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Executive Summary

Introduction

This document presents Clemson University's proposed FY 2014-15 Operating Budget and the Academic Fee Schedule as approved by the Board of Trustees on June 25, 2014. The proposed budget is an estimate of the anticipated sources and uses of funds in FY 2014-15. 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 2014-15. 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.

Operating Budget Highlights:

Through early and decisive financial management strategies to mitigate the impacts of reductions in State Appropriations, Clemson University has implemented a strategic plan that focuses on enhancing revenue sources and aggressive management of costs, thus allowing for investments in the University's strategic priorities, including the following:

- Enhance student quality and performance
- Provide engagement opportunities for all students
- Attract, retain and reward top people
- Build to compete - facilities, infrastructure and technology

The proposed FY 2014-15 Operating Budget ensures a top-quality education for students, expanding research endeavors, providing exemplary public service programs and driving economic development in South Carolina. Through strategic divestment, resource reallocations and increased revenue generation, the plan further advances the University's mission objectives by enhancing student engagement, providing IT infrastructure, addressing critical deferred maintenance and improvement of physical

assets, and increasing investments in world-class faculty and staff, while managing significant mandatory cost increases, including state-mandated increases for cost-of-living adjustments (COLA), health insurance and retirement, as well as federally mandated Affordable Care Act (ACA) costs and rising utility and insurance costs. The Educational and General (E&G) budget includes investments by the State of South Carolina to prepare an educated workforce while improving the four-year graduation rates through the Student Career Opportunity and Focus on Student Success Programs. The Public Service Activities (PSA) budget consists of long-term investments by the State in Agribusiness and Emerging Farmers and Precision Agriculture and Environmental Technology, and non-recurring support for Agriculture Research Equipment.

Clemson University's FY 2014-15 comprehensive budget continues to emphasize investing in the core mission activities of the University – Instruction, Research and Public Service. The three programs combined will experience an overall increase of 3.8% or \$15.5M. The University's total operating resources include unrestricted, restricted and fund balance resources plus noncash waivers. These resources, which support annual operating uses, produce an overall increase of 6.0%. Projected unrestricted annual operating revenues and expenses for the University's two most important core mission areas, Educational and General (E&G) and Public Service Activities (PSA), are anticipated to increase by \$24.0M, or 4.9%. The University continues to employ the strategy of helping to fund critical investments with a combination of reallocations and divestments, coupled with new revenue generation. It is important to note that administrative costs continue to be an area of strategic cost containment for the University. The proposed FY 2014-15 Institutional Support budget reflects increased costs for the following: state-mandated cost-of-living adjustments (COLA), health insurance and retirement; the federally mandated Affordable Care Act; liability insurance and general inflationary costs; and strategic positions to support continued efforts to build a competitive area of technology, to improve efficiency across campus, and to coordinate the implementation of Title IX non-discrimination requirements. This institutional support budget includes the budget for postal operations as a result of reclassification of this unit from an auxiliary to self-generating E&G. Even with the increase, institutional support will remain at only 3.3% of the total budget, and is still \$13.4M or 29.5% less than the budget in FY 2008-09.

Revenue Summary:

Unrestricted Funds Revenue Summary

- Student Fee revenues are projected to grow by approximately \$9.7M over the FY 2013-14 revised initial budget, attributable to two primary factors: enrollment growth and a modest tuition and fee increase of 3.0% for resident and 3.2% for non-resident undergraduates. The tuition and fee increase includes a designated fee of \$25 for residents and \$55 for non-residents per semester for maintenance and repair of facilities.
- While the budget reflects an increase of 6.5% or \$6.5M in State Appropriations support to Clemson University, this budget includes non-recurring funding of \$3.0M for PSA Agriculture Research Equipment. State Appropriations as a percentage of total budget are remaining flat at 11.1%. Excluding the one-time allocation of \$3.0M, the actual increase is \$3.5M or 3.5%. The State Appropriations budget is still \$56.0M or 34.6% below the FY 2007-08 budget of \$161.9M. The growth in this budget can be attributed to the State's investment in Clemson University to support student success, along with growth in agricultural research. This budget includes \$200K for Focus on Student Success, which will help the University towards its goal of improving the four-year graduation rate. The State has renewed its commitment to the Student Career Opportunity Program for \$1.0M, which becomes recurring support in FY 2014-15. These students will graduate Clemson ready to work collaboratively, accept responsibility, assume leadership and take on new challenges. The budget also includes recurring funding of \$500K for Agribusiness and Emerging Farmers and \$250K for Precision Agriculture and Environmental Technology. The FY 2014-15 budget includes an estimate of increased funding from the State for the state-mandated 2.0% pay raise and rising health insurance and retirement costs, for a total of approximately \$2.5M. However, the mandatory increases for salary, health insurance and retirement are expected to cost the University \$11.4M overall.
- The University's auxiliary operations are projected to contribute approximately \$7.3M to the net unrestricted revenue growth. The projected growth is primarily attributable to increases in Athletic sales and services for \$5.8M from the ACC Broadcasting contract and from corporate sponsorships, an overall increase of 12.0% for Athletics. Additional growth in auxiliary revenues is attributable to enrollment growth and a modest average increase of 2.3% in room and board fees for FY 2014-15, which will be used to improve dining, housing and student life facilities.

- Significant revenue growth of \$6.0M or 22.2% is anticipated in the Other University Generated Revenue category, almost entirely within the E&G budget. The Clemson Computing and Information Technology (CCIT) Division expects additional revenues from computer services, student technology fees and online services, while Economic Development is projecting an increase in revenues at the Clemson University Restoration Institute (CURI) for wind turbine and grid simulation testing.

Restricted Funds Revenue Summary

- The growth in the Scholarships and Student Aid budget, approximately 12.7% or \$12.2M, is responsible for the increase of 6.2% or \$11.7M to Total Restricted Revenues. The University anticipates an increase of \$2.3M for state-funded higher education grants such as Palmetto Fellows and LIFE Scholarships as a result of increased enrollment and retention. Federal student aid programs such as the Post 9/11 GI Bill and PELL Grants are projected to increase by \$2.6M. The budgets for Trustee and Clemson Scholars programs are increasing for capacity by \$2.8M, and the budget for IPTAY Scholarship transfers is growing by \$1.5M. The budget also reflects a growth in private scholarship funding by \$3.1M. The budget for sponsored programs and research activity is decreasing by 1.0%, following a reduction in the FY 2013-14 revised initial budget by 7.9%. With the government operating under sequestration and continuing resolutions, there is limited potential for new federal research funding for the University. If economic conditions improve, there is the potential for new public-private partnership funding for research.

Total Operating Resources Summary

- Including all unrestricted resources, restricted revenues and noncash waivers, the projected total operating resources budget is \$956.2M, a 6.0% increase over FY 2013-14 levels. Minor changes are reflected in the percentage distribution of funding sources for FY 2014-15, with the most noticeable change reflected in the shift of Financial Aid–Grants and Contracts and Other Revenues from 5.4% to 6.2% of total budget, resulting in Student Fees decreasing from 36.0% to 35.0% of total budget. Another demonstration of the University's commitment to provide additional financial aid to students: while the Student Fees revenue budget is increasing by 3.0%, the budget for Financial Aid–Grants and Contracts and Other Revenues is increasing by 20.4%.

Expense Summary:

- The University's commitment to divest and aggressively generate new revenue to fund the University's 2020 Plan is evidenced by a 5.0% projected increase in unrestricted annual operating expenses. When excluding the impact of State Appropriations growth over the prior fiscal year, the increase in unrestricted annual operating expenses is 4.0%. As with total resources, total operating uses are projected to increase to \$956.2M, an increase of 6.0% over FY 2013-14 levels. When adjusting this growth for increases in the anticipated use of fund balance resources, noncash waivers and State Appropriations, the overall increase is only 4.0%.
- Clemson's core mission areas', E&G and PSA, operating expenses are projected to increase 4.9%. Instruction, Research and Public Service budgets combined will see an overall 3.8% increase above the FY 2013-14 revised initial budget.
 - ▶ Instruction is projected to increase \$5.5M over the FY 2013-14 revised initial budget to a total of \$209.1M, representing 21.9% of the total annual operating uses, the University's single largest expense category. This represents a historic high level of investment in instruction, approximately 12.1% higher than the initial FY 2010-11 budget, prior to the implementation of the 2020 Plan. The instruction budget has grown 56.9% over the last ten years.
 - ▶ Research investments are anticipated to increase \$5.0M, primarily with growth in the unrestricted funds. This growth includes a non-recurring allocation from the State for PSA equipment, \$3.0M. As the second largest component of Clemson's proposed annual operating budget, the \$149.8M investment is 15.7% of Clemson's FY 2014-15 total annual operating expenses. Overall, the research budget has grown 8.5% since FY 2010-11, prior to the implementation of the 2020 Plan.
 - ▶ Public Service related expenses are projected to increase by \$4.9M, with growth in revenues from PSA programs and increased mandatory costs. Overall, the public service budget has increased by 9.2% since FY 2010-11.
- Academic Support is expected to increase by \$2.5M to \$50.3M and accounts for 5.3% of the total budget. Additional investments in information resources, recurring State Appropriations of \$200K for the Focus on Student Success Program, and additional CCIT revenues contribute to the 5.3% growth. This budget reflects a 22.6% increase from FY 2010-11.
- The FY 2014-15 program budget for Scholarships and Fellowships is forecasted to increase \$12.4M over the FY 2013-14 revised initial budget as a direct result of increased funding for state and federal programs, Clemson Scholars and Trustee Scholars and IPTAY scholarship transfers. The \$110.5M budget reflects a 27.8% growth from FY 2010-11, and is almost three times the budget in FY 2001-02.
- Institutional Support is projected to grow by \$2.1M, as the University demonstrates its commitment to improved technology and process efficiency. The growth is also attributable to unavoidable inflationary costs associated with legal services, business insurance and regulatory compliance. Even with this increase, the institutional support budget still remains at 3.3% of the total budget, and is 29.5% or \$13.4M lower than the FY 2008-09 budget.
- Auxiliary Enterprises program expenses are increasing by \$4.2M or 3.7% as a direct result of increased investments in auxiliary facilities and the contractual obligations described above in the Unrestricted Funds Revenue Summary.
- Net Transfers are projected to increase by \$4.2M or 9.1%. 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.

Unrestricted Funds Expense Summary

- Total unrestricted annual operating expenses are anticipated to increase approximately 5.0%. Clemson's largest unrestricted investment resides in its core mission activities - Instruction, Research and Public Service, representing 52.2% of the unrestricted annual operating budget.
- Clemson's unrestricted compensation and benefits budget, which reflects the strategic priorities of the University to "attract, retain and reward top people" and "provide engagement opportunities for all students," is projected to increase by \$17.8M, or 4.5%. Approximately \$4.0M is attributed to the investments in strategic and critical faculty hires. State-mandated cost increases for salary, health insurance and retirement comprise approximately \$10.1M of the growth in the unrestricted compensation and benefits budget, with an estimate of \$2.5M in partial funding from the State. Other impacts include fringe costs associated with the implementation of ACA, State funding for Focus on Student Success and overall growth in Athletics, CCIT, and revenue generating departments.

Restricted Funds Expense Summary

- As with restricted resources, restricted uses are projected to increase 6.2% or \$11.7M. The most important highlights from the restricted operating expense budget are described below:
 - ▶ Scholarships and Fellowships program expenditures are projected to rise \$10.8M, a 13.4% increase over FY 2013-14 levels. Program details are included above in the revenue section.
 - ▶ Instruction, Research and Public Service program expenditures are dropping by 1.4% or \$1.2M, primarily due to a 12.2% decrease in Other Restricted funding for research, as well as an overall 1.0% reduction in the Sponsored Program Activities budget. With the government operating under sequestration and continuing resolutions, there is limited potential for new federal research funding for the University. If economic conditions improve, there is the potential for new public-private partnership funding for research.
 - ▶ Net transfers are increasing by 9.6%, primarily as a result of IPTAY transfers for scholarships.
 - ▶ Compensation and Benefits are projected to increase by 4.7% or \$1.8M due to the state-mandated cost increases for salary, health insurance and retirement.

Total Operating Uses Summary

- Including all unrestricted uses, restricted expenses and noncash waivers, the projected total operating uses budget is \$956.2M. The FY 2014-15 budget includes a 6.0% increase over the FY 2013-14 revised initial budget, which 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.

Proposed FY 2015 Operating Budget (In 000's)

The total proposed operating budget for FY 2014-15 is \$956.2M, 6.0% above the FY 2013-14 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 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent of Total FY 2014-15 Budget	Budget Change	Percent Change
Unrestricted	\$709,986	\$669,625	74.3%	\$40,361	6.0%
Restricted	199,064	187,394	20.8%	11,670	6.2%
Noncash Items	47,154	45,060	4.9%	2,094	4.6%
Total Sources	\$956,204	\$902,079	100.0%	\$54,125	6.0%

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

Unrestricted Funds Resource Summary

Annual unrestricted operating revenues are projected to increase 5.0%. 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 6.0% above FY 2013-14 levels to \$710.0M. Unrestricted resources represent 74.3% of the University's resources, which are available to further the mission activities of the University.

Unrestricted Operating Resources include four major categories of funding:

- **Educational and General (E&G)** budget includes an increase of 2.5% to E&G State Appropriations, most of which will be consumed by state-mandated cost increases (\$1.7M), including a 2.0% pay increase and rising health insurance and retirement costs. The overall mandatory cost increase imposed by the state for the University is projected at \$11.4M. The State Appropriations budget also provides new recurring funding of \$200K for the Focus on Student Success Program, helping to increase the four-year graduation rate, thereby lowering the cost of education for students. While not an overall increase to the budget, the State will provide recurring funding for the Student Career Opportunity Program, which was included in the FY 2013-14 revised initial budget at \$1.0M in non-recurring funds. In addition to state-mandated costs, the budget

includes an increase in preparation for the federally mandated Affordable Care Act (ACA), which will be in effect for the University in January 2015. The overall University impact is projected to be \$3.2M. The E&G budget includes growth in tuition and fee revenues in support of the strategic priorities of the University:

- “Enhance student quality and performance” with additional scholarship opportunities
- “Provide engagement opportunities for all students” with continued support of the Student Career Opportunity Program/internship and co-op opportunities, creative inquiry, QEP and other student engagement programs
- “Attract, retain and reward top people” with strategic and critical faculty hires with startup packages to ensure quality education, as well as pay increases
- “Build to compete” with growth in information resources and continued support of deferred maintenance and the capital plan

In total, E&G operating revenues are expected to increase by 5.9% to \$446.1M. These operating revenues comprise 46.7% of the total resource budget and 68.2% of the unrestricted operating revenue budget. It is important to note that this budget reflects a reclassification of the Youth Learning Institute (YLI) to Economic Development in the E&G Budget, but YLI still programmatically functions as a public service activity. The impacts of this reclassification to the revenue budget are reflected in the Sales and Services category for both E&G and PSA funds, approximately a \$7.5M shift.

- **Public Service Activities (PSA)** operating revenues are approximately 6.7% of the total resource budget and 9.8% of the unrestricted operating revenue budget. The PSA revenue budget reflects an overall decrease of 1.2%, primarily a result of the reclassification of Youth Learning Institute to the Economic Development E&G budget. The PSA budget includes a recurring increase of \$750K in State Appropriations for the PSA Precision Agriculture and Emerging Farmers programs, as well as \$750K for state-mandated cost increases for cost-of-living, health insurance and retirement. The PSA budget also includes non-recurring State Appropriations of \$3.0M for PSA Agriculture Research Equipment, increasing the total PSA State Appropriations budget by 15.0%. Excluding the \$3.0M increase in non-recurring funds, the growth in State funding for PSA is projected to be 5.6%.
- **Auxiliary Enterprises** operating revenues represent 15.1% of the total resource budget and 22.1% of the unrestricted operating revenue budget. Auxiliary

enterprises operating revenues are expected to increase 5.3% to \$144.4M as a result of growth in Athletic revenues and a modest increase of 2.3% in room and board fees.

- **Fund Balance Resources** projected at \$55.5M, complete the remainder of the unrestricted operating resource budget.

Restricted Funds Resource Summary

Restricted resources comprise 20.8% of the total budget and are projected to increase by 6.2% to \$199.1M. Restricted funds, limited by legal requirements, are available for designated purposes. Restricted funds include three major categories of funding:

- **Sponsored Program Activities** revenues are projected again to be slightly lower than the prior year budget, resulting in the sponsored program activities budget for FY 2014-15 being reduced by 1.0% to \$71.3M. With the government operating under sequestration and continuing resolutions, there is limited potential for new federal research funding for the University. If economic conditions improve, there is the potential for new public-private partnership funding for research. Overall the FY 2014-15 budget reflects an increase of 43.2% over FY 2000-01 levels, but is within 27.3% of FY 2002-03 levels.
- **Scholarships and Student Aid** revenues are expected to grow by 12.7% to \$108.7M, which includes significant increases in State and Federal student aid programs, such as Palmetto Fellows and LIFE Scholarships, PELL Grants and Post 9/11 GI Bill. The growth also includes increases for IPTAY Scholarship transfers, Clemson and Trustee Scholars, and private scholarships.
- **Other Restricted** revenues are forecasted to modestly increase by 1.0% to \$19.0M, as a result of growth in endowments and in the Call Me Mister Program.

- **Noncash Items** represent 4.9% 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 2015 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

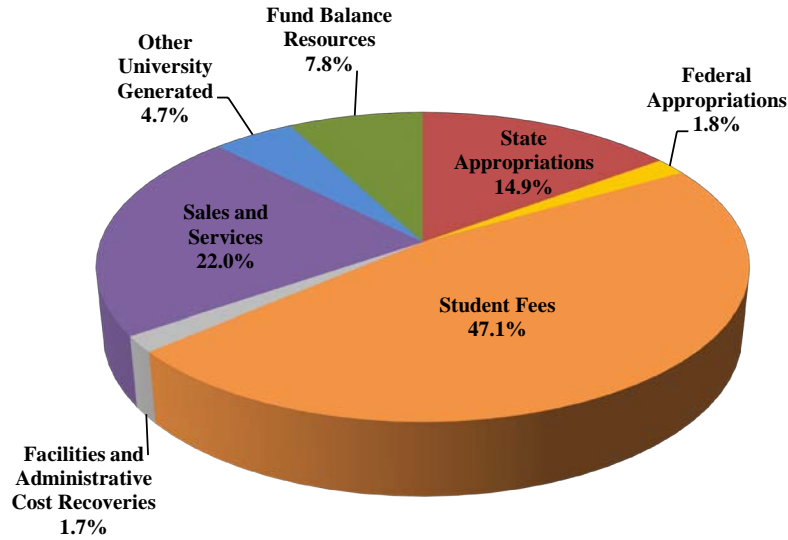
Revenue Source	FY 2014-15 Proposed Budget	Percent of Total FY 2014-15 Budget	FY 2013-14 Revised Initial Budget	Percent of Total FY 2013-14 Budget
Unrestricted Operating Revenue Budget				
State Appropriations	\$105,903	11.1%	\$99,453	11.0%
Federal Appropriations	12,452	1.3%	12,452	1.4%
Student Fees	334,333	35.0%	324,683	36.0%
Facilities and Administrative Cost Recoveries	11,877	1.2%	12,004	1.3%
Sales and Services	156,813	16.4%	147,532	16.4%
Other University Generated	33,115	3.5%	27,105	3.0%
Fund Balance Resources	55,493	5.8%	46,396	5.1%
Total Unrestricted Operating Revenue Budget	\$709,986	74.3%	\$669,625	74.2%
Restricted Operating Revenue Budget				
State Higher Education Grants	\$49,900	5.2%	\$47,650	5.3%
Financial Aid-Grants and Contracts and Other Revenues	58,813	6.1%	48,851	5.4%
Grants and Contracts	89,496	9.4%	88,851	9.9%
Other Restricted Revenue	855	0.1%	2,042	0.2%
Total Restricted Operating Revenue Budget	\$199,064	20.8%	\$187,394	20.8%
Graduate and Undergraduate Waivers	\$47,154	4.9%	\$45,060	5.0%
Total Clemson FY 2014-15 Operating Budget	\$956,204	100.0%	\$902,079	100.0%

Figure 2 details the distribution of the University’s revenue by funding sources and provides a comparison between FY 2013-14 revised and FY 2014-15.

Unrestricted Operating Resources Budget (In 000’s)

The Unrestricted Resources budget represents 74.3% 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 2014-15 budget for each of the University’s unrestricted funding sources.

State Appropriations ↑

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$105,903	\$99,453	\$6,450	6.5%

The FY 2014-15 budget for State Appropriations includes a recurring E&G allocation of \$200K for Focus on Student Success to provide support to students in attaining undergraduate degrees within four years. While the FY 2013-14 revised initial budget included State Appropriations of \$1.0M for the Student Career Opportunity Program (internship/co-ops), the FY 2014-15 budget now includes this funding as recurring due to recent legislative action to recognize the importance of the program. These students will enter the real world ahead of the curve, ready to work collaboratively, accept responsibility, assume leadership and take on new challenges as part of South Carolina’s future workforce. The growth in this category also includes recurring funding for PSA Precision Agriculture and Emerging Farmers programs (\$750K), and approximately \$2.5M for state-mandated cost increases for salary, health insurance and retirement. The budget includes a non-recurring investment of \$3.0M for PSA Agriculture Research Equipment. 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 \$6.5M or 6.5% to \$105.9M. Excluding the \$3.0M non-recurring funding for PSA equipment, the State Appropriations budget is projected to increase overall by 3.5%. Even with this growth, State Appropriations as a percentage of budget remains flat, at 14.9% of the unrestricted operating revenue budget and 11.1% of the total budget. Clemson’s FY 2014-15 State Appropriations budget is at FY 1989-90 nominal levels. Adjusted for inflation, E&G funding per student is more than 60% lower than it was in FY1970-71.

Federal Appropriations ↔

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$12,452	\$12,452	\$-	0.0%

Federal Appropriations are a small percentage of the University’s total revenue sources (1.3%), and are projected to remain flat in FY 2014-15. Public Service and Agriculture is the only division in the University projected to receive unrestricted Federal Appropriations in FY 2014-15. This federal funding is used to support

research and extension programs. Federal Appropriations represent 18.6% of PSA's total unrestricted resources.

Student Fees (includes Cash Waivers) ↑

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$334,333	\$324,683	\$9,650	3.0%

Student Fees represent the largest single source of revenue for the University. The FY 2014-15 projected Student Fees budget accounts for 47.1% of the unrestricted budget and 35.0% of the total budget. In total, student tuition and fees are projected to increase approximately \$9.7M or 3.0%, primarily as a result of enrollment growth and the modest tuition and fee increase for undergraduate students. Summer and distance education revenues are expected to be flat in FY 2014-15.

Changes to tuition and fees for Fall 2014 (FY 2014-15) include a general 2.6% increase for undergraduate South Carolina resident students, plus \$25 per semester for maintenance and repair of facilities, for an overall increase of 3.0% for residents. Tuition and fees for undergraduate non-resident students will increase by 2.8%, plus non-resident students will pay \$55 per semester for maintenance and repair of facilities, for an overall increase of 3.2% for non-residents. This modest increase is afforded by aggressive cost-cutting measures and a commitment to use internal reallocations and other revenues as primary sources of funding. The tuition and fee increase, new revenue generation, as well as internal reallocations, will continue to provide funding for Clemson's strategic priorities. These strategic priorities enhance student quality and performance; provide engagement opportunities for all students; attract, retain and reward top people; and build to compete - facilities, infrastructure and technology. These resources will provide increased student engagement opportunities, improved academic facilities, new technology and other activities adding value to the educational experience and directly benefiting students. This budget will allow the University to invest additional funding in strategic and critical faculty hires.

Facilities and Administrative Cost Recoveries ↓

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$11,877	\$12,004	\$(127)	(1.1%)

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 decrease by \$127K or 1.1%.

Sales and Services ↑

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$156,813	\$147,532	\$9,281	6.3%

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 6.3% in FY 2014-15. Auxiliary enterprises expect a steady 5.1% growth in revenue. This growth results from an increase of \$5.8M for the Athletics ACC Broadcasting contract and increased revenue from corporate sponsorships, a 12.0% increase in sales and services revenues overall for Athletics. The Board approved an average increase of 2.3% in room and board fees in anticipation of continued improvements in dining, housing and student life facilities that will be an important factor in recruitment and retention at Clemson University. For example, the Sheep Barn will be renovated into a student activity center, and the University is constructing two new housing communities for students that will include new dining facilities and student services amenities.

Other University Generated Revenue ↑

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$33,115	\$27,105	\$6,010	22.2%

Other University Generated Revenue is projected to increase 22.2%, a reflection of the University’s commitment to generate other sources of revenue. This revenue source represents 3.5% of the total resources budget and 4.7% of the unrestricted revenue budget. A \$5.0M increase in revenues is expected from computer services provided by CCIT and testing service fees by Economic Development for CURI (Wind Turbine and Grid Simulation).

Graduate and Undergraduate Waivers (Noncash) ↑

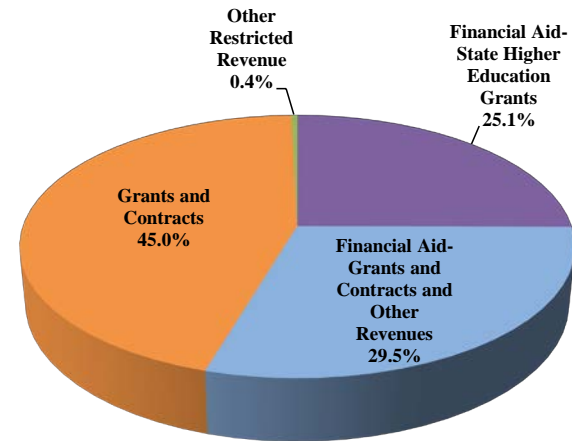
FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$47,154	\$45,060	\$2,094	4.6%

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 4.6% in FY 2014-15 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 \$199.1M accounts for 20.8% 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 2014-15 budget for each of the University’s restricted funding sources as shown in **Graph 3**.

Financial Aid - State Higher Education Grants ↑

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$49,900	\$47,650	\$2,250	4.7%

State Higher Education Grants which include primarily LIFE and Palmetto Fellows Scholarships, comprise 5.2% of the projected total revenue budget and 25.1% of the restricted revenue budget. State Higher Education Grants to Clemson students are projected to grow primarily due to a \$1.7M increase in Palmetto Fellows Scholarships and \$900K increase for LIFE Scholarships during the FY 2014-15 budget period.

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

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$58,813	\$48,851	\$9,962	20.4%

Financial Aid - Grants and Contracts and Other Revenues are expected to substantially increase by 20.4% with additional funding for the Trustee Scholars Program (\$2.3M), PELL Grants (\$1.5M), IPTAY Scholarship transfers (\$1.5M), Post 9/11 GI Bill (\$1.1M), and Clemson Scholars Program (\$533K) as well as increased growth from private scholarship programs such as the Duke University Tuition Grant, Clemson National Scholars, David S. Greene Family Annual Scholarship and the CU Community Service Grants with a total increased private scholarship funding of \$3.1M.

 **Grants and Contracts** ↑

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$89,496	\$88,851	\$645	0.7%

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 increased minimally (0.2%) to \$70.9M. With the government operating under sequestration and continuing resolutions, there is limited potential for new federal research funding for the University. If economic conditions improve, there is the potential for new public-private partnership funding for research. Helping to mitigate this drop in core sponsored program funding, grants and contracts in other restricted funds reflects an increase of \$645K primarily due to new programs such as Greenville Schools Smart Enrichment Program, Margaret H. Lloyd Endowment and the Macaulay Endowed Professorship as well as continued growth in the Call Me Mister Program and The Timken Trustee Chair.

 **Other Restricted Revenue** ↓

FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
\$855	\$2,042	\$(1,187)	(58.1%)

Other Restricted Revenue is another small revenue resource representing 0.1% of projected total revenue and 0.4% of restricted revenue. Other restricted revenues are projected to decrease mostly as a result of the reduction in Sponsored Programs activities.

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

Clemson's proposed operating expense budget for FY 2014-15 is \$956.2M, a 6.0% increase over the FY 2013-14 revised initial budget levels. 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.**

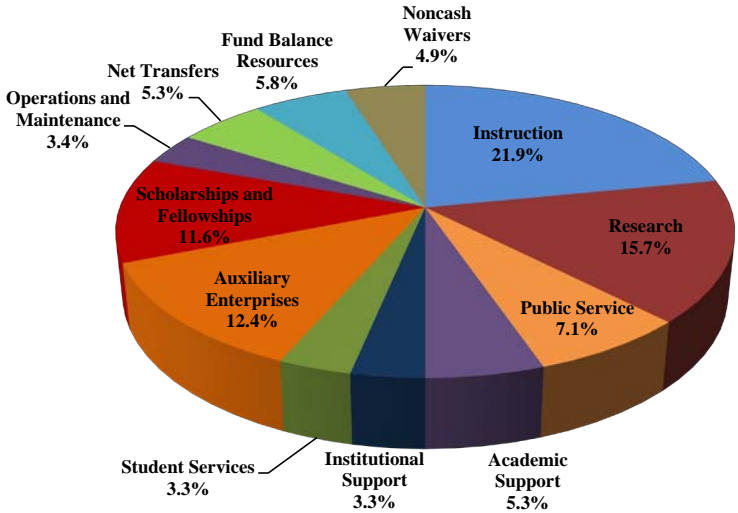
Figure 3. - Total University Operating Expense by Program

Program	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change
Instruction	\$209,062	\$203,521	2.7%
Research	149,802	144,756	3.5%
Public Service	68,099	63,180	7.8%
Academic Support	50,291	47,771	5.3%
Institutional Support	31,911	29,817	7.0%
Student Services	31,475	30,020	4.8%
Auxiliary Enterprises	118,547	114,335	3.7%
Scholarships and Fellowships	110,505	98,086	12.7%
Operations and Maintenance	32,783	32,302	1.5%
Net Transfers	51,082	46,835	9.1%
Total Current Expense	\$853,557	\$810,623	5.3%
Fund Balance Resources	55,493	46,396	19.6%
Total Restricted & Unrestricted Expenses	\$909,050	\$857,019	6.1%
Noncash Waivers	47,154	45,060	4.6%
Total Operating Uses by Program	\$956,204	\$902,079	6.0%

Figure 4. - Operating Expense Budget by Program

Program	Unrestricted	Restricted	Total
Instruction	\$204,001	\$5,061	\$209,062
Research	82,268	67,534	149,802
Public Service	55,186	12,913	68,099
Academic Support	49,425	866	50,291
Institutional Support	29,683	2,228	31,911
Student Services	30,746	729	31,475
Auxiliary Enterprises	118,547	-	118,547
Scholarships and Fellowships	18,588	91,917	110,505
Operations and Maintenance	32,783	-	32,783
Net Transfers	33,266	17,816	51,082
Fund Balance Resources	55,493	-	55,493
Total Operating Expense Budget by Program (Cash)	\$709,986	\$199,064	\$909,050
Noncash Waivers	47,154	-	47,154
Total Operating Expense Budget by Program	\$757,140	\$199,064	\$956,204

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 21.9% of total projected expenses and is expected to increase above FY 2013-14 levels by 2.7%. The FY 2014-15 instruction budget is just short of being equal to the Research and Public Service program budgets combined. Research expenditures are the second largest program category and are projected to grow by 3.5%. The third largest program component, Auxiliary Enterprises, is expected to increase 3.7%. The fourth largest program component, Scholarships and Fellowships, is expected to increase approximately \$12.4M, bringing the total to \$110.5M, which is more 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 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$204,001	\$198,686	\$5,315	2.7%
Restricted	\$5,061	\$4,835	\$226	4.7%

Projected expenses for instructional activities are expected to increase by \$5.5M to \$209.1M, which is twice as much as instruction expenses for FY 2000-01, and reflects approximately 56.9% growth over the last ten years. The unrestricted instruction budget includes cost increases of \$2.0M for the state-mandated cost-of-living adjustments (COLA), health and retirement cost increases and the federally mandated Affordable Care Act. The FY 2014-15 unrestricted instruction budget reflects investments to attract world-class faculty and to retain current outstanding faculty who continuously perform at high levels through providing exceptional classroom experiences for students, earning awards and honors, and generating revenues or cost savings to the University. Resources will continue to be used to fund priorities such as strategic and critical faculty hires at approximately \$3.6M in this category.

Research

Resource Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$82,268	\$75,753	\$6,515	8.6%
Restricted	\$67,534	\$69,003	\$(1,469)	(2.1%)

Total Research expenditures are projected to increase by 3.5% or \$5.0M. The unrestricted research budget is projected to increase by 8.6% or \$6.5M. New non-recurring State Appropriations of \$3.0M were approved for the purchase of modern PSA Agriculture Research Equipment to be used on the main campus as well as several Research and Educational Centers in the State to develop new technologies to improve the efficiency and competitiveness of agriculture production. The research budget also continues to support efforts to attract, retain, and reward top people through strategic and critical hires, and includes an increase for COLA, for a total of \$800K. The sponsored research budget is expected to decrease slightly in FY 2014-15 as a result of current economic conditions continuing to limit the potential of new federal and private research funding for the University. With the government operating under sequestration and continuing resolutions, there is limited potential for new federal research funding for the University. If economic conditions improve, there is the potential for new public-private partnership funding for research. The 2.1% reduction in restricted research budgets identifies the decreased funding for programs such as STEM Centers; Ceramic, Composite and Optical Materials Center (CCOMC); and South Carolina Coalition for Mathematics and Science (SCCMS), but some of the decreases are offset by the \$1.0M in resources budgeted for the Greenville Schools Smart Enrichment Program. Overall, research funding has grown 8.5% since FY 2010-11 as a result of continued focus to achieve the University's strategic goals.

 **Public Service** ↑

Resource Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$55,186	\$50,294	\$4,892	9.7%
Restricted	\$12,913	\$12,886	\$27	0.2%

Total Public Service expenses are projected to increase by 7.8% or \$4.9M in FY 2014-15. This growth reflects an increase in revenues for Youth Learning Institute, Extension Offices, the Sandhill Center, Botanical Gardens, and short courses. The budget also includes mandatory cost increases for COLA, health insurance and retirement.

 **Academic Support** ↑

Resource Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$49,425	\$47,248	\$2,177	4.6%
Restricted	\$866	\$523	\$343	65.6%

Academic Support represents 5.3% of the total proposed expense budget. A growth of \$2.5M is expected, bringing the budget to a total of \$50.3M. The total academic support budget is 22.6% higher than levels in FY 2010-11, demonstrating continued support of the University's goals for enhanced technology. An increased budget of \$750K for information resources demonstrates support of the strategic priority, build to compete. This budget also includes \$664K for COLA and \$1.0M for strategic initiatives within Clemson Computing and Information Technology.

 **Institutional Support** ↑

Resource Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$29,683	\$27,819	\$1,864	6.7%
Restricted	\$2,228	\$1,998	\$230	11.5%

Institutional Support includes administrative support activities, such as fiscal operations, legal services and human resources, and represents 3.3% of the total FY 2014-15 budget. Institutional support expenses are expected to grow by \$2.1M, primarily as a result of state-mandated cost increases, as well as increased liability insurance, general inflationary costs, and strategic positions to support continued efforts to build a competitive area of technology, to improve efficiency across campus, and to implement Title IX requirements. This budget is also increasing as a result of the reclassification of postal operations from an auxiliary to a self-generating E&G. Even with an increase, the institutional support budget of \$31.9M will remain the same percentage of total budget as FY 2013-14, 3.3%. 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 \$13.4M lower, or 29.6% less than the FY 2008-09 budget.

 **Student Services** ↑

Resource Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$30,746	\$29,207	\$1,539	5.3%
Restricted	\$729	\$813	\$(84)	(10.3%)

Student Services represent 3.3% of the total projected FY 2014-15 expense budget. Student Services include expenditures contributing to the emotional and physical well-being of Clemson students, including counseling and career guidance and student organizations. 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 5.3%, or approximately \$1.5M, as a result of increased investments in student health services and mandatory inflationary costs.

 **Auxiliary Enterprises** ↑

Resource Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$118,547	\$114,335	\$4,212	3.7%
Restricted	\$-	\$-	\$-	0.0%

The Auxiliary Enterprises expense budget is expected to increase 3.7% or \$4.2M in FY 2014-15. Revenue increases from the Athletics ACC Broadcasting contract and increased corporate sponsorships contribute growth in expenditures for FY 2014-15. Growth is reflected in this budget for ongoing plans to improve dining, housing, and student life facilities, which warrant the 2.3% rise in room and board fees.

 **Operations and Maintenance** ↑

Resource Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$32,783	\$32,297	\$486	1.5%
Restricted	\$-	\$5	\$(5)	(100.0%)

Projected Operations and Maintenance expenses account for 3.4% of the total budget and are anticipated to increase in FY 2014-15 by 1.5%, or \$481K. This minor growth can be attributed to rising utility and property insurance costs.

 **Scholarships and Fellowships** ↑

Resource Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$18,588	\$17,017	\$1,571	9.2%
Restricted	\$91,917	\$81,069	\$10,848	13.4%

Scholarships and Fellowships, the fourth largest expenditure category, are expected to increase \$12.4M in FY 2014-15, bringing the total to \$110.5M, which is more than the combined budgets for Institutional Support, Student Services and Operations and Maintenance. This program has grown by 27.8% since FY 2010-11. The growth in scholarships is attributed to the following projected increases: \$1.5M for PELL Grants, \$2.3M for the Trustee Scholars Program, \$2.6M for Palmetto Fellows and LIFE Scholarships, \$1.1M for the Post 9/11 GI Bill, and \$533K for Clemson Scholars Program.

 **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 2014-15 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 47.4% of the University’s total operating budget. The remainder of the operating uses budget is distributed between Other Costs (41.9%), Noncash Waivers (4.9%) and Fund Balance Resources (5.8%). Other costs include basic operating costs such as travel, supplies, equipment, services, utility costs and other nonpersonnel operating items. As noted in the “Expenditure by Program” section, total expenditures are projected to increase by 6.0%.

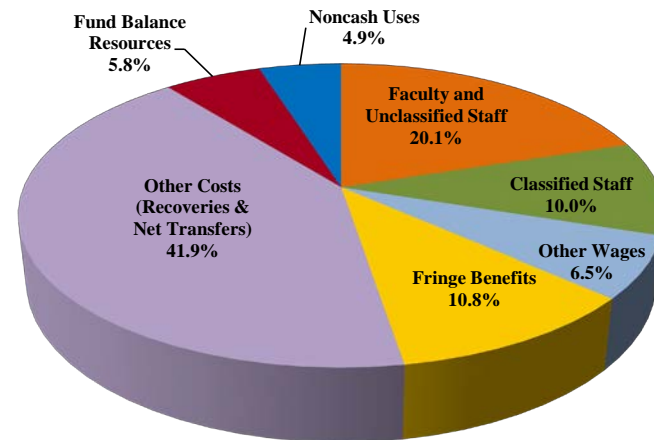
Figure 5. - Total University Operating Expense by Account

Account	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change
Compensation and Benefits:			
Faculty and Unclassified Staff	\$192,036	\$183,520	4.6%
Classified Staff	95,639	91,050	5.0%
Other Wages	62,351	63,677	(2.1%)
Fringe Benefits	103,532	95,715	8.2%
Total Compensation and Benefits	\$453,558	\$433,962	4.5%
Other Costs (Recoveries & Net Transfers)	399,999	376,661	6.2%
Fund Balance Resources	55,493	46,396	19.6%
Total Restricted & Unrestricted Expenses	\$909,050	\$857,019	6.1%
Noncash Uses	47,154	45,060	4.6%
Total Operating Uses by Account	\$956,204	\$902,079	6.0%

Figure 6. - Operating Expense Budget by Account Category

Account Category	Unrestricted	Restricted	Total
Compensation and Benefits:			
Faculty and Unclassified Staff	\$180,960	\$11,076	\$192,036
Classified Staff	93,072	2,567	95,639
Other Wages	42,921	19,430	62,351
Fringe Benefits	96,576	6,956	103,532
Total Compensation & Benefits	\$413,529	\$40,029	\$453,558
Other Costs (Recoveries & Net Transfers)	240,964	159,035	399,999
Fund Balance Resources	55,493	-	55,493
Total Operating Expense Budget (Cash)	\$709,986	\$199,064	\$909,050
Noncash Waivers	47,154	-	47,154
Total Operating Expense Budget	\$757,140	\$199,064	\$956,204

Graph 5. - Distribution of Expenses by Account Category



 **Compensations and Benefits** ↑

Unrestricted Uses

Account Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$180,960	\$173,016	\$7,944	4.6%
Classified Staff	93,072	88,895	4,177	4.7%
Other Wages	42,921	44,507	(1,586)	(3.6%)
Fringe Benefits	96,576	89,320	7,256	8.1%
Total Compensation & Benefits	\$413,529	\$395,738	\$17,791	4.5%

Restricted Uses

Account Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$11,076	\$10,504	\$572	5.4%
Classified Staff	2,567	2,155	412	19.1%
Other Wages	19,430	19,170	260	1.4%
Fringe Benefits	6,956	6,395	561	8.8%
Total Compensation & Benefits	\$40,029	\$38,224	\$1,805	4.7%

	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	FY 2012-13* Actuals	FY 2011-12 Actuals	FY 2010-11 Actuals	FY 2009-10 Actuals	FY 2008-09 Actuals	FY 2007-08 Actuals
Compensation and Employee Benefits	453,558	433,962	419,665	384,703	382,789	385,519	394,708	402,601
Percentage Growth	4.5%	3.4%	9.1%	0.5%	-0.7%	-2.3%	-2.0%	9.8%

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

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

Given the magnitude of the salary expenditures in higher education, this analysis will primarily address important trends and observations related to Compensation and Benefits. Compensation and benefits costs are projected to increase 4.5% or \$19.6M in FY 2014-15. The FY 2014-15 compensation and benefits budget reflects perpetual investments to attract world-class faculty and retain current outstanding faculty who continuously perform at high levels through education of students, research and scholarship, awards and honors, and generating revenues or cost savings to the University. The budget also calls for critical hires in academic administration which are crucial to supporting faculty in providing academic excellence to students through student engagement, ensuring success in economic development programs and in generating revenue and cost savings. The table below demonstrates the history of growth in compensation and benefits.

Strategic and critical faculty hires and startup costs comprise approximately \$4.0M of the budget increase. The FY 2014-15 budget includes the impact of a state-mandated 2.0% salary increase, which effectively creates a mandated but unfunded cost increase of nearly \$4.9M for the University. Other mandatory inflationary costs in this category include state-mandated health insurance and retirement increases and the federally mandated Affordable Care Act, contributing to the \$7.2M increase in the Fringe Benefits category. The budget also reflects increases to compensation for recent salary and bonus decisions in Athletics programs. Restricted expenses in compensation and benefits are expected to increase by 4.7%; as a result primarily of state-mandated costs, but also as a result of a shift of sponsored programs spending from other costs to compensation and benefits.

 **Other Costs** ↑

Account Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$262,774	\$251,596	\$11,178	4.4%
Restricted	\$141,219	\$132,908	\$8,311	6.3%

Other Costs represent approximately 42.2% 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 operational spending categories are established at a high level in “Other Costs.” However, actual spending is accounted for in detail as expenditures occur throughout the fiscal year.

Representing 27.5% of total operating uses at \$262.8M, unrestricted other costs are projected to increase by \$11.2M, or 4.4%. The majority of the increase is in the E&G funds, with \$1.1M for scholarships, \$750K for information resources, \$727K for rising utility and insurance costs, and increased revenues of \$5.0M for CCIT for computer service fees, student technology fees, and online services.

Restricted other costs are expected to increase to \$141.2M and represent approximately 14.8% of total operating uses. The \$8.3M increase is attributable to growth in scholarship programs, primarily from projected increases in PELL Grants, Palmetto Fellows and LIFE Scholarships and the Trustee Scholars Program.

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

Account Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$(55,076)	\$(54,678)	\$(398)	0.7%
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.

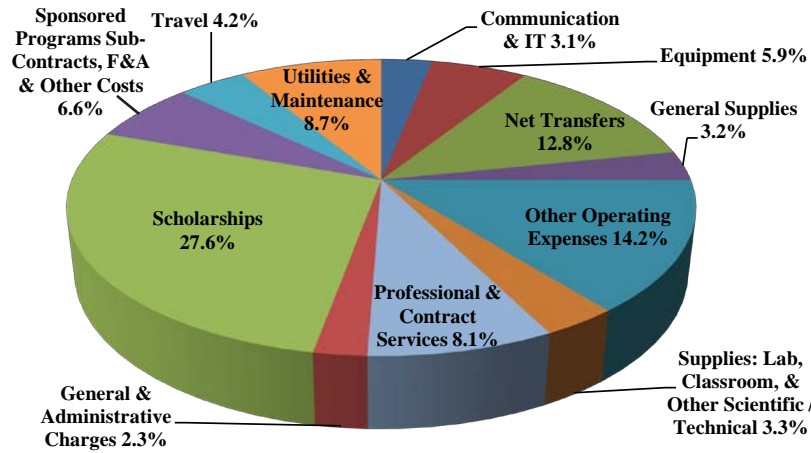
 **Net Transfers** ↑

Account Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$33,266	\$30,573	\$2,693	8.8%
Restricted	\$17,816	\$16,262	\$1,554	9.6%

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 growing by \$2.7M as a result of rising debt service fees, enrollment growth and an average increase of 2.3% to room and board fees. Restricted net transfers are increasing by 9.6% primarily for IPTAY Scholarship transfers.

Graph 6. - Projected Noncompensation Expenditures



Account	FY 2014-15 Proposed Budget	Percent of Total
Communication & IT	12,467	3.1%
Equipment	23,569	5.9%
General & Administrative Charges	9,223	2.3%
General Supplies	12,907	3.2%
Supplies: Lab, Classroom, & Other Scientific / Technical	13,135	3.3%
Net Transfers	51,082	12.8%
Other Operating Expenses	56,859	14.2%
Professional & Contract Services	32,317	8.1%
Scholarships	110,505	27.6%
Sponsored Programs Sub-Contracts, F&A & Other Costs	26,337	6.6%
Travel	16,727	4.2%
Utilities & Maintenance	34,871	8.7%
Total	\$399,999	100.0%

Estimated Other Costs, Recoveries and Net Transfers sections provide an analysis of the FY 2014-15 budget for University’s expenditures as shown in **Graph 6**.

 **Noncash Waivers** ↑

Account Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$47,154	\$45,060	\$2,094	4.6%
Restricted	\$-	\$-	\$-	0.0%

Noncash Waivers have no impact on cash flow; however, they are an important part of Clemson’s financial aid strategy. Waivers are used to attract and retain high quality students. Noncash waivers are expected to increase 4.6% in FY 2014-15 due to aggressive recruiting and enrollment of a Top-15 student body.

 **Fund Balance Resources** ↑

Account Category	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$55,493	\$46,396	\$9,097	19.6%
Restricted	\$-	\$-	\$-	0.0%

The University projects that it will utilize up to \$55.5M of prior years’ fund balance resources, primarily for the return of generated funds, startup commitments and research incentives. Fund Balances are also utilized to make investments in labs, classrooms, graduate student support and other capital investments funded by individual budgetary units. The growth in the budget also reflects a \$5.3M investment to complete implementation of the new student system.

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 2013-14				FY 2013-14		
	FY 2014-15 Proposed Budget	Revised Initial Budget	Percent Change		FY 2014-15 Proposed Budget	Revised Initial Budget	Percent Change
Operating Resources				Operating Uses			
Unrestricted Revenue:				Unrestricted Expense:			
State Appropriations	\$ 105,903	\$ 99,453	6.5%	Instruction	\$ 204,001	\$ 198,686	2.7%
Federal Appropriations	12,452	12,452	0.0%	Research	82,268	75,753	8.6%
Student Fees	334,333	324,683	3.0%	Public Service	55,186	50,294	9.7%
Facilities and Administrative Cost Recoveries	11,877	12,004	(1.1%)	Academic Support	49,425	47,248	4.6%
Sales and Services	156,813	147,532	6.3%	Institutional Support	29,683	27,819	6.7%
Other University Generated	33,115	27,105	22.2%	Student Services	30,746	29,207	5.3%
				Auxiliary Enterprises	118,547	114,335	3.7%
Total Unrestricted Revenue	654,493	623,229	5.0%	Scholarships and Fellowships	18,588	17,017	9.2%
Fund Balance Resources	55,493	46,396		Operations and Maintenance	32,783	32,297	1.5%
Total Unrestricted Revenue and Fund Balance Resources	709,986	669,625	6.0%	Net Transfers	33,266	30,573	8.8%
				Current Unrestricted Expense	654,493	623,229	5.0%
				Projected Fund Balance Expenditures	55,493	46,396	
				Total Unrestricted Expense	709,986	669,625	6.0%
Restricted Revenue:				Restricted Expense:			
State Higher Education Grants	49,900	47,650	4.7%	Instruction	5,061	4,835	4.7%
Financial Aid - Grants and Contracts and Other Revenues	58,813	48,851	20.4%	Research	67,534	69,003	(2.1%)
Grants and Contracts	89,496	88,851	0.7%	Public Service	12,913	12,886	0.2%
Other Restricted Revenue	855	2,042	(58.1%)	Academic Support	866	523	65.6%
				Institutional Support	2,228	1,998	11.5%
Total Restricted Revenue	199,064	187,394	6.2%	Student Services	729	813	(10.3%)
				Auxiliary Enterprises	-	-	0.0%
				Scholarships and Fellowships	91,917	81,069	13.4%
				Operations and Maintenance	-	5	(100.0%)
				Net Transfers	17,816	16,262	9.6%
				Total Restricted Expense	199,064	187,394	6.2%
Total Revenue and Fund Balance Resources	909,050	857,019	6.1%	Total Expense	909,050	857,019	6.1%
Noncash Resources:				Noncash Uses:			
Graduate and Undergraduate Waivers	47,154	45,060	4.6%	Graduate and Undergraduate Waivers	24,404	21,810	11.9%
				Fringe Benefits - Graduate Assistant Differential	22,750	23,250	(2.2%)
Total Noncash Resources	47,154	45,060	4.6%	Total Noncash Uses	47,154	45,060	4.6%
Total Operating Resources	\$ 956,204	\$ 902,079	6.0%	Total Operating Uses	\$ 956,204	\$ 902,079	6.0%

SUMMARY REVENUE AND EXPENSE BY ACCOUNT BUDGET

(dollars in thousands)

	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change
Operating Resources			
Unrestricted Revenue:			
State Appropriations	\$ 105,903	\$ 99,453	6.5%
Federal Appropriations	12,452	12,452	0.0%
Student Fees	334,333	324,683	3.0%
Facilities and Administrative Cost Recoveries	11,877	12,004	(1.1)%
Sales and Services	156,813	147,532	6.3%
Other University Generated	33,115	27,105	22.2%
Total Unrestricted Revenue	<u>654,493</u>	<u>623,229</u>	5.0%
Fund Balance Resources	55,493	46,396	
Total Unrestricted Revenue and Fund Balance Resources	<u>709,986</u>	<u>669,625</u>	6.0%
Restricted Revenue:			
State Higher Education Grants	49,900	47,650	4.7%
Financial Aid - Grants and Contracts and Other Revenues	58,813	48,851	20.4%
Grants and Contracts	89,496	88,851	0.7%
Other Restricted Revenue	855	2,042	(58.1)%
Total Restricted Revenue	<u>199,064</u>	<u>187,394</u>	6.2%
Total Revenue and Fund Balance Resources	<u>909,050</u>	<u>857,019</u>	6.1%
Noncash Resources:			
Graduate and Undergraduate Waivers	47,154	45,060	4.6%
Total Noncash Resources	<u>47,154</u>	<u>45,060</u>	4.6%
Total Operating Resources	<u>\$ 956,204</u>	<u>\$ 902,079</u>	6.0%

	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change
Operating Uses			
Unrestricted Expense:			
Compensation and Benefits:			
Faculty and Unclassified Staff	\$ 180,960	\$ 173,016	4.6%
Classified Staff	93,072	88,895	4.7%
Other Wages	42,921	44,507	(3.6)%
Fringe Benefits	96,576	89,320	8.1%
Total Compensation and Benefits	413,529	395,738	4.5%
Operating Costs	262,774	251,596	4.4%
Net Transfers	33,266	30,573	8.8%
Recoveries	(55,076)	(54,678)	0.7%
Current Unrestricted Expense	<u>654,493</u>	<u>623,229</u>	5.0%
Projected Fund Balance Expenditures	55,493	46,396	
Total Unrestricted Expense	<u>709,986</u>	<u>669,625</u>	6.0%
Restricted Expense:			
Compensation and Benefits:			
Faculty and Unclassified Staff	11,076	10,504	5.4%
Classified Staff	2,567	2,155	19.1%
Other Wages	19,430	19,170	1.4%
Fringe Benefits	6,956	6,395	8.8%
Total Compensation and Benefits	40,029	38,224	4.7%
Operating Costs	141,219	132,908	6.3%
Net Transfers	17,816	16,262	9.6%
Recoveries	-	-	0.0%
Total Restricted Expense	<u>199,064</u>	<u>187,394</u>	6.2%
Total Expense	<u>909,050</u>	<u>857,019</u>	6.1%
Noncash Uses:			
Graduate and Undergraduate Waivers	24,404	21,810	11.9%
Fringe Benefits - Graduate Assistant Differential	22,750	23,250	(2.2)%
Total Noncash Uses	<u>47,154</u>	<u>45,060</u>	4.6%
Total Operating Uses	<u>\$ 956,204</u>	<u>\$ 902,079</u>	6.0%

Operating Resources by Source
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change
Unrestricted Revenue:												
State Appropriations	\$ 69,365	\$ 67,682	2.5%	\$ 36,538	\$ 31,771	15.0%	\$ -	\$ -	0.0%	\$ 105,903	\$ 99,453	6.5%
Federal Appropriations	-	-	0.0%	12,452	12,452	0.0%	-	-	0.0%	12,452	12,452	0.0%
Student Fees	327,968	318,909	2.8%	-	-	0.0%	6,365	5,774	10.2%	334,333	324,683	3.0%
Facilities and Administrative												
Cost Recoveries	10,151	10,050	1.0%	1,726	1,954	(11.7%)	-	-	0.0%	11,877	12,004	(1.1%)
Sales and Services	8,082	130	*	13,155	18,455	(28.7%)	135,576	128,947	5.1%	156,813	147,532	6.3%
Other University Generated	30,546	24,567	24.3%	72	96	(25.0%)	2,497	2,442	2.3%	33,115	27,105	22.2%
Total Unrestricted Revenue	446,112	421,338	5.9%	63,943	64,728	(1.2%)	144,438	137,163	5.3%	654,493	623,229	5.0%
Fund Balance Resources	52,237	44,202		3,000	1,916		256	278		55,493	46,396	
Total Unrestricted Revenue and Fund Balance Resources	498,349	465,540	7.0%	66,943	66,644	0.4%	144,694	137,441	5.3%	709,986	669,625	6.0%
Noncash Resources:												
Graduate and Undergraduate												
Waivers	47,154	45,060	4.6%	-	-	0.0%	-	-	0.0%	47,154	45,060	4.6%
Total Noncash Resources	47,154	45,060	4.6%	-	-	0.0%	-	-	0.0%	47,154	45,060	4.6%
Total Operating Resources	\$ 545,503	\$ 510,600	6.8%	\$ 66,943	\$ 66,644	0.4%	\$ 144,694	\$ 137,441	5.3%	\$ 757,140	\$ 714,685	5.9%

* The Youth Learning Institute (YLI) budget has been reclassified from PSA to E&G Economic Development.

Operating Uses by Program ⁽¹⁾
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change
Unrestricted Expense:												
Instruction	\$ 201,835	\$ 196,613	2.7%	\$ -	\$ -	0.0%	\$ 2,166	\$ 2,073	4.5%	\$ 204,001	\$ 198,686	2.7%
Research	56,058	52,271	7.2%	26,210	23,482	11.6%	-	-	0.0%	82,268	75,753	8.6%
Public Service	17,381	9,031	*	37,805	41,263	(8.4%)	-	-	0.0%	55,186	50,294	9.7%
Academic Support	49,215	46,990	4.7%	210	258	(18.6%)	-	-	0.0%	49,425	47,248	4.6%
Institutional Support	29,683	27,819	6.7%	-	-	0.0%	-	-	0.0%	29,683	27,819	6.7%
Student Services	22,834	21,983	3.9%	-	-	0.0%	7,912	7,224	9.5%	30,746	29,207	5.3%
Auxiliary Enterprises	(7)	(10)	(30.0%)	-	-	0.0%	118,554	114,345	3.7%	118,547	114,335	3.7%
Scholarships and Fellowships	10,156	9,010	12.7%	-	-	0.0%	8,432	8,007	5.3%	18,588	17,017	9.2%
Operations and Maintenance	32,783	32,297	1.5%	-	-	0.0%	-	-	0.0%	32,783	32,297	1.5%
Net Transfers	26,174	25,334	3.3%	(282)	(275)	2.5%	7,374	5,514	33.7%	33,266	30,573	8.8%
Current Unrestricted Expense	446,112	421,338	5.9%	63,943	64,728	(1.2%)	144,438	137,163	5.3%	654,493	623,229	5.0%
Projected Fund Balance Expenditures	52,237	44,202		3,000	1,916		256	278		55,493	46,396	
Total Unrestricted Expense	498,349	465,540	7.0%	66,943	66,644	0.4%	144,694	137,441	5.3%	709,986	669,625	6.0%
Noncash Uses:												
Graduate and Undergraduate Waivers	24,404	21,810	11.9%	-	-	0.0%	-	-	0.0%	24,404	21,810	11.9%
Fringe Benefits - Graduate Assistant Differential	22,750	23,250	(2.2%)	-	-	0.0%	-	-	0.0%	22,750	23,250	(2.2%)
Total Noncash Uses	47,154	45,060	4.6%	-	-	0.0%	-	-	0.0%	47,154	45,060	4.6%
Total Operating Uses	\$ 545,503	\$ 510,600	6.8%	\$ 66,943	\$ 66,644	0.4%	\$ 144,694	\$ 137,441	5.3%	\$ 757,140	\$ 714,685	5.9%

* The Youth Learning Institute (YLI) budget has been reclassified from PSA to E&G Economic Development.

	Sponsored Program Activities			Scholarships and Student Aid			Other Restricted			Total Restricted		
	FY 2013-14		Percent Change	FY 2013-14		Percent Change	FY 2013-14		Percent Change	FY 2013-14		Percent Change
	FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget	
Restricted Expense:												
Instruction	\$ 2,333	\$ 2,533	(7.9%)	\$ 36	\$ 10	260.0%	\$ 2,692	\$ 2,292	17.5%	\$ 5,061	\$ 4,835	4.7%
Research	58,402	58,604	(0.3%)	-	-	0.0%	9,132	10,399	(12.2%)	67,534	69,003	(2.1%)
Public Service	10,007	10,443	(4.2%)	-	-	0.0%	2,906	2,443	19.0%	12,913	12,886	0.2%
Academic Support	-	-	0.0%	-	1	(100.0%)	866	522	65.9%	866	523	65.6%
Institutional Support	-	-	0.0%	1	-	0.0%	2,227	1,998	11.5%	2,228	1,998	11.5%
Student Services	-	-	0.0%	-	-	0.0%	729	813	(10.3%)	729	813	(10.3%)
Auxiliary Enterprises	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Scholarships and Fellowships	-	-	0.0%	91,717	80,991	13.2%	200	78	156.4%	91,917	81,069	13.4%
Operations and Maintenance	-	-	0.0%	-	-	0.0%	-	5	(100.0%)	-	5	(100.0%)
Net Transfers	572	465	(23.0%)	16,959	15,499	9.4%	285	298	(4.4%)	17,816	16,262	9.6%
Total Restricted Expense	71,314	72,045	(1.0%)	108,713	96,501	12.7%	19,037	18,848	1.0%	199,064	187,394	6.2%
Noncash Uses:												
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%
Total Noncash Uses	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Operating Uses	\$ 71,314	\$ 72,045	(1.0%)	\$ 108,713	\$ 96,501	12.7%	\$ 19,037	\$ 18,848	1.0%	\$ 199,064	\$ 187,394	6.2%
				Total Unrestricted			Total Restricted			Total University		
				FY 2013-14		Percent Change	FY 2013-14		Percent Change	FY 2013-14		Percent Change
	FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget	
Total Restricted and Unrestricted Expense:												
Total Expense	\$ 709,986	\$ 669,625	6.0%	\$ 709,986	\$ 669,625	6.0%	\$ 199,064	\$ 187,394	6.2%	\$ 909,050	\$ 857,019	6.1%
Total Noncash Uses	47,154	45,060	4.6%	47,154	45,060	4.6%	-	-	0.0%	47,154	45,060	4.6%
Total Operating Uses by Program	\$ 757,140	\$ 714,685	5.9%	\$ 757,140	\$ 714,685	5.9%	\$ 199,064	\$ 187,394	6.2%	\$ 956,204	\$ 902,079	6.0%

(1) Program expense includes internal recoveries.

Operating Uses by Account
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change	FY 2014-15 Proposed Budget	FY 2013-14 Revised Initial Budget	Percent Change
Unrestricted Expense:												
Compensation and Benefits:												
Faculty and Unclassified Staff	\$ 140,953	\$ 133,699	5.4%	\$ 16,476	\$ 18,351	(10.2%)	\$ 23,531	\$ 20,966	12.2%	\$ 180,960	\$ 173,016	4.6%
Classified Staff	70,964	67,528	5.1%	9,674	9,605	0.7%	12,434	11,762	5.7%	93,072	88,895	4.7%
Other Wages	32,146	31,681	1.5%	3,623	5,996	(39.6%)	7,152	6,830	4.7%	42,921	44,507	(3.6%)
Fringe Benefits	74,065	67,291	10.1%	9,850	10,599	(7.1%)	12,661	11,430	10.8%	96,576	89,320	8.1%
Total Compensation and Benefits	318,128	300,199	6.0%	39,623	44,551	(11.1%)	55,778	50,988	9.4%	413,529	395,738	4.5%
Other Costs	155,673	147,894	5.3%	24,962	20,981	19.0%	82,139	82,721	(0.7%)	262,774	251,596	4.4%
Net Transfers	26,174	25,334	3.3%	(282)	(275)	2.5%	7,374	5,514	33.7%	33,266	30,573	8.8%
Recoveries	(53,863)	(52,089)	3.4%	(360)	(529)	(31.9%)	(853)	(2,060)	(58.6%)	(55,076)	(54,678)	0.7%
Current Unrestricted Expense	446,112	421,338	5.9%	63,943	64,728	(1.2%)	144,438	137,163	5.3%	654,493	623,229	5.0%
Projected Fund Balance Expenditures	52,237	44,202		3,000	1,916		256	278		55,493	46,396	
Total Unrestricted Expense	498,349	465,540	7.0%	66,943	66,644	0.4%	144,694	137,441	5.3%	709,986	669,625	6.0%
Noncash Uses:												
Graduate and Undergraduate Waivers	24,404	21,810	11.9%	-	-	0.0%	-	-	0.0%	24,404	21,810	11.9%
Fringe Benefits - Graduate Assistant Differential	22,750	23,250	(2.2%)	-	-	0.0%	-	-	0.0%	22,750	23,250	(2.2%)
Total Noncash Uses	47,154	45,060	4.6%	-	-	0.0%	-	-	0.0%	47,154	45,060	4.6%
Total Operating Uses	\$ 545,503	\$ 510,600	6.8%	\$ 66,943	\$ 66,644	0.4%	\$ 144,694	\$ 137,441	5.3%	\$ 757,140	\$ 714,685	5.9%

	Sponsored Program Activities			Scholarships and Student Aid			Other Restricted			Total Restricted		
	FY 2013-14		Percent Change	FY 2013-14		Percent Change	FY 2013-14		Percent Change	FY 2013-14		Percent Change
	FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget	
Restricted Expense:												
Compensation and Benefits:												
Faculty and Unclassified Staff	\$ 7,974	\$ 7,198	10.8%	\$ 1	\$ 2	(50.0%)	\$ 3,101	\$ 3,304	(6.1%)	\$ 11,076	\$ 10,504	5.4%
Classified Staff	1,639	1,435	14.2%	-	-	0.0%	928	720	28.9%	2,567	2,155	19.1%
Other Wages	16,815	16,608	1.2%	-	-	0.0%	2,615	2,562	2.1%	19,430	19,170	1.4%
Fringe Benefits	5,227	4,846	7.9%	-	1	(100.0%)	1,729	1,548	11.7%	6,956	6,395	8.8%
Total Compensation and Benefits	31,655	30,087	5.2%	1	3	(66.7%)	8,373	8,134	2.9%	40,029	38,224	4.7%
Other Costs	39,087	41,493	(5.8%)	91,753	80,999	13.3%	10,379	10,416	(0.4%)	141,219	132,908	6.3%
Net Transfers	572	465	23.0%	16,959	15,499	9.4%	285	298	(4.4%)	17,816	16,262	9.6%
Recoveries	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Restricted Expense	71,314	72,045	(1.0%)	108,713	96,501	12.7%	19,037	18,848	1.0%	199,064	187,394	6.2%
Noncash Uses:												
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%
Total Noncash Uses	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Operating Uses	\$ 71,314	\$ 72,045	(1.0%)	\$ 108,713	\$ 96,501	12.7%	\$ 19,037	\$ 18,848	1.0%	\$ 199,064	\$ 187,394	6.2%
				Total Unrestricted			Total Restricted			Total University		
				FY 2013-14		Percent Change	FY 2013-14		Percent Change	FY 2013-14		Percent Change
	FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget		FY 2014-15 Proposed Budget	Revised Initial Budget	
Total Restricted and Unrestricted Expense:												
Total Operating Expense	\$ 709,986	\$ 669,625	6.0%	\$ 199,064	\$ 187,394	6.2%	\$ 909,050	\$ 857,019	6.1%			
Total Noncash Uses	47,154	45,060	4.6%	-	-	0.0%	47,154	45,060	4.6%			
Total Operating Uses by Account	\$ 757,140	\$ 714,685	5.9%	\$ 199,064	\$ 187,394	6.2%	\$ 956,204	\$ 902,079	6.0%			

Academic Fee Schedule
Undergraduate Student Academic Fee Schedule
Effective Fall 2014

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
 Medical Fee
 Career Services Fee
 Transit Fee
 Information Technology Fee

Total Full-Time Undergraduate Fees per Semester

Resident Non-Resident

\$ 5,565	\$ 13,528
617	1,497
116	281
5	5
40	40
12	12
53	53
160	160
4	4
33	33
118	118
\$ 6,723	\$ 15,731

Additional Full-Time Undergraduate Fees per Semester:

Library Fee (30+ credit hours)

\$ 50	\$ 50
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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

\$ 497	\$ 1,189
55	132
10	24
4	4
10	10
\$ 576	\$ 1,359

Additional Part-Time Undergraduate Fees per Credit Hour:

Library Fee

\$ 4	\$ 4
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Additional Part-Time Undergraduate Fees per Semester:

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

\$ 5	\$ 5
12	12
53	53
160	160
4	4
33	33

Academic Fee Schedule
Undergraduate Student Academic Fee Schedule
 Effective Fall 2014 (*continued*)

Summer Session Fees per Credit Hour:	Resident	Non-Resident
Base Academic Fee	\$ 497	\$ 1,189
Tuition	55	132
Other Debt Retirement and Plant Fund Transfers	10	24
Activity Fee	4	4
Information Technology Fee	10	10
Total Summer Session Fees per Credit Hour	\$ 576	\$ 1,359
Additional Fees per Summer Session:		
Fike Fee (<i>3+ on-campus credit hours, excluding staff</i>)	\$ 15	\$ 15
Summer Session Fee	5	5
Medical Fee (<i>3+ credit hours</i>)	58	58
Software License Fee (<i>maximum of \$12</i>)	6	6
Other Undergraduate Fees (<i>Debt Service and Other Mandatory Fees Apply</i>):		
Per Semester:		
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
Per Credit Hour:		
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	634	634
Summer Study Abroad Academic Fee	634	634
Youth Development Program - Online Academic Fee	550	550
Per Seat:		
Variable Laboratory Fee Based on Specific Course Labs	\$ 75-200	\$ 75-200
Contract Courses:		
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 2014

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
	\$ 4,015	\$ 8,084
	3,300	6,651
	2,767	5,585
	2,433	4,915
	1,908	3,914

Additional Full-Time Graduate Fees per Semester:

Tuition
 Other Debt Retirement and Plant Fund Transfers
 Matriculation
 Activity Fee
 Software License Fee
 Fike Fee
 Medical Fee
 Transit Fee
 Information Technology Fee
 Career Services Fee

	\$ 617	\$ 1,497
	116	281
	5	5
	20	20
	12	12
	50	50
	160	160
	33	33
	118	118
	2	2
	<u>\$ 1,133</u>	<u>\$ 2,178</u>

Total Additional Full-Time Graduate Fees per Semester

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
 Medical Fee
 Transit Fee
 Career Services Fee (6+ credit hours, excluding staff)

	\$ 756	\$ 756
	10	10
	4	4
	5	5
	20	20
	12	12
	50	50
	160	160
	33	33
	2	2
	<u>\$ 1,052</u>	<u>\$ 1,052</u>

Total Full-Time Graduate Assistant Fees per Semester

Academic Fee Schedule
Graduate Student Academic Fee Schedule
 Effective Fall 2014 (*continued*)

Part-Time Graduate Fees per Credit Hour (<i>less than nine hours</i>):	Resident	Non-Resident
Tier 1 Program - Base Academic Fee	\$ 573	\$ 1,122
Tier 2 Program - Base Academic Fee	495	966
Tier 3 Program - Base Academic Fee	365	706
Tier 4 Program - Base Academic Fee	319	614
Tier 5 Program - Base Academic Fee	274	523
Additional Part-Time Graduate Mandatory Fees per Credit Hour:		
Tuition	\$ 55	\$ 132
Other Debt Retirement and Plant Fund Transfers	10	24
Total Additional Part-Time Graduate Mandatory Fees per Credit Hour	\$ 65	\$ 156
Other Part-Time Graduate Fees:		
<i>Per Credit Hour:</i>		
Information Technology Fee	\$ 10	\$ 10
<i>Per Session:</i>		
Matriculation	\$ 5	\$ 5
Activity Fee (<i>6+ credit hours</i>)	20	20
Software License Fee	12	12
Fike Fee (<i>6+ on-campus credit hours</i>)	50	50
Medical Fee (<i>6+ credit hours</i>)	160	160
Career Services Fee (<i>6+ credit hours, excluding staff</i>)	2	2
Transit Fee (<i>6+ credit hours</i>)	33	33

Summer Session Graduate Fees per Credit Hour (<i>less than nine hours</i>):
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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
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\$ 573	\$ 1,122
495	966
365	706
319	614
274	523

Additional Summer Session Graduate Mandatory Fees per Credit Hour:

Tuition
Other Debt Retirement and Plant Fund Transfers

\$ 55	\$ 132
10	24

Total Additional Summer Session Graduate Mandatory Fees per Credit Hour

\$ 65	\$ 156
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Other Summer Session Graduate Fees:

Per Credit Hour:

Information Technology Fee

\$ 10	\$ 10
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Per Session:

Summer Session Fee
Software License Fee
Fike Fee (*3+ on-campus credit hours*)
Medical Fee (*3+ credit hours*)

\$ 5	\$ 5
6	6
15	15
58	58

Academic Fee Schedule
Graduate Student Academic Fee Schedule
 Effective Fall 2014 (*continued*)

Online Programs Graduate Fees per Credit Hour:	Resident	Non-Resident
Tier 1 Program - Base Academic Fee	\$ 989	\$ 989
Tier 2 Program - Base Academic Fee	729	729
Tier 3 Program - Base Academic Fee	573	573
Tier 4 Program - Base Academic Fee	438	438
Tier 5 Program - Base Academic Fee	313	313
Additional Mandatory Graduate Fees per Credit Hour:		
Tuition	\$ 55	\$ 55
Other Debt Retirement and Plant Fund Transfers	10	10
Total Additional Mandatory Graduate Fees per Credit Hour	\$ 65	\$ 65
Other Online Graduate Fees:		
<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, excluding staff)	2	2

Other Graduate Fees (Debt Service and Other Mandatory Fees Apply):	Resident	Non-Resident
Premier Program Academic Fees per Semester:		
Masters in Historic Preservation	\$ 14,000	\$ 14,000
Masters in Real Estate Development	13,750	13,750
Premier Program Academic Fees per Credit Hour:		
Masters in Historic Preservation	\$ 933	\$ 933
Masters in Real Estate Development	917	917
Graduate International Exchange Programs Academic Fees per Semester:		
Full-Time Non-Assistantship	\$ 2,885	\$ 2,885
Full-Time Assistantship	756	756
Graduate International Exchange Programs Academic Fees per Credit Hour:		
Part-Time Non-Assistantship	\$ 528	\$ 528
Summer Session Non-Assistantship	528	528
Summer Session Graduate Fees:		
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	528	528
Deer Quality Management	1,500	1,500
Special Masters in Business Administration (MBA) Programs:		
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
Other Fees per Semester:		
Student Sustainability Initiative (i.e. Green Fee) - opt in fee	\$ 10	\$ 10
Certificate Programs:		
International Family and Community Studies Professional Certificate Program Academic Fee per Credit Hour		
International Program Sites	N/A	\$ 300
Albania Program	N/A	300

Academic Fee Schedule
Graduate Student Academic Fee Schedule
 Effective Fall 2014 *(continued)*

Other Graduate Fees (<i>Debt Service and Other Mandatory Fees apply</i>):	Resident	Non-Resident
Contract Courses:		
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
Other Graduate Fees:		
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 2014-15 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 2014-15 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 2014-15 Proposed Budget	Description	CAFR Adjustments			FY 2014-15 CAFR Perspective
			Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
Unrestricted Revenue:						
State Appropriations	\$ 105,903		\$ -	\$ -	\$ -	\$ 105,903
Federal Appropriations	12,452		-	-	-	12,452
Federal Stimulus	-		-	-	-	-
Student Fees	334,333	Scholarship Allowances	(84,100)	-	-	247,233
		Internal Charges	(3,000)	-	-	-
Facilities and Administrative Cost Recoveries	11,877	Facilities and Administrative Recoveries	(11,877)	-	-	-
Sales and Services	156,813	Internal Charges	(4,400)	-	-	142,813
		Reporting Adjustments	-	-	3,500	-
		Scholarship Allowances	(13,100)	-	-	-
Other University Generated	<u>33,115</u>		-	-	-	<u>33,115</u>
Total Unrestricted Revenue	654,493		(116,477)	-	3,500	541,516
Fund Balance Resources	<u>55,493</u>		-	-	-	<u>55,493</u>
Total Unrestricted Revenue & Fund Balance Resources	709,986		(116,477)	-	3,500	597,009
Restricted Revenue:						
State Higher Education Grants	49,900		-	-	-	49,900
Financial Aid-Grants and Contracts and Other Revenues	58,813		-	-	-	58,813
Grants and Contracts	89,496	Reporting Adjustments	-	-	1,000	90,496
Other Restricted Revenue	855	Capital Additions	-	8,000	-	15,855
		Reporting Adjustments	-	-	7,000	-
Total Restricted Revenue	199,064		-	8,000	8,000	215,064
Noncash Resources:						
Graduate and Undergraduate Waivers	<u>47,154</u>	Scholarship Allowances	<u>(24,404)</u>	-	-	<u>22,750</u>
Total Noncash Resources	<u>47,154</u>		<u>(24,404)</u>	-	-	<u>22,750</u>
Total Operating Resources	\$ <u>956,204</u>		\$ <u>(140,881)</u>	\$ <u>8,000</u>	\$ <u>11,500</u>	\$ <u>834,823</u>

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

	CAFR Adjustments					
	FY 2014-15 Proposed Budget	Description	Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	FY 2014-15 CAFR Perspective
Total University Expense:						
Instruction	\$ 209,062	Facilities and Administrative Recoveries Reporting Adjustments	\$ (297)	\$	\$	\$ 208,765
Research	149,802	Noncapital Repairs and Renovations				137,410
		Facilities and Administrative Recoveries	(10,392)			-
		Internal Charges	(3,000)			-
		Reporting Adjustments		-	1,000	-
Public Service	68,099	Facilities and Administrative Recoveries	(1,188)			66,911
Academic Support	50,291	Reporting Adjustments				50,291
Institutional Support	31,911	Reporting Adjustments				31,911
Student Services	31,475	Reporting Adjustments				31,475
Auxiliary Enterprises	118,547	Reporting Adjustments	(4,400)			101,047
		Scholarship Allowances	(13,100)			-
Scholarships and Fellowships	110,505	Scholarship Allowances	(84,100)			26,405
Operations and Maintenance	32,783	Noncapital Repairs and Renovations		15,000		49,283
		Reporting Adjustments			1,500	-
Net Transfers	51,082	Transfers for Capital and Debt		(51,082)		-
Depreciation	-	Depreciation		37,000		37,000
Interest Expense	-	Interest Expense		6,000		6,000
Current University Expense	853,557		(116,477)	6,918	2,500	746,498
Projected Fund Balance Expenditures	55,493					55,493
Total University Expense	909,050		(116,477)	6,918	2,500	801,991
Noncash Uses:						
Graduate and Undergraduate Waivers	24,404	Scholarship Allowances	(24,404)			-
Fringe Benefits - Graduate Assistant Differential	22,750					22,750
Total Noncash Uses	47,154		(24,404)	-	-	22,750
Total Operating Uses	\$ 956,204		\$(140,881)	\$ 6,918	\$ 2,500	\$ 824,741

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

	CAFR Adjustments					FY 2014-15 CAFR Perspective
	FY 2014-15 Proposed Budget	Description	Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
Total University Expense:						
Compensation and Benefits:						
Faculty and Unclassified Staff	\$ 192,036	Noncapital Repairs and Renovations	\$ (55)	\$ -	\$ -	\$ 191,981
Classified Staff	95,639	Noncapital Repairs and Renovations	(350)	-	-	95,289
Other Wages	62,351	Noncapital Repairs and Renovations	(85)	-	-	62,266
Fringe Benefits	103,532	Internal Charges	(3,150)	-	-	100,382
Total Compensation and Benefits	453,558		(3,640)	-	-	449,918
Other Costs	403,993	Noncapital Repairs and Renovations		15,000		351,656
		Scholarship Allowances	(97,200)			-
		Depreciation		37,000		-
		Interest Expense		6,000		-
		Reporting Adjustments	(3,760)		2,500	-
		Facilities and Administrative Recoveries	(11,877)			-
Net Transfers	51,082	Transfers for Capital and Debt		(51,082)		-
Recoveries	(55,076)					(55,076)
Current University Expense	853,557		(116,477)	6,918	2,500	746,498
Projected Fund Balance Expenditures	55,493					55,493
Total University Expense	909,050		(116,477)	6,918	2,500	801,991
Noncash Uses:						
Graduate and Undergraduate Waivers	24,404	Scholarship Allowances	(24,404)			-
Fringe Benefits - Graduate Assistant	22,750					22,750
Differential						
Total Noncash Uses	47,154		(24,404)	-	-	22,750
Total Operating Uses	\$ 956,204		\$(140,881)	\$ 6,918	\$ 2,500	\$ 824,741

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.

Clemson University Foundation (CUF)

A related organization chartered to support the University's private fundraising efforts.

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.

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.

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.