget. Helping to mitigate this budget decrease of \$2.3M in core sponsored programs, grants and contracts in other restricted funds reflects an increase of \$3.1M, primarily due to growth in Engineering programs, Call Me Mister Program and endowed chairs.

## Proposed Operating Uses Budget by Program (In 000's)

Clemson's proposed operating expense budget for FY 2015-16 is \$989.2M, a 4.5% increase over the FY 2014-15 revised initial budget. The operating uses budget is presented by program and by account category. The expense budget by program is presented first, as it reflects the University's plan and programmatic priorities. It is summarized in **Figure 3, Figure 4 and Graph 4.**

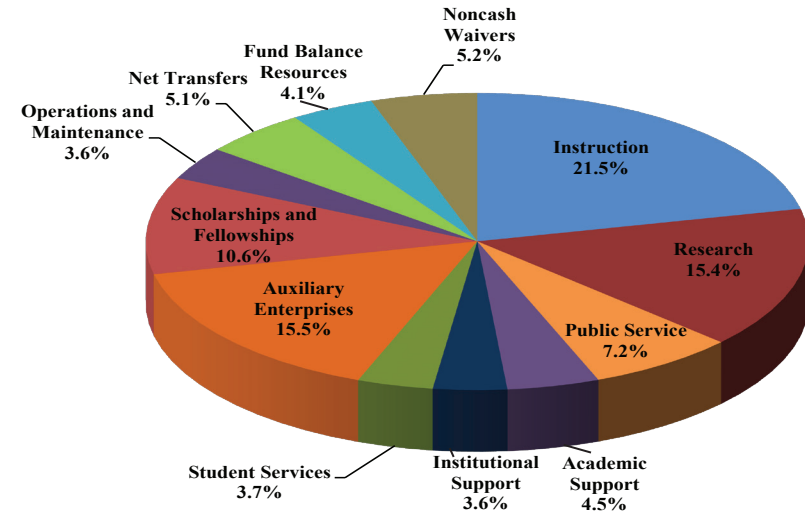
**Figure 3. - Total University Operating Expense by Program**

Program	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change
Instruction	\$212,706	\$209,062	1.7%
Research	152,219	149,802	1.6%
Public Service	70,908	68,099	4.1%
Academic Support	44,976	39,531	13.8%
Institutional Support	35,186	31,911	10.3%
Student Services	36,343	31,475	15.5%
Auxiliary Enterprises	154,255	129,307	19.3%
Scholarships and Fellowships	105,305	100,682	4.6%
Operations and Maintenance	35,505	32,783	8.3%
Net Transfers	50,013	51,082	(2.1%)
<b>Total Current Expense</b>	<b>\$897,416</b>	<b>\$843,734</b>	<b>6.4%</b>
Fund Balance Resources	40,131	55,493	(27.7%)
<b>Total Restricted &amp; Unrestricted Expenses</b>	<b>\$937,547</b>	<b>\$899,227</b>	<b>4.3%</b>
Noncash Waivers	51,702	47,154	9.6%
<b>Total Operating Uses by Program</b>	<b>\$989,249</b>	<b>\$946,381</b>	<b>4.5%</b>

**Figure 4. - Operating Expense Budget by Program**

Program	Unrestricted	Restricted	Total
Instruction	\$207,980	\$4,726	\$212,706
Research	83,714	68,505	152,219
Public Service	59,118	11,790	70,908
Academic Support	43,936	1,040	44,976
Institutional Support	32,096	3,090	35,186
Student Services	35,950	393	36,343
Auxiliary Enterprises	154,255	-	154,255
Scholarships and Fellowships	23,410	81,895	105,305
Operations and Maintenance	35,490	15	35,505
Net Transfers	27,684	22,329	50,013
Fund Balance Resources	40,131	-	40,131
<b>Total Operating Expense Budget by Program (Cash)</b>	<b>\$743,764</b>	<b>\$193,783</b>	<b>\$937,547</b>
Noncash Waivers	51,702	-	51,702
<b>Total Operating Expense Budget by Program</b>	<b>\$795,466</b>	<b>\$193,783</b>	<b>\$989,249</b>

**Graph 4. - Distribution of Expenses by Program**



Instruction is projected as the largest expenditure category on a program basis. This aligns with Clemson's continued focus on recruiting and retaining outstanding students and faculty and providing an exceptional educational experience grounded in engagement. Instruction represents 21.5% of total projected expenses and is expected to increase above FY 2014-15 levels by 1.7%. The FY 2015-16 instruction budget is almost equal to the Research and Public Service program budgets combined. Auxiliary expenditures have increased substantially from last year, growing from \$129.3M to \$154.3M primarily due to CCIT renegotiating external contracts and Athletic revenues. The third largest program component, Research, is expected to increase by \$2.4M or 1.6%, despite a budget decrease in this program of \$3.0M for non-recurring State funding received in FY 2014-15 for PSA Agriculture Research Equipment and a decrease in the Sponsored Programs budget. The fourth largest program component, Scholarships and Fellowships, is expected to increase approximately \$4.6M, bringing the total to \$105.3M, which is slightly less than the combined budgets for Institutional Support, Student Services, and Operations and Maintenance, and is more than half of the total instruction budget.

### Instruction

Resource Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$207,980	\$204,001	\$3,979	2.0%
Restricted	\$4,726	\$5,061	\$(335)	(6.6%)

Projected expenses for instructional activities are expected to increase by \$3.6M to \$212.7M, reflecting approximately 50.4% growth in the last ten years. The unrestricted instruction budget includes an increase for state-mandated health insurance, retirement and bonus costs, which will be partially funded with State Appropriations. Revenue increases for student fees, off-campus programs and additional self-generated activities, as well as strategic reallocations will provide necessary funding for mandatory and inflationary costs in this category. The FY 2015-16 restricted instruction budget reflects a decrease in expenses as a result of one-time funding received in FY 2014-15 from the State for Higher Education Efficiency, Effectiveness and Accountability Study.

### Research

Resource Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$83,714	\$82,268	\$1,446	1.8%
Restricted	\$68,505	\$67,534	\$971	1.4%

Total Research expenditures are projected to increase by 1.6% or \$2.4M. Growth in research is offset by the budget decrease for the non-recurring \$3.0M State Appropriations received in FY 2014-15 for PSA Agriculture Research Equipment. When excluding the impact of this one-time funding, the real research budget increase is \$5.4M or 3.7%, with \$4.4M or 5.6% in the unrestricted research budget.

Recurring State funding for the Clemson Center for Human Genetics (\$1.5M) and for CU-ICAR Deep Orange Project (\$750K) is responsible for a significant growth in the unrestricted research budget. The additional funding for the Clemson Center for Human Genetics, a collaborative venture with the Greenwood Genetics Center to advance primary genomic discovery, genetic based diagnostics, and therapeutics in research and education, will allow the center to accelerate its progress towards the goal of making South Carolina home to one of the nation's most recognized facilities for genetic research and development. The additional funding for the CU-ICAR Deep Orange Project, a two-year vehicle prototype program for the pioneering education, research and industry collaboration within the graduate degree programs in automotive engineering, will provide stable funding for the design, development, innovation, build and testing of Deep Orange vehicles, engage new OEM partners, build upon the prior success of Deep Orange to create an internationally known success story for talent and innovation, and enhance student engagement and learning experiences in the project.

The sponsored research budget is expected to decrease slightly in FY 2015-16. With the government operating under sequestration and continuing resolutions, there is limited potential for new federal research initiatives for the University. Faculty have been successful with new awards in this highly competitive environment but due to multi-year awards, it will be FY 2016-17 before the expenditures are realized and reflected in the sponsored research budget. Although Sponsored Programs continues to forecast reduced expenditures, other restricted research projects such as the Robert H. Brooks Sports Science Center, manufacturing integration endowed chair and several endowments offset this decrease by just below \$1.0M.



 **Public Service**     ↑

Resource Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$59,118	\$55,186	\$3,932	7.1%
Restricted	\$11,790	\$12,913	\$(1,123)	(8.7%)

Total Public Service expenses are projected to increase by 4.1% or \$2.8M in FY 2015-16. The growth in unrestricted budgets reflect an increase in State Appropriations for PSA Emerging Farmers, Fruit and Vegetable Production, Agriculture and Natural Resources programs, as well as for mandatory cost increases for health insurance, retirement and bonuses. The budget also reflects an increase in PSA self-generating revenues, which will help with funding mandatory inflationary costs. The \$1.1M reduction in the restricted budget is caused by continued loss of sponsored programs and other restricted funding.

 **Academic Support**     ↑

Resource Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$43,936	\$38,665	\$5,271	13.6%
Restricted	\$1,040	\$866	\$174	20.1%

Academic Support represents 4.5% of the total proposed expense budget. A growth of \$5.4M is expected, bringing the budget to \$45.0M. The total academic support budget is 8.8% higher than levels in FY 2010-11, demonstrating continued support of the University's Build to Compete objectives for enhanced information technology including University mission critical systems, specifically the new student information system with impacts to Admissions, Financial Aid, Records and Registration and Student Financial Services. Modernization and expanded functionality of these systems contribute to the rise in academic support expenses.

 **Institutional Support**     ↑

Resource Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$32,096	\$29,683	\$2,413	8.1%
Restricted	\$3,090	\$2,228	\$862	38.7%

Institutional Support includes administrative support activities, such as fiscal operations, legal services and human resources, and represents 3.6% of the total FY 2015-16 budget. Institutional support expenses are expected to grow by \$2.4M in unrestricted funds, with mandatory cost increases for health insurance, retirement, and bonuses, and support for the Build to Compete priority - the mission critical, University-wide electronic leave and time-keeping system. This budget is also increasing as a result of restricted expenses for continued University development and alumni relations to support increased fundraising targets. Even with a 10.3% increase, the institutional support budget of \$35.2M still remains a small component of the University budget at 3.6%, minimally higher than the previous year at 3.4%. In the FY 2008-09 budget, institutional support was 6.5% of the total budget, or \$45.3M. In total, Clemson's institutional support budget is \$10.2M lower, or 22.5% less than the FY 2008-09 budget.

 **Student Services**     ↑

Resource Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$35,950	\$30,746	\$5,204	16.9%
Restricted	\$393	\$729	\$(336)	(46.1%)

Student Services represent 3.7% of the total projected FY 2015-16 expense budget. Student Services include expenditures contributing to the emotional and physical well-being of Clemson students, including counseling, career guidance, student organizations, and student engagement opportunities. Quality student services are a critical element of the University's ability to attract and retain its students. The unrestricted student services budget is projected to increase by 16.9%, or approximately \$5.2M, with mandatory cost increases for health insurance, retirement, and bonuses.

and support for the Build to Compete priority - the mission critical student information system, with impacts to Admissions, Financial Aid, Registrar’s Office, and Student Financial Services. The budget increase reflects the continued priority of student safety with investments in police and access card control, as well as continued support for student health services and campus recreation.

 **Auxiliary Enterprises**      ↑

Resource Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$154,255	\$129,307	\$24,948	19.3%
Restricted	\$-	\$-	\$-	0.0%

The Auxiliary Enterprises expense budget is expected to increase 19.3% or \$24.9M in FY 2015-16. The majority of this growth is attributable to a renegotiated external contract for CCIT which includes modernization and expanded functionality. Other increases include Athletics conference distribution and ticket sales, as well as a modest 3.0% increase in Housing and Dining fees, which will help support the cost of mandatory inflationary costs. The Auxiliary Enterprises budget is expected to represent 15.6% of the University’s total resources, an increase from 13.7% in FY 2014-15. (This percentage of FY 2014-15 budget is calculated from the revised initial budget for FY 2014-15.)

 **Operations and Maintenance**      ↑

Resource Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$35,490	\$32,783	\$2,707	8.3%
Restricted	\$15	\$-	\$15	0.0%

Projected Operations and Maintenance expenses account for 3.6% of the total budget and are anticipated to increase in FY 2015-16 by 8.3%, or \$2.7M. This budget reflects mandatory costs for meeting DHEC requirements for storm water management systems and waste management. Rising natural gas and electricity costs, additional utility costs for new square footage on campus (Watt Family Innovation Center and Freeman Hall), and increasing property insurance costs all contribute to the growth in

this category. This budget also includes increased investment in safety and security with upgrades for the police department.

 **Scholarships and Fellowships**      ↑

Resource Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$23,410	\$18,588	\$4,822	25.9%
Restricted	\$81,895	\$82,094	\$(199)	(0.2%)

Scholarships and Fellowships, the fourth largest expenditure category, are expected to increase \$4.6M in FY 2015-16, bringing the total to \$105.3M, which is slightly less than the combined budgets for Institutional Support, Student Services and Operations and Maintenance. This program has grown by 21.8% since FY 2010-11 as a result of 2020 Plan priorities. The recent growth in scholarships is attributed to increased investment of E&G funds in scholarship opportunities for SC residents and underrepresented students. Scholarships growth is seen in Palmetto and Life, IPTAY, Clemson Community Endowed Scholars Program and various private scholarships.

 **Net Transfers, Noncash Waivers and Projected Fund Balance Expenditures**

Net Transfers, Noncash Waivers and Projected Fund Balance Expenditures are applied in the same manner to the expense budget by program and by account. These activities will be discussed in detail in a later section.

### Proposed Operating Uses Budget by Account Category

The proposed operating uses by account category for FY 2015-16 are summarized below in **Figure 5, Figure 6 and Graph 5**. The following section presents an alternative view of expenditures. Instead of focusing on program based expenditures, this section will look at a few summary observations from an “account” perspective. In particular, this section will highlight Compensation and Benefits. Compensation and benefits account for approximately 48.5% of the University’s total operating budget. The remainder of the operating uses budget is distributed between Other Costs (42.2%), Noncash Waivers (5.2%) and Fund Balance Resources (4.1%). Other costs include basic operating costs such as travel, supplies, equipment, services, utility costs and other nonpersonnel operating items. As noted in the “Expense by Program” section, total expenditures are projected to increase by 4.5%.

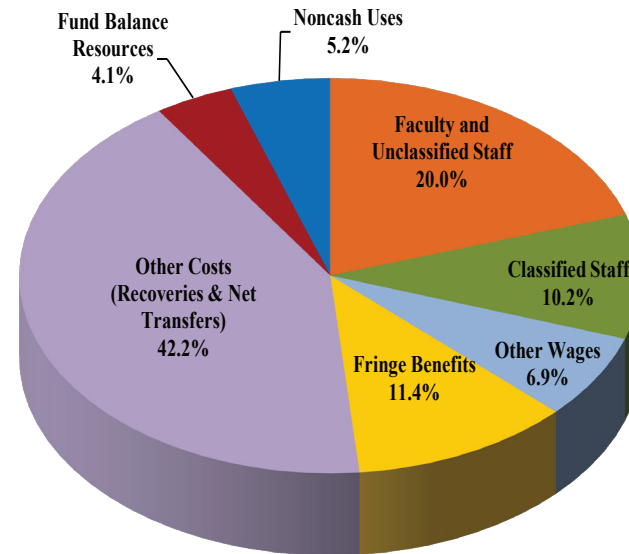
**Figure 5. - Total University Operating Expense by Account**

Account	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change
Compensation and Benefits:			
Faculty and Unclassified Staff	\$198,076	\$192,036	3.1%
Classified Staff	101,351	95,639	6.0%
Other Wages	67,881	62,351	8.9%
Fringe Benefits	112,543	103,532	8.7%
<b>Total Compensation and Benefits</b>	<b>\$479,851</b>	<b>\$453,558</b>	<b>5.8%</b>
Other Costs (Recoveries & Net Transfers)	417,565	390,176	7.0%
Fund Balance Resources	40,131	55,493	(27.7%)
<b>Total Restricted &amp; Unrestricted Expenses</b>	<b>\$937,547</b>	<b>\$899,227</b>	<b>4.3%</b>
Noncash Uses	51,702	47,154	9.6%
<b>Total Operating Uses by Account</b>	<b>\$989,249</b>	<b>\$946,381</b>	<b>4.5%</b>

**Figure 6. - Operating Expense Budget by Account Category**

Account Category	Unrestricted	Restricted	Total
Compensation and Benefits:			
Faculty and Unclassified Staff	\$186,464	\$11,612	\$198,076
Classified Staff	98,612	2,739	101,351
Other Wages	49,647	18,234	67,881
Fringe Benefits	105,203	7,340	112,543
<b>Total Compensation &amp; Benefits</b>	<b>\$439,926</b>	<b>\$39,925</b>	<b>\$479,851</b>
Other Costs (Recoveries & Net Transfers)	263,707	153,858	417,565
Fund Balance Resources	40,131	-	40,131
<b>Total Operating Expense Budget (Cash)</b>	<b>\$743,764</b>	<b>\$193,783</b>	<b>\$937,547</b>
Noncash Waivers	51,702	-	51,702
<b>Total Operating Expense Budget</b>	<b>\$795,466</b>	<b>\$193,783</b>	<b>\$989,249</b>

**Graph 5. - Distribution of Expenses by Account Category**



 **Compensation and Benefits**      ↑

**Unrestricted Uses**

Account Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$186,464	\$180,960	\$5,504	3.0%
Classified Staff	98,612	93,072	5,540	6.0%
Other Wages	49,647	42,921	6,726	15.7%
Fringe Benefits	105,203	96,576	8,627	8.9%
<b>Total Compensation &amp; Benefits</b>	<b>\$439,926</b>	<b>\$413,529</b>	<b>\$26,397</b>	<b>6.4%</b>

**Restricted Uses**

Account Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$11,612	\$11,076	\$536	4.8%
Classified Staff	2,739	2,567	172	6.7%
Other Wages	18,234	19,430	(1,196)	(6.2%)
Fringe Benefits	7,340	6,956	384	5.5%
<b>Total Compensation &amp; Benefits</b>	<b>\$39,925</b>	<b>\$40,029</b>	<b>\$(104)</b>	<b>(0.3%)</b>

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13*	FY 2013-14	FY 2014-15 Revised Initial Budget	FY 2015-16 Proposed Budget
Compensation and Employee Benefits	394,708	385,519	382,789	384,703	419,665	433,962	453,558	479,851
Percentage Growth	-2.0%	-2.3%	-0.7%	0.5%	9.1%	3.4%	4.5%	5.8%

Source: Comprehensive Annual Financial Report, Schedule of Expenses by Use

Given the magnitude of the salary expenditure in higher education, this analysis will primarily address important trends and observations related to Compensation and Benefits. Total compensation and benefits costs are projected to increase 5.8% or \$26.3M in FY 2015-16. The FY 2015-16 compensation and benefits budget reflects perpetual investments in the Build to Compete priority of the 2020 Plan, investments in research and public service activities, and a commitment to University stakeholders' safety and security. The table below outlines the history of growth in compensation and benefits.

As a result of the SC Supplemental Appropriation Bill (H.4230), the FY 2015-16 budget includes a state-mandated bonus of \$800 for each permanent employee who was in a FTE position before January 1, 2015, and whose salary is less than \$100,000, regardless of performance. This mandate adds approximately \$3.3M to the University's compensation and benefits budget, and contributes to the 6.0% growth in classified staff, as the majority of employees receiving bonuses are classified staff. When excluding the bonus impact, the overall growth in compensation and benefits would be 5.1% or \$23.0M. Other mandatory inflationary costs in this category include state-mandated health insurance and retirement increases contributing to the \$9.0M increase in the Fringe Benefits account.

The compensation and benefits budget accounts for nearly \$3.1M in State Appropriated funds: \$1.2M for Clemson's Center for Human Genetics, \$375K for the Deep Orange Project at CU-ICAR, and \$1.5M for PSA programs. The FY 2015-16 budget also includes an investment of nearly \$500K for safety and security expansions that will directly impact the student body, University employees and the community.

In order to fulfill contractual obligations to continue to support external contract that generates revenue for strategic investments, the budget calls for additional resources in CCIT with a total impact of \$4.0M in wages. The increase of 15.7% in the wages account is also attributed to growth in online and distance education programs and in Youth Learning Institute programs that provide opportunities for increased revenue generation.

\*Faculty salaries were increased to market levels in FY2012-13.

The budget calls for essential information technology resources for the student information system totaling \$2.0M. This mission critical system support will allow Undergraduate and Graduate Admissions, Financial Aid, Registrar’s office, Student Financial Services, and CCIT to provide enhanced functionality, improved customer service and continued support of mission critical student systems.

 **Other Costs**      ↑

Account Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$308,425	\$262,774	\$45,651	17.4%
Restricted	\$131,529	\$131,396	\$133	0.1%

Other costs represent approximately 44.5% of total operating uses. This large cost category includes anticipated expenditures ranging from utilities and travel to minor equipment. Budgets for this large group of operation spending categories are established at a high level in “Other Costs.” However, actual spending is accounted for in detail as expenditures occur throughout the year.

Representing 31.2% of total operating uses at \$308.4M, unrestricted other costs are projected to increase by \$45.7M, or 17.4%. The majority of the increase, \$29.5M, is in Auxiliary funds due to CCIT’s external contracts (\$19.3M), Athletics’ planned venue updates (\$5.0M), increases in athletic scholarships (\$2.2M), and growth in Athletic revenues (\$3.0M). The remainder of the increase is in E&G funds for inflationary costs such as utilities and property insurance (\$1.4M), library serials and journals (\$660K), Build to Compete priorities including student records and financial data systems (\$700K) and the University’s leave and time keeping application (\$705K), as well as State Appropriations earmarked for the Clemson Center for Human Genetics (\$276K) and for the Deep Orange project at CU-ICAR (\$369K).

 **Recoveries (Presented on a Revenue Basis)**      ↓

Account Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$(72,402)	\$(55,076)	\$(17,326)	31.5%
Restricted	\$-	\$-	\$-	0.0%

Recoveries are revenues generated from sales and services or the allocation of costs to internal customers of the University. Recoveries include revenues generated from the internal sale and distribution of telecommunications, information technology, fuel, facilities services and departmental services. The majority of the 31.5% increase for FY 2015-16 is due to CCIT’s reclassification of revenue from “other revenue” to “recoveries” due to the department’s external contracts. The reclassification of revenue equates to a \$14.1M increase in recoveries, but approximately \$4.0M is considered new revenue.

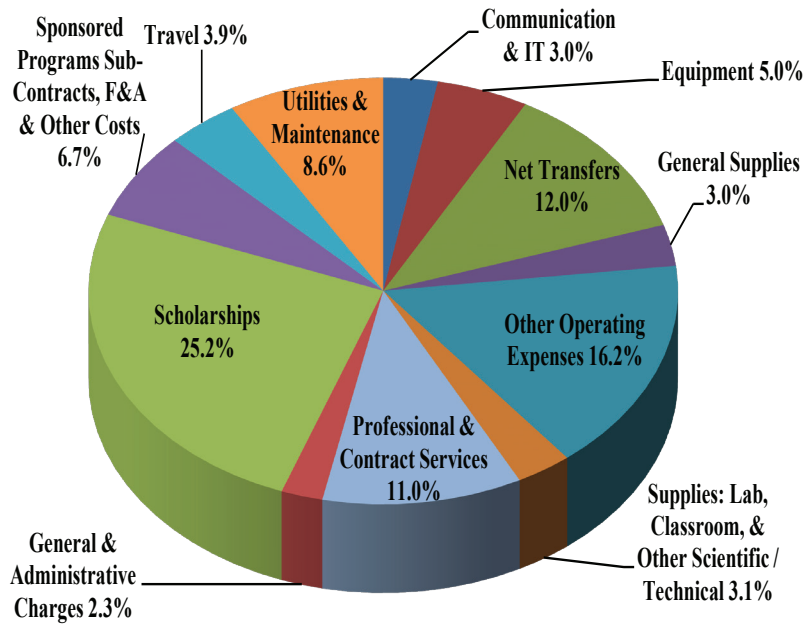
 **Net Transfers**      ↓

Account Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$27,684	\$33,266	\$(5,582)	(16.8%)
Restricted	\$22,329	\$17,816	\$4,513	25.3%

Net Transfers include internal transfers of resources between operating unrestricted and restricted funds and funding for debt service and capital projects. Internal transfers routinely include the funding of student activities and athletic scholarships from IPTAY. Capital projects and debt service are funded by transfers of student fees and auxiliary funds.

The unrestricted net transfers budget is decreasing by \$5.6M primarily due to Athletics adjusting Net Transfers to accommodate new reporting methodology for IPTAY. Restricted net transfers are increasing by 25.3% primarily for IPTAY Scholarship transfers. The net impact is a decrease of \$1.0M.

**Graph 6. - Projected Noncompensation Expenditures**



Account	FY 2015-16 Proposed Budget	Percent of Total
Communication & IT	12,427	3.0%
Equipment	21,065	5.0%
General & Administrative Charges	9,515	2.3%
General Supplies	13,082	3.0%
Supplies: Lab, Classroom, & Other Scientific / Technical	12,798	3.1%
Net Transfers	50,013	12.0%
Other Operating Expenses	67,485	16.2%
Professional & Contract Services	45,747	11.0%
Scholarships	105,305	25.2%
Sponsored Programs Sub-Contracts, F&A & Other Costs	27,795	6.7%
Travel	16,448	3.9%
Utilities & Maintenance	35,885	8.6%
<b>Total</b>	<b>\$417,565</b>	<b>100.0%</b>

Estimated Other Costs, Recoveries and Net Transfers sections provide an analysis of the FY 2015-16 budget for University's expenditures as shown in **Graph 6**.

 **Noncash Waivers**    ↑

Account Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$51,702	\$47,154	\$4,548	9.6%
Restricted	\$-	\$-	\$-	0.0%

Noncash waivers have no impact on cash flow; however, they are an important part of Clemson’s financial aid and recruitment strategy. Waivers are used to attract and retain high quality students. Noncash waivers are expected to increase 9.6% in FY 2015-16 due to aggressive recruiting and enrollment of a top-15 student body.

 **Fund Balance Resources**    ↓

Account Category	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$40,131	\$55,493	\$(15,362)	(27.7%)
Restricted	\$-	\$-	\$-	0.0%

Fund balances are utilized to make investments in mission critical systems, labs, classrooms, graduate student support, and other capital investments funded by individual budgetary units. The reduction in planned spending reflects the closure of systems implementation projects and a decreasing demand to use balances for recurring operating costs as a result of growth in revenue generation.

## Delegation of Authority to the Administration

In approving budgets, the Board of Trustees recognizes that (1) amounts budgeted as income are estimates and subject to change, (2) amounts budgeted for expenditures are a reflection of plans and workload estimates as of the time the budget is prepared, (3) the dynamic environment of a research university results in changes as a normal course of business and thus requiring adjustments in plans, programs, estimates and budget items. To provide for continuity and essential flexibility in operations, the Board of Trustees reaffirms the delegation of necessary authority to the President to act in all matters and to the Vice President for Finance & Operations to act in fiscal, contractual and other business matters, including specifically, authority to negotiate and make timely changes in contracts, to approve transfers and expenditures of funds permitted in the General Appropriations Act, including those funds commonly referred to as “contribution or gift funds” to be retained at the University, to adjust operating, permanent improvement and other income and expenditure items, and to take such other actions considered necessary in fiscal, contractual or other business matters in response to changing conditions and estimates.



## SUMMARY REVENUE AND EXPENSE BY PROGRAM BUDGET

(dollars in thousands)

	FY 2014-15				FY 2014-15		
	FY 2015-16 Proposed Budget	Revised Initial Budget	Percent Change		FY 2015-16 Proposed Budget	Revised Initial Budget	Percent Change
<b>Operating Resources</b>				<b>Operating Uses</b>			
<b>Unrestricted Revenue:</b>				<b>Unrestricted Expense:</b>			
State Appropriations	\$ 109,266	\$ 105,903	3.2%	Instruction	\$ 207,980	\$ 204,001	2.0%
Federal Appropriations	12,627	12,452	1.4%	Research	83,714	82,268	1.8%
Student Fees	354,899	334,333	6.2%	Public Service	59,118	55,186	7.1%
Facilities and Administrative Cost Recoveries	11,877	11,877	0.0%	Academic Support	43,936	38,665	13.6%
Sales and Services	190,128	167,573	13.5%	Institutional Support	32,096	29,683	8.1%
Other University Generated	24,836	22,355	11.1%	Student Services	35,950	30,746	16.9%
				Auxiliary Enterprises	154,255	129,307	19.3%
<b>Total Unrestricted Revenue</b>	<b>703,633</b>	<b>654,493</b>	<b>7.5%</b>	Scholarships and Fellowships	23,410	18,588	25.9%
Fund Balance Resources	40,131	55,493		Operations and Maintenance	35,490	32,783	8.3%
<b>Total Unrestricted Revenue and Fund Balance Resources</b>	<b>743,764</b>	<b>709,986</b>	<b>4.8%</b>	Net Transfers	27,684	33,266	(16.8%)
				<b>Current Unrestricted Expense</b>	<b>703,633</b>	<b>654,493</b>	<b>7.5%</b>
				Projected Fund Balance Expenditures	40,131	55,493	
				<b>Total Unrestricted Expense</b>	<b>743,764</b>	<b>709,986</b>	<b>4.8%</b>
<b>Restricted Revenue:</b>				<b>Restricted Expense:</b>			
State Higher Education Grants	51,270	49,900	2.7%	Instruction	4,726	5,061	(6.6%)
Financial Aid - Grants and Contracts and Other Revenues	50,894	48,990	3.9%	Research	68,505	67,534	1.4%
Grants and Contracts	90,255	89,496	0.8%	Public Service	11,790	12,913	(8.7%)
Other Restricted Revenue	1,364	855	59.5%	Academic Support	1,040	866	20.1%
				Institutional Support	3,090	2,228	38.7%
<b>Total Restricted Revenue</b>	<b>193,783</b>	<b>189,241</b>	<b>2.4%</b>	Student Services	393	729	(46.1%)
				Auxiliary Enterprises	-	-	0.0%
				Scholarships and Fellowships	81,895	82,094	(0.2%)
				Operations and Maintenance	15	-	0.0%
				Net Transfers	22,329	17,816	25.3%
				<b>Total Restricted Expense</b>	<b>193,783</b>	<b>189,241</b>	<b>2.4%</b>
<b>Total Revenue and Fund Balance Resources</b>	<b>937,547</b>	<b>899,227</b>	<b>4.3%</b>	<b>Total Expense</b>	<b>937,547</b>	<b>899,227</b>	<b>4.3%</b>
<b>Noncash Resources:</b>				<b>Noncash Uses:</b>			
Graduate and Undergraduate Waivers	51,702	47,154	9.6%	Graduate and Undergraduate Waivers	27,202	24,404	11.5%
				Fringe Benefits - Graduate Assistant Differential	24,500	22,750	7.7%
<b>Total Noncash Resources</b>	<b>51,702</b>	<b>47,154</b>	<b>9.6%</b>	<b>Total Noncash Uses</b>	<b>51,702</b>	<b>47,154</b>	<b>9.6%</b>
<b>Total Operating Resources</b>	<b>\$ 989,249</b>	<b>\$ 946,381</b>	<b>4.5%</b>	<b>Total Operating Uses</b>	<b>\$ 989,249</b>	<b>\$ 946,381</b>	<b>4.5%</b>

## SUMMARY REVENUE AND EXPENSE BY ACCOUNT BUDGET

(dollars in thousands)

	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change
<b>Operating Resources</b>			
<b>Unrestricted Revenue:</b>			
State Appropriations	\$ 109,266	\$ 105,903	3.2%
Federal Appropriations	12,627	12,452	1.4%
Student Fees	354,899	334,333	6.2%
Facilities and Administrative Cost Recoveries	11,877	11,877	0.0%
Sales and Services	190,128	167,573	13.5%
Other University Generated	24,836	22,355	11.1%
<b>Total Unrestricted Revenue</b>	<u>703,633</u>	<u>654,493</u>	7.5%
Fund Balance Resources	40,131	55,493	
<b>Total Unrestricted Revenue and Fund Balance Resources</b>	<u>743,764</u>	<u>709,986</u>	4.8%
<b>Restricted Revenue:</b>			
State Higher Education Grants	51,270	49,900	2.7%
Financial Aid - Grants and Contracts and Other Revenues	50,894	48,990	3.9%
Grants and Contracts	90,255	89,496	0.8%
Other Restricted Revenue	1,364	855	59.5%
<b>Total Restricted Revenue</b>	<u>193,783</u>	<u>189,241</u>	2.4%
<b>Total Revenue and Fund Balance Resources</b>	<u>937,547</u>	<u>899,227</u>	4.3%
<b>Noncash Resources:</b>			
Graduate and Undergraduate Waivers	51,702	47,154	9.6%
<b>Total Noncash Resources</b>	<u>51,702</u>	<u>47,154</u>	9.6%
<b>Total Operating Resources</b>	<u>\$ 989,249</u>	<u>\$ 946,381</u>	4.5%

	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change
<b>Operating Uses</b>			
<b>Unrestricted Expense:</b>			
Compensation and Benefits:			
Faculty and Unclassified Staff	\$ 186,464	\$ 180,960	3.0%
Classified Staff	98,612	93,072	6.0%
Other Wages	49,647	42,921	15.7%
Fringe Benefits	105,203	96,576	8.9%
Total Compensation and Benefits	439,926	413,529	6.4%
Operating Costs	308,425	262,774	17.4%
Net Transfers	27,684	33,266	(16.8%)
Recoveries	(72,402)	(55,076)	31.5%
<b>Current Unrestricted Expense</b>	<u>703,633</u>	<u>654,493</u>	7.5%
Projected Fund Balance Expenditures	40,131	55,493	
<b>Total Unrestricted Expense</b>	<u>743,764</u>	<u>709,986</u>	4.8%
<b>Restricted Expense:</b>			
Compensation and Benefits:			
Faculty and Unclassified Staff	11,612	11,076	4.8%
Classified Staff	2,739	2,567	6.7%
Other Wages	18,234	19,430	(6.2%)
Fringe Benefits	7,340	6,956	5.5%
Total Compensation and Benefits	39,925	40,029	(0.3%)
Operating Costs	131,529	131,396	0.1%
Net Transfers	22,329	17,816	25.3%
Recoveries	-	-	0.0%
<b>Total Restricted Expense</b>	<u>193,783</u>	<u>189,241</u>	2.4%
<b>Total Expense</b>	<u>937,547</u>	<u>899,227</u>	4.3%
<b>Noncash Uses:</b>			
Graduate and Undergraduate Waivers	27,202	24,404	11.5%
Fringe Benefits - Graduate Assistant Differential	24,500	22,750	7.7%
<b>Total Noncash Uses</b>	<u>51,702</u>	<u>47,154</u>	9.6%
<b>Total Operating Uses</b>	<u>\$ 989,249</u>	<u>\$ 946,381</u>	4.5%

**Operating Resources by Source**  
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change
<b>Unrestricted Revenue:</b>												
State Appropriations	\$ 73,705	\$ 69,365	6.3%	\$ 35,561	\$ 36,538	(2.7%)	\$ -	\$ -	0.0%	\$ 109,266	\$ 105,903	3.2%
Federal Appropriations	-	-	0.0%	12,627	12,452	1.4%	-	-	0.0%	12,627	12,452	1.4%
Student Fees	348,594	327,968	6.3%	-	-	0.0%	6,305	6,365	(0.9%)	354,899	334,333	6.2%
Facilities and Administrative												
Cost Recoveries	10,151	10,151	0.0%	1,726	1,726	0.0%	-	-	0.0%	11,877	11,877	0.0%
Sales and Services	9,359	8,082	15.8%	15,726	13,155	19.5%	165,043	146,336	12.8%	190,128	167,573	13.5%
Other University Generated	21,627	19,786	9.3%	411	72	470.8%	2,798	2,497	12.1%	24,836	22,355	11.1%
<b>Total Unrestricted Revenue</b>	<b>463,436</b>	<b>435,352</b>	<b>6.5%</b>	<b>66,051</b>	<b>63,943</b>	<b>3.3%</b>	<b>174,146</b>	<b>155,198</b>	<b>12.2%</b>	<b>703,633</b>	<b>654,493</b>	<b>7.5%</b>
Fund Balance Resources	36,560	52,237		3,344	3,000		227	256		40,131	55,493	
<b>Total Unrestricted Revenue and Fund Balance Resources</b>	<b>499,996</b>	<b>487,589</b>	<b>2.5%</b>	<b>69,395</b>	<b>66,943</b>	<b>3.7%</b>	<b>174,373</b>	<b>155,454</b>	<b>12.2%</b>	<b>743,764</b>	<b>709,986</b>	<b>4.8%</b>
<b>Noncash Resources:</b>												
Graduate and Undergraduate												
Waivers	51,702	47,154	9.6%	-	-	0.0%	-	-	0.0%	51,702	47,154	9.6%
<b>Total Noncash Resources</b>	<b>51,702</b>	<b>47,154</b>	<b>9.6%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>51,702</b>	<b>47,154</b>	<b>9.6%</b>
<b>Total Operating Resources</b>	<b>\$551,698</b>	<b>\$534,743</b>	<b>3.2%</b>	<b>\$ 69,395</b>	<b>\$ 66,943</b>	<b>3.7%</b>	<b>\$ 174,373</b>	<b>\$ 155,454</b>	<b>12.2%</b>	<b>\$795,466</b>	<b>\$ 757,140</b>	<b>5.1%</b>

\* The Division of Clemson Computing and Information has reclassified external contract revenue from the Educational and General fund source to Auxiliary Enterprises in the FY 2015-16 budget; therefore, the FY 2014-15 budget has been restated to reflect this change for comparison purposes.



**Operating Uses by Program** <sup>(1)</sup>  
*(dollars in thousands)*

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2014-15		Percent Change	FY 2014-15		Percent Change	FY 2014-15		Percent Change	FY 2014-15		Percent Change
	FY 2015-16 Proposed Budget	Revised Initial Budget		FY 2015-16 Proposed Budget	Revised Initial Budget		FY 2015-16 Proposed Budget	Revised Initial Budget		FY 2015-16 Proposed Budget	Revised Initial Budget	
<b>Unrestricted Expense:</b>												
Instruction	\$ 205,762	\$ 201,835	1.9%	\$ -	\$ -	0.0%	\$ 2,218	\$ 2,166	2.4%	\$ 207,980	\$ 204,001	2.0%
Research	58,814	56,058	4.9%	24,900	26,210	(5.0%)	-	-	0.0%	83,714	82,268	1.8%
Public Service	18,140	17,381	4.4%	40,930	37,805	8.3%	48	-	0.0%	59,118	55,186	7.1%
Academic Support	43,715	38,455	13.7%	221	210	5.2%	-	-	0.0%	43,936	38,665	13.6%
Institutional Support	31,914	29,683	7.5%	-	-	0.0%	182	-	0.0%	32,096	29,683	8.1%
Student Services	27,445	22,834	20.2%	-	-	0.0%	8,505	7,912	7.5%	35,950	30,746	16.9%
Auxiliary Enterprises	(9)	(7)	28.6%	-	-	0.0%	154,264	129,314	19.3%	154,255	129,307	19.3%
Scholarships and Fellowships	12,658	10,156	24.6%	-	-	0.0%	10,752	8,432	27.5%	23,410	18,588	25.9%
Operations and Maintenance	35,490	32,783	8.3%	-	-	0.0%	-	-	0.0%	35,490	32,783	8.3%
Net Transfers	29,507	26,174	12.7%	-	(282)	(100.0%)	(1,823)	7,374	(124.7%)	27,684	33,266	(16.8%)
<b>Current Unrestricted Expense</b>	<b>463,436</b>	<b>435,352</b>	<b>6.5%</b>	<b>66,051</b>	<b>63,943</b>	<b>3.3%</b>	<b>174,146</b>	<b>155,198</b>	<b>12.2%</b>	<b>703,633</b>	<b>654,493</b>	<b>7.5%</b>
Projected Fund Balance Expenditures	36,560	52,237		3,344	3,000		227	256		40,131	55,493	
<b>Total Unrestricted Expense</b>	<b>499,996</b>	<b>487,589</b>	<b>2.5%</b>	<b>69,395</b>	<b>66,943</b>	<b>3.7%</b>	<b>174,373</b>	<b>155,454</b>	<b>12.2%</b>	<b>743,764</b>	<b>709,986</b>	<b>4.8%</b>
<b>Noncash Uses:</b>												
Graduate and Undergraduate Waivers	27,202	24,404	11.5%	-	-	0.0%	-	-	0.0%	27,202	24,404	11.5%
Fringe Benefits - Graduate Assistant Differential	24,500	22,750	7.7%	-	-	0.0%	-	-	0.0%	24,500	22,750	7.7%
<b>Total Noncash Uses</b>	<b>51,702</b>	<b>47,154</b>	<b>9.6%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>51,702</b>	<b>47,154</b>	<b>9.6%</b>
<b>Total Operating Uses</b>	<b>\$ 551,698</b>	<b>\$ 534,743</b>	<b>3.2%</b>	<b>\$ 69,395</b>	<b>\$ 66,943</b>	<b>3.7%</b>	<b>\$ 174,373</b>	<b>\$ 155,454</b>	<b>12.2%</b>	<b>\$ 795,466</b>	<b>\$ 757,140</b>	<b>5.1%</b>

\* The Division of Clemson Computing and Information has reclassified external contract revenue from the Educational and General fund source to Auxiliary Enterprises in the FY 2015-16 budget; therefore, the FY 2014-15 budget has been restated to reflect this change for comparison purposes.

	Sponsored Program Activities			Scholarships and Student Aid			Other Restricted			Total Restricted		
	FY 2014-15		Percent Change	FY 2014-15		Percent Change	FY 2014-15		Percent Change	FY 2014-15		Percent Change
	FY 2015-16 Proposed Budget	Revised Initial Budget		FY 2015-16 Proposed Budget	Revised Initial Budget		FY 2015-16 Proposed Budget	Revised Initial Budget		FY 2015-16 Proposed Budget	Revised Initial Budget	
<b>Restricted Expense:</b>												
Instruction	\$ 2,375	\$ 2,333	1.8%	\$ 60	\$ 36	66.7%	\$ 2,291	\$ 2,692	(14.9%)	\$ 4,726	\$ 5,061	(6.6%)
Research	56,490	58,402	(3.3%)	14	-	0.0%	12,001	9,132	31.4%	68,505	67,534	1.4%
Public Service	9,303	10,007	(7.0%)	-	-	0.0%	2,487	2,906	(14.4%)	11,790	12,913	(8.7%)
Academic Support	-	-	0.0%	-	-	0.0%	1,040	866	20.1%	1,040	866	20.1%
Institutional Support	-	-	0.0%	-	1	(100.0%)	3,090	2,227	38.8%	3,090	2,228	38.7%
Student Services	-	-	0.0%	-	-	0.0%	393	729	(46.1%)	393	729	(46.1%)
Auxiliary Enterprises	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Scholarships and Fellowships	-	-	0.0%	80,203	81,894	(2.1%)	1,692	200	746.0%	81,895	82,094	(0.2%)
Operations and Maintenance	-	-	0.0%	-	-	0.0%	15	-	0.0%	15	-	0.0%
Net Transfers	437	572	(23.6%)	21,887	16,959	29.1%	5	285	(98.2%)	22,329	17,816	25.3%
<b>Total Restricted Expense</b>	<b>68,605</b>	<b>71,314</b>	<b>(3.8%)</b>	<b>102,164</b>	<b>98,890</b>	<b>3.3%</b>	<b>23,014</b>	<b>19,037</b>	<b>20.9%</b>	<b>193,783</b>	<b>189,241</b>	<b>2.4%</b>
<b>Noncash Uses:</b>												
Graduate and Undergraduate Waivers	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Fringe Benefits - Graduate Assistant Differential	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
<b>Total Noncash Uses</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Uses</b>	<b>\$ 68,605</b>	<b>\$ 71,314</b>	<b>(3.8%)</b>	<b>\$ 102,164</b>	<b>\$ 98,890</b>	<b>3.3%</b>	<b>\$ 23,014</b>	<b>\$ 19,037</b>	<b>20.9%</b>	<b>\$ 193,783</b>	<b>\$ 189,241</b>	<b>2.4%</b>
				Total Unrestricted			Total Restricted			Total University		
				FY 2014-15		Percent Change	FY 2014-15		Percent Change	FY 2014-15		Percent Change
	FY 2015-16 Proposed Budget	Revised Initial Budget		FY 2015-16 Proposed Budget	Revised Initial Budget		FY 2015-16 Proposed Budget	Revised Initial Budget		FY 2015-16 Proposed Budget	Revised Initial Budget	
<b>Total Restricted and Unrestricted Expense:</b>												
Total Expense	\$ 743,764	\$ 709,986	4.8%	\$ 193,783	\$ 189,241	2.4%	\$ 937,547	\$ 899,227	4.3%			
Total Noncash Uses	51,702	47,154	9.6%	-	-	0.0%	51,702	47,154	9.6%			
<b>Total Operating Uses by Program</b>	<b>\$ 795,466</b>	<b>\$ 757,140</b>	<b>5.1%</b>	<b>\$ 193,783</b>	<b>\$ 189,241</b>	<b>2.4%</b>	<b>\$ 989,249</b>	<b>\$ 946,381</b>	<b>4.5%</b>			

\* FY 2014-15 Initial Budget has been revised to eliminate duplication of E&G-funded Scholarships in Restricted Funds.

**Operating Uses by Account**  
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change	FY 2015-16 Proposed Budget	FY 2014-15 Revised Initial Budget	Percent Change
<b>Unrestricted Expense:</b>												
Compensation and Benefits:												
Faculty and Unclassified Staff	\$ 143,094	\$ 140,253	2.0%	\$ 19,283	\$ 16,476	17.0%	\$ 24,087	\$ 24,231	(0.6%)	\$ 186,464	\$ 180,960	3.0%
Classified Staff	75,191	69,164	8.7%	11,042	9,674	14.1%	12,379	14,234	(13.0%)	98,612	93,072	6.0%
Other Wages	35,560	30,546	16.4%	3,988	3,623	10.1%	10,099	8,752	15.4%	49,647	42,921	15.7%
Fringe Benefits	79,452	72,665	9.3%	12,131	9,850	23.2%	13,620	14,061	(3.1%)	105,203	96,576	8.9%
Total Compensation and Benefits	333,297	312,628	6.6%	46,444	39,623	17.2%	60,185	61,278	(1.8%)	439,926	413,529	6.4%
Other Costs	171,312	150,413	13.9%	20,190	24,962	(19.1%)	116,923	87,399	33.8%	308,425	262,774	17.4%
Net Transfers	29,507	26,174	12.7%	-	(282)	(100.0%)	(1,823)	7,374	(124.7%)	27,684	33,266	(16.8%)
Recoveries	(70,680)	(53,863)	31.2%	(583)	(360)	61.9%	(1,139)	(853)	33.5%	(72,402)	(55,076)	31.5%
<b>Current Unrestricted   Expense</b>	<b>463,436</b>	<b>435,352</b>	<b>6.5%</b>	<b>66,051</b>	<b>63,943</b>	<b>3.3%</b>	<b>174,146</b>	<b>155,198</b>	<b>12.2%</b>	<b>703,633</b>	<b>654,493</b>	<b>7.5%</b>
Projected Fund Balance Expenditures	36,560	52,237		3,344	3,000		227	256		40,131	55,493	
<b>Total Unrestricted   Expense</b>	<b>499,996</b>	<b>487,589</b>	<b>2.5%</b>	<b>69,395</b>	<b>66,943</b>	<b>3.7%</b>	<b>174,373</b>	<b>155,454</b>	<b>12.2%</b>	<b>743,764</b>	<b>709,986</b>	<b>4.8%</b>
<b>Noncash Uses:</b>												
Graduate and Undergraduate Waivers	27,202	24,404	11.5%	-	-	0.0%	-	-	0.0%	27,202	24,404	11.5%
Fringe Benefits - Graduate Assistant Differential	24,500	22,750	7.7%	-	-	0.0%	-	-	0.0%	24,500	22,750	7.7%
<b>Total Noncash Uses</b>	<b>51,702</b>	<b>47,154</b>	<b>9.6%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>51,702</b>	<b>47,154</b>	<b>9.6%</b>
<b>Total Operating Uses</b>	<b>\$ 551,698</b>	<b>\$ 534,743</b>	<b>3.2%</b>	<b>\$ 69,395</b>	<b>\$ 66,943</b>	<b>3.7%</b>	<b>\$ 174,373</b>	<b>\$ 155,454</b>	<b>12.2%</b>	<b>\$ 795,466</b>	<b>\$ 757,140</b>	<b>5.1%</b>

\* The Division of Clemson Computing and Information has reclassified external contract revenue from the Educational and General fund source to Auxiliary Enterprises in the FY 2015-16 budget; therefore, the FY 2014-15 budget has been restated to reflect this change for comparison purposes.





**Academic Fee Schedule**  
**Undergraduate Student Academic Fee Schedule**  
**Effective Fall 2015**

**Full-Time Undergraduate Fees per Semester (twelve hours or more):**

Base Academic Fee  
 Tuition  
 Other Debt Retirement and Plant Fund Transfers  
 Matriculation  
 Activity Fee  
 Software License Fee  
 Fike Fee (*on-campus*)  
 Medical Fee (*on-campus*)  
 Career Services Fee  
 Transit Fee (*on-campus*)  
 Information Technology Fee

**Total Full-Time Undergraduate Fees per Semester**

**Resident                      Non-Resident**

\$ 5,716	\$ 14,042
679	1,647
116	281
5	5
40	40
12	12
58	58
160	160
4	4
33	33
118	118
<b>\$ 6,941</b>	<b>\$ 16,400</b>

**Additional Full-Time Undergraduate Fees per Semester:**

Library Fee (*30+ credit hours*)

\$ 75	\$ 75
-------	-------

**Part-Time Undergraduate Fees per Credit Hour (less than twelve hours):**

Base Academic Fee  
 Tuition  
 Other Debt Retirement and Plant Fund Transfers  
 Activity Fee  
 Information Technology Fee

**Total Part-Time Undergraduate Fees per Credit Hour**

\$ 510	\$ 1,234
61	145
10	24
4	4
10	10
<b>\$ 595</b>	<b>\$ 1,417</b>

**Additional Part-Time Undergraduate Fees per Credit Hour:**

Library Fee

\$ 6	\$ 6
------	------

**Additional Part-Time Undergraduate Fees per Semester:**

Matriculation  
 Software License Fee  
 Fike Fee (*6+ on-campus credit hours*)  
 Medical Fee (*6+ on-campus credit hours*)  
 Career Services Fee (*6+ credit hours*)  
 Transit Fee (*6+ on-campus credit hours*)

\$ 5	\$ 5
12	12
58	58
160	160
4	4
33	33

**Academic Fee Schedule**  
**Undergraduate Student Academic Fee Schedule**  
 Effective Fall 2015 (*continued*)

<b>Summer Session Fees per Credit Hour:</b>	<b>Resident</b>	<b>Non-Resident</b>
Base Academic Fee	\$ 510	\$ 1,234
Tuition	61	145
Other Debt Retirement and Plant Fund Transfers	10	24
Activity Fee	4	4
Information Technology Fee	10	10
<b>Total Summer Session Fees per Credit Hour</b>	<b>\$ 595</b>	<b>\$ 1,417</b>
<b>Additional Fees per Summer Session:</b>		
Fike Fee ( <i>3+ on-campus credit hours</i> )	\$ 16	\$ 16
Summer Session Fee	5	5
Medical Fee ( <i>3+ on-campus credit hours</i> )	58	58
Software License Fee ( <i>maximum of \$12</i> )	6	6
<b>Other Undergraduate Fees (<i>Debt Service and Other Mandatory Fees Apply</i>):</b>		
<b>Per Semester:</b>		
Business and Behavioral Science Junior/Senior Differential Tuition	\$ 1,000	\$ 1,000
Student Sustainability Initiative (i.e. Green Fee) - opt in fee	10	10
Recreational Therapy Program (average of three term fees)	252	252
<b>Per Credit Hour:</b>		
Business and Behavioral Science - Non-Majors Surcharge/Credit Hour 300/400	\$ 100	\$ 100
Cardiovascular Technology Concentration for Health Science Majors	200	200
Electrical and Computer Engineering - Online Courses Academic Fee	654	654
Summer Study Abroad Academic Fee	654	654
Youth Development Program - Online Academic Fee	550	550
<b>Per Seat:</b>		
Variable Laboratory Fee Based on Specific Course Labs	\$ 75-200	\$ 75-200
<b>Contract Courses:</b>		
Level 1 - Graduate Tier 1 and 2 Programs	\$ 700-1,000	\$ 750-1,050
Level 2 - Graduate Tier 1 and 2 Programs	550-699	600-749
Level 3 - Graduate Tier 2 and 3 Programs	400-549	450-599
Level 4 - Undergraduate, Graduate Tier 3 and 4 Programs	250-399	300-449
Level 5 - Professional Development, High School Programs	100-249	150-299

**Academic Fee Schedule**  
**Graduate Student Academic Fee Schedule**  
**Effective Fall 2015**

**Full-Time Graduate Fees per Semester (nine hours or more):**

Tier 1 Program - Base Academic Fee  
 Tier 2 Program - Base Academic Fee  
 Tier 3 Program - Base Academic Fee  
 Tier 4 Program - Base Academic Fee  
 Tier 5 Program - Base Academic Fee

**Resident**                      **Non-Resident**

\$ 4,146	\$ 8,347
3,407	6,867
2,857	5,767
2,512	5,075
1,970	4,041

**Additional Full-Time Graduate Fees per Semester:**

Tuition  
 Other Debt Retirement and Plant Fund Transfers  
 Matriculation  
 Activity Fee  
 Software License Fee  
 Fike Fee (*on-campus*)  
 Medical Fee (*on-campus*)  
 Transit Fee (*on-campus*)  
 Information Technology Fee  
 Career Services Fee

\$ 679	\$ 1,647
116	281
5	5
20	20
12	12
58	58
160	160
33	33
118	118
2	2

**Total Additional Full-Time Graduate Fees per Semester**

<b>\$ 1,203</b>	<b>\$ 2,336</b>
-----------------	-----------------

**Full-Time Graduate Assistant Fees per Semester:**

Base Academic Fee  
 Tuition  
 Other Debt Retirement and Plant Fund Transfers  
 Matriculation  
 Activity Fee  
 Software License Fee  
 Fike Fee (*on-campus*)  
 Medical Fee (*on-campus*)  
 Transit Fee (*on-campus*)  
 Career Services Fee (*6+ credit hours*)

\$ 756	\$ 756
10	10
4	4
5	5
20	20
12	12
58	58
160	160
33	33
2	2

**Total Full-Time Graduate Assistant Fees per Semester**

<b>\$ 1,060</b>	<b>\$ 1,060</b>
-----------------	-----------------

**Academic Fee Schedule**  
**Graduate Student Academic Fee Schedule**  
 Effective Fall 2015 *(continued)*

<b>Part-Time Graduate Fees per Credit Hour (<i>less than nine hours</i>):</b>	<b>Resident</b>	<b>Non-Resident</b>
Tier 1 Program - Base Academic Fee	\$ 592	\$ 1,158
Tier 2 Program - Base Academic Fee	511	997
Tier 3 Program - Base Academic Fee	377	729
Tier 4 Program - Base Academic Fee	329	634
Tier 5 Program - Base Academic Fee	283	540
<b>Additional Part-Time Graduate Mandatory Fees per Credit Hour:</b>		
Tuition	\$ 61	\$ 145
Other Debt Retirement and Plant Fund Transfers	10	24
<b>Total Additional Part-Time Graduate Mandatory Fees per Credit Hour</b>	<b>\$ 71</b>	<b>\$ 169</b>
<b>Other Part-Time Graduate Fees:</b>		
<i>Per Credit Hour:</i>		
Information Technology Fee	\$ 10	\$ 10
<i>Per Session:</i>		
Matriculation	\$ 5	\$ 5
Activity Fee	20	20
Software License Fee	12	12
Fike Fee ( <i>6+ on-campus credit hours</i> )	58	58
Medical Fee ( <i>6+ on-campus credit hours</i> )	160	160
Career Services Fee ( <i>6+ credit hours</i> )	2	2
Transit Fee ( <i>6+ on-campus credit hours</i> )	33	33

<b>Summer Session Graduate Fees per Credit Hour (<i>less than nine hours</i>):</b>
--

Tier 1 Program - Base Academic Fee  
Tier 2 Program - Base Academic Fee  
Tier 3 Program - Base Academic Fee  
Tier 4 Program - Base Academic Fee  
Tier 5 Program - Base Academic Fee

Resident	Non-Resident
----------	--------------

\$ 592	\$ 1,158
511	997
377	729
329	634
283	540

**Additional Summer Session Graduate Mandatory Fees per Credit Hour:**

Tuition  
Other Debt Retirement and Plant Fund Transfers

\$ 61	\$ 145
10	24

**Total Additional Summer Session Graduate Mandatory Fees per Credit Hour**

<b>\$ 71</b>	<b>\$ 169</b>
--------------	---------------

**Other Summer Session Graduate Fees:**

***Per Credit Hour:***

Information Technology Fee

\$ 10	\$ 10
-------	-------

***Per Session:***

Summer Session Fee  
Software License Fee (maximum of \$12)  
Fike Fee (*3+ on-campus credit hours*)  
Medical Fee (*3+ on-campus credit hours*)

\$ 5	\$ 5
6	6
16	16
58	58

**Academic Fee Schedule**  
**Graduate Student Academic Fee Schedule**  
 Effective Fall 2015 *(continued)*

<b>Online Programs Graduate Fees per Credit Hour:</b>	<b>Resident</b>	<b>Non-Resident</b>
Tier 1 Program - Base Academic Fee	\$ 1,021	\$ 1,021
Tier 2 Program - Base Academic Fee	753	753
Tier 3 Program - Base Academic Fee	592	592
Tier 4 Program - Base Academic Fee	452	452
Tier 5 Program - Base Academic Fee	323	323
<b>Additional Mandatory Graduate Fees per Credit Hour:</b>		
Tuition	\$ 61	\$ 61
Other Debt Retirement and Plant Fund Transfers	10	10
<b>Total Additional Mandatory Graduate Fees per Credit Hour</b>	<b>\$ 71</b>	<b>\$ 71</b>
<b>Other Online Graduate Fees:</b>		
<i>Per Credit Hour:</i>		
Information Technology Fee	\$ 10	\$ 10
<i>Per Session:</i>		
Matriculation	\$ 5	\$ 5
Software License Fee	12	12
Career Services Fee (6+ credit hours)	2	2

**Other Graduate Fees (Debt Service and Other Mandatory Fees Apply):**

	<b>Resident</b>	<b>Non-Resident</b>
<b>Premier Program Academic Fees per Semester:</b>		
Masters in Historic Preservation	\$ 14,700	\$ 14,700
Masters in Real Estate Development	13,750	13,750
Masters in Business Administration (MBA) (beginning Fall 2016)	9,333	15,336
Masters & PhD in Automotive Engineering (beginning Fall 2016)	5,500	12,700
Master of Fine Arts in Digital Production Arts (beginning Fall 2016)	17,600	17,600
<b>Premier Program Academic Fees per Credit Hour:</b>		
Masters in Historic Preservation	\$ 980	\$ 980
Masters in Real Estate Development	917	917
Masters & PhD in Automotive Engineering (beginning Fall 2016)	786	1,814
Master of Fine Arts in Digital Production Arts (beginning Fall 2016)	1,956	1,956
<b>Special Masters in Business Administration (MBA) Programs:</b>		
MBA with a Concentration in Entrepreneurship and Innovation Annual Fee	\$ 28,500	\$ 28,500
MBA with a Concentration in Entrepreneurship and Innovation Part-Time Fee per Credit Hour	972	1,210
MBA Program in Santiago, Chile - Academic Fees for the 18-month Program	N/A	31,000

**Academic Fee Schedule**  
**Graduate Student Academic Fee Schedule**  
 Effective Fall 2015 *(continued)*

<b>Other Graduate Fees <i>(Debt Service and Other Mandatory Fees apply):</i></b>	<b>Resident</b>	<b>Non-Resident</b>
<b>Graduate International Exchange Programs Academic Fees per Semester:</b>		
Full-Time Non-Assistantship	\$ 2,978	\$ 2,978
Full-Time Assistantship	756	756
<b>Graduate International Exchange Programs Academic Fees per Credit Hour:</b>		
Part-Time Non-Assistantship	\$ 549	\$ 549
Summer Session Non-Assistantship	549	549
<b>Summer Session Graduate Fees:</b>		
Graduate Assistantship Academic Fee per Mini Session	\$ 315	\$ 315
Graduate Assistantship Academic Fee per Long Session	630	630
Graduate International Exchange Program Academic Fee per Session	315	315
Summer Study Aboard Academic Fee per Credit Hour	549	549
Deer Quality Management	1,500	1,500
<b>Other Fees per Semester:</b>		
Student Sustainability Initiative (i.e. Green Fee) - opt in fee	\$ 10	\$ 10
<b>Certificate Programs:</b>		
College of Engineering and Science Graduate Certificate Program (per credit hour)	\$ 1,000	\$ 1,000
International Family and Community Studies Professional Certificate Program Academic Fee per Credit Hour		
International Program Sites	N/A	300
Albania Program	N/A	300
<b>Contract Courses:</b>		
Level 1 - Graduate Tier 1 and 2 Programs	\$ 700-1,000	\$ 750-1,050
Level 2 - Graduate Tier 1 and 2 Programs	550-699	600-749
Level 3 - Graduate Tier 2 and 3 Programs	400-549	450-599
Level 4 - Undergraduate, Graduate Tier 3 and 4 Programs	250-399	300-449
Level 5 - Professional Development, High School Programs	100-249	150-299
<b>Other Graduate Fees:</b>		
Variable Laboratory Fees Based on Specific Course Labs per Seat	\$ 75-200	\$ 75-200



## Comparison of the Operating Budget with Audited Financial Statements

### Operating Budget with a Financial Reporting Perspective

The University's Operating Budget and audited financial statements, as reflected in the University's Comprehensive Annual Financial Report (CAFR), serve equally important and distinct purposes. The operating budget reflects the University's strategic initiatives and serves to drive accountability by providing a reference point for measuring actual financial performance. As such, the budget establishes responsible spending levels (required for regulatory and contractual compliance) for operating purposes. Audited financial statements are historical snapshots of the University's overall financial position prepared in accordance with Generally Accepted Accounting Principles (GAAP), allowing for comparability among public higher education institutions.

A summary supplemental schedule reconciling the Operating Budget and CAFR has been provided to aid in understanding the differences in methodology between the two perspectives. The first column, labeled "FY 2015-16 Proposed Budget," displays the proposed operating resources and uses. The second columnar section, titled "CAFR Adjustments," summarizes the key adjustments that must be taken into account when comparing the "Operating Budget" to the "CAFR." Finally, in the third column, titled "FY 2015-16 CAFR Perspective," the net results are presented to demonstrate a CAFR perspective of the proposed Operating Budget figures in accordance with GAAP.

### Comprehensive Annual Financial Report (CAFR) Adjustments

Adjustments made to translate the Operating Budget, controlled at unrestricted and restricted fund levels, to a university-wide perspective as prescribed by GAAP are as follows:

#### Internal Eliminations

Resources and uses are budgeted and managed by funding types. As a result, budgets must account and authorize spending at an unrestricted and restricted funding level. In many instances, the same funds must be budgeted and "used" or "spent" in more than one funding source. To eliminate a double counting of resources and uses at a university-wide perspective, GAAP mandates the elimination of activities that may be accounted for in multiple funds. Failure to recognize internal eliminations may result in overestimates or double counting of resources and uses when projecting the overall financial position of the University. The examples below provide practical illustrations highlighting the differences between a "Budget" and a "CAFR" perspective.

- **Internal Charges** — When departments provide goods or services to another area of the University, a revenue or expense budget is established to facilitate the budget process for each area. The internally generated revenue and expense are required to be eliminated for financial reporting purposes.
- **Scholarship Allowances** — Scholarships awarded to students are budgeted by restricted sources, gifts and grants. These scholarships are used to pay student fees, which are also budgeted as an unrestricted revenue source. Budgeting these resources both in restricted and unrestricted fund sources is required to obtain the necessary "spending authority" to ensure accountability and discipline within each discrete fund source. The practice of budgeting by fund sources requires an elimination adjustment to avoid double counting of revenues.
- **Facility and Administrative Recoveries** — Grants and contracts are budgeted as a restricted source. When grants and contracts incur facilities and administrative charges, a corresponding unrestricted revenue or source is budgeted for the recoveries. The practice of budgeting by the unrestricted and restricted source requires an elimination adjustment to avoid a double counting of revenues for financial reporting purposes.

### Capital, Debt and Endowment Activities

As previously noted, operating sources (“revenues”) and uses (“expenditures”) must be budgeted and carefully tracked on an annual basis. Capital and debt activities occurring in the Plant Fund and endowment activities occurring in the Endowment Fund are not budgeted as annual operating items, but are required to be included in the annual financial report per GAAP. Below are some helpful examples:

- Transfers for Capital and Debt Activity — Tuition and fees are operating sources designated for construction projects or restricted for debt service payments. These funds are budgeted as an operating source that are transferred to the Plant Fund as an operating use. Transfers from the operating sources are applied as a source in the Plant Fund for construction projects and restricted to meet debt covenant requirements. These transfers are required to be eliminated for financial reporting purposes. Construction projects, when completed, result in a capital asset which is depreciated over the useful life of the asset.
- Equipment — Equipment purchases are budgeted uses (annual expenses) of annual resources in the operating budget. For financial reporting purposes, all equipment is required to be capitalized and depreciated over the multiple-year useful life of the asset. Therefore, equipment “expenditures” that are “expensed” in a single fiscal year from an Operating Budget perspective must be restated and amortized over multiple fiscal years in the CAFR perspective.
- Depreciation — Financial reporting requires capital asset costs (buildings and equipment) to be allocated or expensed (depreciated) over the useful life of the asset.
- Interest Expense — Financial reporting requires interest payments for the long-term debt activity in restricted debt service plant funds to be recorded as interest expense.
- Plant Fund Activities — Funds designated for construction projects may result in activities that are not required to be capitalized. Expenses in the Plant Fund that do not meet the capitalization criteria are not budgeted as an operating use but are classified as an expense for financial reporting purposes.
- Endowment Contributions — Contributions or additions to endowments are required to be classified as revenues for financial reporting purposes. Even though these contributions are classified as revenues, they are not available to spend for operating purposes. They are required to be used as the restricted base for future investment earnings.

### Year End Reporting Adjustment

Reporting and State adjustments are adjustments required for financial reporting purposes. Typically, these are activities that occur after accounting records are closed for the fiscal year but are related to the financial reporting period.

- Reporting Adjustments — Adjustments are made after the close of the accounting records but are required for financial reporting purposes. Examples of reporting adjustments include grant subcontracts and construction activities that are billed after the fiscal year end but relate to activities in the reporting period. Some of these additional costs may be offset with a related billing or revenue receivable for the same reporting period.
- State Adjustments — A State reporting adjustment is required to reflect the market change in the value for funds held by the State Treasurer. While this adjustment is required for reporting, it is not available to be budgeted as an operating source.

These adjustments highlight differences in perspectives which are normally and generally accepted in the fiscal management of public colleges and universities.

## Operating Budget with a Financial Reporting Perspective

### Operating Resources by Source

(dollars in thousands)

	FY 2015-16 Proposed Budget	Description	CAFR Adjustments			FY 2015-16 CAFR Perspective
			Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
<b>Unrestricted Revenue:</b>						
State Appropriation	\$ 109,266		\$ -	\$ -	\$ -	\$ 109,266
Federal Appropriation	12,627		-	-	-	12,627
Federal Stimulus	-		-	-	-	-
Student Fees	354,899	Scholarship Allowances	(64,553)	-	-	287,346
		GAD Elimination	(3,000)	-	-	-
Facilities and Administrative Cost Recoveries	11,877	Facilities and Administrative Recoveries	(11,877)	-	-	-
Sales and Services	190,128	Internal Charges	(4,500)	-	-	173,736
		Reporting Adjustments	-	-	2,000	-
		Scholarship Allowances	(13,892)	-	-	-
Other University Generated	24,836		-	-	-	24,836
<b>Total Unrestricted Revenue</b>	<b>703,633</b>		<b>(97,822)</b>	<b>-</b>	<b>2,000</b>	<b>607,811</b>
Fund Balance Resources	40,131		-	-	-	40,131
<b>Total Unrestricted Revenue &amp; Fund Balance Resources</b>	<b>743,764</b>		<b>(97,822)</b>	<b>-</b>	<b>2,000</b>	<b>647,942</b>
<b>Restricted Revenue:</b>						
State Higher Education Grants	51,270		-	-	-	51,270
Financial Aid-Grants and Contracts and Other Revenues	50,894		-	-	-	50,894
Grants and Contracts	90,255	Reporting Adjustments	-	-	1,000	91,255
Other Restricted Revenue	1,364	Capital Additions	-	30,987	6,500	38,851
		Reporting Adjustments	-	-	-	-
<b>Total Restricted Revenue</b>	<b>193,783</b>		<b>-</b>	<b>30,987</b>	<b>7,500</b>	<b>232,270</b>
<b>Noncash Resources:</b>						
Graduate and Undergraduate Waivers	51,702	Scholarship Allowances	(27,202)	-	-	24,500
<b>Total Noncash Resources</b>	<b>51,702</b>		<b>(27,202)</b>	<b>-</b>	<b>-</b>	<b>24,500</b>
<b>Total Operating Resources</b>	<b>\$ 989,249</b>		<b>\$ (125,024)</b>	<b>\$ 30,987</b>	<b>\$ 9,500</b>	<b>\$ 904,712</b>

**Operating Budget with a Financial Reporting Perspective**  
**Operating Uses by Program**  
*(dollars in thousands)*

	CAFR Adjustments					
	FY 2015-16 Proposed Budget	Description	Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	FY 2015-16 CAFR Perspective
<b>Total University Expense:</b>						
Instruction	\$ 212,706	Facilities and Administrative Recoveries Reporting Adjustments	\$ (237)	\$	\$	\$ 212,469
Research	152,219	Noncapital Repairs and Renovations				139,767
		Facilities and Administrative Recoveries	(10,452)			-
		GAD Elimination	(3,000)			-
		Reporting Adjustments	-		1,000	-
Public Service	70,908	Facilities and Administrative Recoveries	(1,188)			69,720
Academic Support	44,976	Reporting Adjustments				44,976
Institutional Support	35,186	Reporting Adjustments				35,186
Student Services	36,343	Reporting Adjustments				36,343
Auxiliary Enterprises	154,255	Internal Aux Elimination	(4,500)			135,863
		Scholarship Allowances	(13,892)			-
Scholarships and Fellowships	105,305	Scholarship Allowances	(64,553)			40,752
Operations and Maintenance	35,505	Noncapital Repairs and Renovations		16,000		52,550
		Reporting Adjustments			1,045	-
Net Transfers	50,013	Transfers for Capital and Debt		(50,013)		-
Depreciation	-	Depreciation		44,000		44,000
Interest Expense	-	Interest Expense		14,000		14,000
<b>Current University Expense</b>	<b>897,416</b>		<b>(97,822)</b>	<b>23,987</b>	<b>2,045</b>	<b>825,626</b>
Projected Fund Balance Expenditures	40,131					40,131
<b>Total University Expense</b>	<b>937,547</b>		<b>(97,822)</b>	<b>23,987</b>	<b>2,045</b>	<b>865,757</b>
<b>Noncash Uses:</b>						
Graduate and Undergraduate Waivers	27,202	Scholarship Allowance	(27,202)			-
Fringe Benefits - Graduate Assistant Differential	24,500					24,500
<b>Total Noncash Uses</b>	<b>51,702</b>		<b>(27,202)</b>	<b>-</b>	<b>-</b>	<b>24,500</b>
<b>Total Operating Uses</b>	<b>\$ 989,249</b>		<b>\$(125,024)</b>	<b>\$ 23,987</b>	<b>\$ 2,045</b>	<b>\$ 890,257</b>

**Operating Budget with a Financial Reporting Perspective**  
**Operating Uses by Account**  
*(dollars in thousands)*

	FY 2015-16 Proposed Budget	Description	CAFR Adjustments			FY 2015-16 CAFR Perspective
			Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
<b>Total University Expense:</b>						
Compensation and Benefits:						
Faculty and Unclassified Staff	\$ 198,076	Noncapital Repairs and Renovations	\$ (55)	\$ -	\$ -	\$ 198,021
Classified Staff	101,351	Noncapital Repairs and Renovations	(350)	-	-	101,001
Other Wages	67,881	Noncapital Repairs and Renovations	(85)	-	-	67,796
Fringe Benefits	112,543	Internal Charges	(3,150)	-	-	109,393
<b>Total Compensation and Benefits</b>	<b>479,851</b>		<b>(3,640)</b>	<b>-</b>	<b>-</b>	<b>476,211</b>
Other Costs	439,954	Noncapital Repairs and Renovations		16,000		421,817
		Scholarship Allowances	(78,445)			-
		Depreciation		44,000		-
		Interest Expense		14,000		-
		Reporting Adjustments	(3,860)		2,045	-
		Facilities and Administrative Recoveries	(11,877)			-
Net Transfers	50,013	Transfers for Capital and Debt		(50,013)		-
Recoveries	(72,402)					(72,402)
<b>Current University Expense</b>	<b>897,416</b>		<b>(97,822)</b>	<b>23,987</b>	<b>2,045</b>	<b>825,626</b>
Projected Fund Balance Expenditures	40,131					40,131
<b>Total University Expense</b>	<b>937,547</b>		<b>(97,822)</b>	<b>23,987</b>	<b>2,045</b>	<b>865,757</b>
<b>Noncash Uses:</b>						
Graduate and Undergraduate Waivers	27,202	Scholarship Allowance	(27,202)			-
Fringe Benefits - Graduate Assistant	24,500					24,500
Differential						
<b>Total Noncash Uses</b>	<b>51,702</b>		<b>(27,202)</b>	<b>-</b>	<b>-</b>	<b>24,500</b>
<b>Total Operating Uses</b>	<b>\$ 989,249</b>		<b>\$(125,024)</b>	<b>\$ 23,987</b>	<b>\$ 2,045</b>	<b>\$ 890,257</b>

## **Definition of Terms**

### **Academic Support**

Program expenses for libraries, computing support and academic administration.

### **Account**

Classification of expense by type (i.e., travel, compensation, benefits and equipment, etc.).

### **Auxiliary Enterprises**

An Auxiliary Enterprise furnishes goods or services to students, faculty and staff, other institutional departments and incidentally to the general public for a fee related to the cost of the service. Auxiliary Enterprises are expected to be self-supporting, with revenues supporting the operating and capital needs of the enterprise. Examples include residence halls, dining, athletics and bookstores. Program expenses related to auxiliary enterprise activities are defined as auxiliary enterprises expenses.

### **Capital Activity**

Construction and equipment expenditures.

### **Capital, Debt and Endowment Activities**

Activities not included in the University operating budget. Plant fund activities include construction, equipment and debt expenditures. Endowment fund activities include gifts and grants and contracts restricted for endowments.

### **Capital Projects**

Approved projects that construct, renovate, improve or significantly extend the life of capital assets such as buildings, infrastructure or land acquisition.

### **Comprehensive Annual Financial Report (CAFR)**

The annual University financial report prepared under Generally Accepted Accounting Principles with an independent audit report.

### **Current Funds**

Resources of the institution expendable for the operating purposes of the University.

### **Debt Service**

Principal and interest payments on debt.

### **Depreciation**

Allocation of the costs of capital assets, buildings and equipment across the useful life of the assets.

### **Educational and General (E&G)**

Educational and General are the operations related to the educational mission of the University including instruction, research, public service, academic support, student services, institutional support and operation and maintenance of the physical plant. Educational and General revenues consist primarily of State general fund appropriations and tuition and fees generated by the University.

### **Facilities and Administrative Costs Recoveries (F&A)**

Payments associated with sponsored programs activities for institutional overhead costs. Program sponsors typically are required to pay a predetermined facilities and administrative rate approved by the Federal Government.

---

## **Definition of Terms (*continued*)**

### **Federal Appropriations**

Appropriations received from the Federal Government used primarily by Agricultural Experiment Stations and Cooperative Extension Service.

### **Fringe Benefits**

The employer contribution for benefits offered to employees such as medical, dental, disability and life insurance, social security tax, retirement and unemployment contribution. The graduate assistant differential is also budgeted as a fringe benefit.

### **Fund Balances**

Fund Balance is the result of an annual accumulation of revenues offset by expenses within a fund. Fund balances may be designated for the continuation of programs, strategic initiatives and to meet capital requirements in future years. Fund balances are budgeted as a source, Fund Balance Resources. Fund balance resources are budgeted as a use, Projected Fund Balance Expenditures. Referred to as Net Position for external reporting purposes.

### **GAAP (Generally Accepted Accounting Principles)**

Financial reporting and accounting standards required by Governmental Accounting Standards Board for all public higher education institutions.

### **Grants and Contracts**

Activity related to external or internal sponsored activities associated with a specific project, program or strategic initiative.

### **Institutional Support**

Program expenses for institutional and executive-level activities that manage and provide long-range planning of the University. Examples include the governing board, executive management, planning and programming operations, legal services, fiscal operations, fundraising, space management, human resources, procurement and other support services for faculty and staff not operated as an auxiliary enterprise.

### **Instruction**

Program expenses for the teaching faculty, support staff, instructional equipment and operating costs directly related to instruction. Departmental research which is not separately budgeted is also included in this category.

### **Internal Eliminations**

Financial reporting adjustments to remove corresponding revenue and expenses managed as multiple funds for accounting and budget purposes.

### **Mandatory Transfers**

Legally or contractually required transfer of funds, generally related to debt covenants, requiring the payment of principal and interest on bonds and other indebtedness.

### **Net Position**

An accounting term which defines the remaining balance of assets and deferred outflows offset by liabilities and deferred inflows. In public higher education net position may be classified as unrestricted net position, restricted net position or invested in capital assets net of related debt. Referred to as Fund Balances for internal reporting purposes.

### **Noncash Resources and Uses**

Budgeted resources and uses that have no cash flow impact to the University. External accounting requires tracking of noncash items such as waivers and graduate assistant differentials.

### **Nonmandatory Transfers**

Discretionary transfer between funds and programs.

### **Operating Budget**

Provides for an annual plan of operating sources and uses. It is also used as an authorization for spending.

## **Definition of Terms *(continued)***

### **Operation and Maintenance of Plant**

Program expenses for buildings and grounds maintenance, safety and security, utilities and general services.

### **Program**

Major classification of expense by function within the University regardless of organizational placement (i.e., Instruction, Research, etc.).

### **Public Service**

Program expenses associated with noninstructional services beneficial to individuals and groups external to the institution.

### **Public Service Activities (PSA)**

State and Federally funded activities for the Clemson Cooperative Extension Service, Agricultural Research, Regulatory Services and Livestock and Poultry Health.

### **Recoveries**

Revenues generated for sales and services of activities from within the University. External financial reporting requires internally generated revenue be offset from the related expense.

### **Related Organizations**

Separately chartered legal entities whose activities primarily provide financial assistance and other support to the University and its educational programs.

### **Research**

Program expenses for research sponsored by parties outside the University as well as separately budgeted University funded research.

### **Restricted Funds**

Current operating funds received primarily from gifts and grants and contracts that are restricted by donors or other outside parties.

### **Sales and Services**

Revenues from auxiliary or other revenue generating activities of the University.

### **Scholarships and Fellowships**

Program expenses for undergraduate and graduate student assistance primarily funded from gifts, endowment income, and Federal and State sources.

### **State Appropriations**

Legislative appropriations from the State of South Carolina for the operation of the University.

### **State Higher Education Grants**

Grants received for state scholarship programs such as Palmetto Fellows and LIFE Scholarships or pass-through appropriations from other state agencies.

### **Student Fees**

Revenues collected from students for registration in educational programs.

### **Student Services**

Program expenses contributing to the students' emotional and physical well-being as well as intellectual, cultural and social development outside the context of the formal classroom. The Admissions Office, the Registrar, expenses for student organizations, counseling and career guidance, and student financial aid administration are some examples of student service areas.

### **University Generated Revenue**

Revenue from sales and services to external parties.

### **Unrestricted Funds**

Current funds derived from State appropriations, student fees, institutional revenue and auxiliary operations.



---

**Definition of Terms** (*continued*)**Waivers**

An accounting term that establishes the value of institutional student aid as the difference between the established student fee and the amount paid by the student.