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Executive Summary

Introduction

This document presents Clemson University's proposed FY 2013-14 Operating Budget and the Student Tuition and Fee Schedules as approved by the Board of Trustees on June 24, 2013. The proposed budget is an estimate of the anticipated sources and uses of funds in FY 2013-14. 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 2013-14. The Supplemental Section offers an alternative view of the budget that is comparable to the Statement of Revenues, Expenses and Changes in Net Assets (SRECNA) 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. The strategic priorities of the 2020 Plan include 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 2013-14 Operating Budget is the third year of the University's 2020 Plan, providing 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.

Clemson University's FY 2013-14 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 4.0% or \$15.9M. 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 5.5%. 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 \$35.4M, or 7.8%. 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 2013-14 Institutional Support budget reflects the University's investment in Development Enterprise in its efforts to become a consistent \$100.0M fundraising organization each year. Even with the increase, institutional support will remain at only 3.3% of the total budget, and is still \$15.3M or 33.7% less than the budget in FY 2008-09.

Revenue Summary:

Unrestricted Funds Revenue Summary

- Student Fee revenues are projected to grow by approximately \$26.5M, attributable to continuing growth in online, distance, summer and educational programs, as well as revenue growth from a modest tuition and fee increase of 3.0% for both resident and non-resident undergraduates.
- State Appropriations are expected to increase by \$7.5M to \$99.5M, which is still significantly below the FY 2007-08 budget of \$161.9M. This growth can be attributed to the State's renewed investment in Clemson University to support economic development, student engagement and growth in agricultural research. This budget includes recurring funding of \$3.0M for the Center for Energy Systems at Clemson University Restoration Institute (CURI) and \$1.8M for PSA programs: Advanced Plant Technology, Precision Agriculture and Veterinary Diagnostics. The budget includes \$1.0M in non-recurring funding for the Student

Career Opportunity Program, which will provide additional internship and co-op opportunities to students. 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 FY 2013-14 budget does not include a state-mandated pay raise, but does include an estimate (approximately \$1.1M) of increased funding for rising health and dental insurance costs.

- The University's auxiliary operations are projected to contribute approximately \$4.2M to the net unrestricted revenue growth. The projected growth is primarily attributable to increases in Athletic sales and services for \$2.5M from the ACC Broadcasting contract and ticket sales. Additional growth in auxiliary revenues is attributable to a modest average increase of 3.0% in room and board fees for FY 2013-14, which will be used to improve dining, housing and student life facilities.

Restricted Funds Revenue Summary

- Total Restricted Revenues are projected to increase by \$4.0M or 2.2% to \$187.4M. Scholarships and Student Aid represent the largest growth in this category, with a 10.2% increase of approximately \$9.0M. The University anticipates increases for LIFE and Palmetto Fellows Scholarships of \$1.4M, Post 9/11 GI Bill of \$2.4M, Clemson National Scholars of \$2.1M and IPTAY Scholarship transfers of \$1.8M. Almost half of this growth is tempered by a sharp decrease of 7.9% in core sponsored programs and research activity. Current economic conditions are continuing to limit the potential of new federal and private research funding for the University, while the federal sequestration is jeopardizing future funding for current research awards.

Total Operating Resources Summary

- Including all unrestricted resources, restricted revenues and noncash waivers, the projected total operating resources budget is \$907.0M, resulting in a 5.5% increase over FY 2012-13 levels. Minor changes are reflected in the percentage distribution of funding sources for FY 2013-14, with the most noticeable change being Grants and Contracts shifting from 11.0% to 9.8% of total budget.

Expense Summary:

- The University's commitment to divest and aggressively generate new revenue to fund the University's 2020 Plan is evidenced by a 6.7% 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 5.5%. As with total resources, total operating uses are projected to increase to \$907.0M, an increase of 5.5% over FY 2012-13 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 4.2%.
- Clemson's core mission areas', E&G and PSA, operating expenses are projected to increase 7.8%. Instruction, Research and Public Service budgets combined will see an overall 4.0% increase above FY 2012-13 levels.
 - ▶ Instruction is projected to increase \$8.1M to a total of \$204.4M, representing 22.5% of the total annual operating uses, the University's single largest expense category. This represents a historic high level of investment in instruction, approximately 9.6% higher than the initial FY 2010-11 budget, prior to the implementation of the 2020 Plan.
 - ▶ Research investments are anticipated to increase \$7.8M, primarily with growth in the unrestricted funds. As the second largest component of Clemson's proposed annual operating budget, the \$147.7M investment is 16.3% of Clemson's FY 2013-14 total annual operating expenses. Overall, the research budget has grown 7.0% since FY 2010-11, prior to the implementation of the 2020 Plan.
 - ▶ Public Service related expenses are projected to remain roughly flat. Overall, the public service budget has increased by 1.3% since FY 2010-11.
- Academic Support is expected to increase by \$6.1M to \$48.2M, and accounts for 5.3% of the total budget. Additional 2020 Plan investments in student engagement, information resources and competitive compensation, as well as additional non-recurring State Appropriations for the Student Career Opportunity Program, contribute to the 14.4% growth. This budget is a 17.4% increase from FY 2010-11.

- The FY 2013-14 program budget for Scholarships and Fellowships is forecasted to increase \$7.8M over FY 2012-13 levels, as a direct result of increased funding for state and federal programs, Clemson National Scholars and IPTAY scholarship transfers.
- Institutional Support is projected to grow by \$2.8M, primarily as the University increases its investment in Development Enterprise to consistently raise \$100.0M each year in support of the University and its 2020 Plan. This growth is also attributable to unavoidable inflationary costs associated with legal services and business insurance. The institutional support budget still remains at 3.3% of the total budget, and is 33.7% lower than the FY 2008-09 budget.
- Auxiliary Enterprises program expenses are increasing by \$4.2M or 3.8% as a direct result of increased investments in auxiliary facilities and the contractual obligations described above.
- Net Transfers are projected to increase by \$5.1M or 12.2%. Net transfers include internal transfers of resources between operating unrestricted and restricted funds, 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 6.7%. Clemson's largest unrestricted investment resides in its core mission activities - Instruction, Research and Public Service, representing 52.3% of the unrestricted annual operating budget.
- Clemson's unrestricted compensation and benefits budget, which reflects the strategic initiatives of the 2020 Plan to "attract, retain and reward top people" and "provide engagement opportunities for all students," is projected to increase by \$26.3M, or 7.1%. Approximately \$6.8M is attributed to the investments in strategic and critical faculty hires. As a result of rising fringe benefit costs, the FY 2013-14 budget for fringe reflects a \$2.4M increase, with \$1.1M estimated as state funding for health and dental insurance. State funding for the Center for Energy Systems and the Student Career Opportunity Program (non-recurring) has an overall impact of \$1.8M. Student engagement and faculty start-up costs comprise \$1.1M of the compensation and benefits increase, while competitive performance compensation accounts for \$1.7M. Overall growth in revenue generating departments and

in Development Enterprise contributes approximately \$5.2M to the growth in compensation and benefits.

Restricted Funds Expense Summary

- As with restricted resources, restricted uses are projected to increase 2.2% or \$4.0M. The most important highlights from the restricted operating expense budget are described below:
 - ▶ Scholarships and Fellowships program expenditures are projected to increase \$6.6M, a 8.8% increase over FY 2012-13 levels. Program details are included above in the revenue section.
 - ▶ Instruction, Research and Public Service program expenditures are dropping by 5.8% or \$5.4M, primarily due to a 7.9% reduction in the Sponsored Program Activities budget. Current economic conditions are continuing to limit the potential of new federal and private research funding for the University, while the federal sequestration is jeopardizing future funding for current research awards.
 - ▶ Net transfers are increasing by 18.8%, primarily as a result of IPTAY transfers for scholarships.

Total Operating Uses Summary

- Including all unrestricted uses, restricted expenses and noncash waivers, the projected total operating uses budget is \$907.0M. The FY 2013-14 budget includes a 5.5% increase over FY 2012-13 levels, which demonstrates the University's strategic management of costs and commitment to fund the 2020 Plan through new revenue generation and aggressive internal reallocations.

Proposed FY 2014 Operating Budget (In 000's)

The total proposed operating budget for FY 2013-14 is \$907.0M, 5.5% above the FY 2012-13 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 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent of Total FY 2013-14 Budget	Budget Change	Percent Change
Unrestricted	\$674,586	\$632,048	74.4%	\$42,538	6.7%
Restricted	187,394	183,390	20.6%	4,004	2.2%
Noncash Items	45,060	44,325	5.0%	735	1.7%
Total Sources	\$907,040	\$859,763	100.0%	\$47,277	5.5%

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

Unrestricted Funds Resource Summary

Annual unrestricted operating revenues are projected to increase 6.7%. 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 6.7% above FY 2012-13 levels to \$674.6M. Unrestricted resources represent 74.4% 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 for the first time since FY 2007-08 a significant increase in E&G State Appropriations that is unrelated to recurring state-mandated cost increases, deferred maintenance or capital plans. The University sustained a total of \$55.8M in E&G budget reductions during a four-year period. The increase in State Appropriations includes recurring allocations for the University's strategic vision of an internationally recognized program in Energy Systems and for increasing health and dental insurance costs. The State Appropriations budget also includes non-recurring funding for the Student Career Opportunity Program (internships/co-ops). The E&G budget includes growth in tuition and fee revenues in support of the strategic priorities of the 2020 Plan:

- “Enhance student quality and performance” with additional scholarship opportunities
- “Provide engagement opportunities for all students” with increases in creative inquiry, internship and co-op opportunities, QEP and other student engagement programs
- “Attract, retain and reward top people” with performance compensation and strategic and critical faculty hires and startup packages
- “Build to compete” with growth in IT, deferred maintenance and the capital plan

Divestments and aggressive new revenue generation are required components of the 2020 Plan as well. The E&G budget includes increases in departmentally generated revenues, such as online, distance, educational and summer programs. In total, E&G operating revenues are expected to increase by 8.3% to \$426.3M. These operating revenues comprise 47.0% of the total resource budget and 67.9% of the unrestricted operating revenue budget.

- **Public Service Activities (PSA)** operating revenues are approximately 7.1% of the total resource budget and 10.3% of the unrestricted operating revenue budget. PSA operating revenues are projected to increase by 4.5% as a result of growth in the State Appropriations allocated for the Advanced Plant Technology, Precision Agriculture and Veterinary Diagnostics programs. The PSA budget experienced four fiscal years of state budget reductions totaling \$25.1M.
- **Auxiliary Enterprises** operating revenues represent 15.1% of the total resource budget and 21.8% of the unrestricted operating revenue budget. Auxiliary enterprises operating revenues are expected to increase 3.2% to \$137.2M.
- **Fund Balance Resources** projected at \$46.4M, complete the remainder of the unrestricted operating resource budget.


Restricted Funds Resource Summary

Restricted resources comprise 20.6% of the total budget and are projected to increase modestly by 2.2% to \$187.4M. 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 lower than the prior year budget resulting in the sponsored program activities budget for FY 2013-14 being reduced by 7.9% to \$72.0M. The current economic conditions are continuing to limit the potential of new federal and private research funding for the University, and federal sequestration is jeopardizing

future funding for current research awards. Overall the FY 2013-14 budget is an increase of 30.1% over FY 2000-01 levels, but is within 1.0% of FY 2002-03 levels.

- **Scholarships and Student Aid** revenues are expected to increase 10.2% to \$96.5M, which includes projected increases of \$2.4M for the Post 9/11 GI Bill, \$2.1M for Clemson National Scholars, \$1.4M for Palmetto Fellows and LIFE Scholarships and \$1.8M for IPTAY Scholarships.
- **Other Restricted** revenues are forecasted to increase 7.0% to \$18.8M as a result of new programs such as Call Me Mister Kellogg Fund, Dr. EL Corley Trustee Chair and The Timken Trustee Chair, as well as continued growth in the National Brick Research Center, Eugene T. Moore School of Education and the SC Coalition for Mathematics and Science.

 **Noncash Items** represent 5.0% 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 2013 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

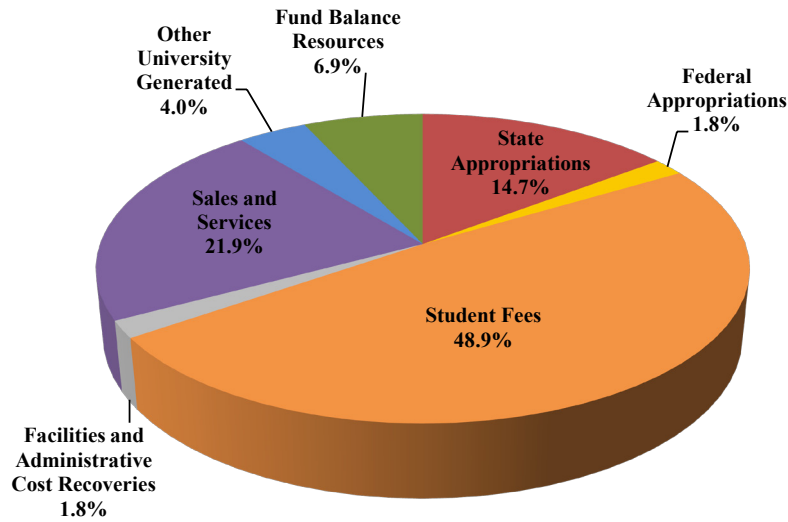
Revenue Source	FY 2013-14 Proposed Budget	Percent of Total FY 2013-14 Budget	FY 2012-13 Initial Budget	Percent of Total FY 2012-13 Budget
Unrestricted Operating Revenue Budget				
State Appropriations	\$99,453	11.0%	\$91,904	10.7%
Federal Appropriations	12,452	1.4%	12,429	1.4%
Student Fees	329,644	36.3%	303,194	35.3%
Facilities and Administrative Cost Recoveries	12,004	1.3%	13,162	1.5%
Sales and Services	147,532	16.3%	142,035	16.5%
Other University Generated	27,105	3.0%	25,819	3.0%
Fund Balance Resources	46,396	5.1%	43,505	5.1%
Total Unrestricted Operating Revenue Budget	\$674,586	74.4%	\$632,048	73.5%
Restricted Operating Revenue Budget				
State Higher Education Grants	\$47,650	5.2%	\$46,004	5.3%
Financial Aid-Grants and Contracts and Other Revenues	48,851	5.4%	41,540	4.8%
Grants and Contracts	88,851	9.8%	94,233	11.0%
Other Restricted Revenue	2,042	0.2%	1,613	0.2%
Total Restricted Operating Revenue Budget	\$187,394	20.6%	\$183,390	21.3%
Graduate and Undergraduate Waivers	\$45,060	5.0%	\$44,325	5.2%
Total Clemson FY 2013-14 Operating Budget	\$907,040	100.0%	\$859,763	100.0%

Figure 2 details the distribution of the University’s revenue by funding sources and provides a comparison between FY 2012-13 and FY 2013-14.

Unrestricted Operating Resources Budget (In 000’s)

The Unrestricted Resources budget represents 74.4% 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 2013-14 budget for each of the University’s unrestricted funding sources.

State Appropriations ↑

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$99,453	\$91,904	\$7,549	8.2%

The FY 2013-14 budget for State Appropriations includes a recurring E&G allocation of \$3.0M for the University’s strategic vision of an internationally recognized program in Energy Systems, which will be located at Clemson University Restoration Institute (CURI). The growth in this category also includes E&G recurring funding (\$1.1M) for state-mandated increasing health and dental insurance costs, and non-recurring funding (\$1.0M) for the Student Career Opportunity Program, which will provide additional internship and co-op opportunities for students. 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 State Appropriations budget also includes recurring funds for Public Service Activities: \$1.0M for the Advanced Plant Technology Program, \$500K for Precision Agriculture and \$300K for Veterinary Diagnostics. As a result of increased investment from South Carolina in Clemson’s economic development, student engagement and agriculture programs, the State Appropriations budget is growing by \$7.6M to \$99.5M. Even with this growth, State Appropriations as a percentage of budget remains flat, at 14.7% of the unrestricted operating revenue budget and 11.0% of the overall budget. Cuts in state funding since FY 2007-08 total \$80.9M, a reduction of 49.0%.

Federal Appropriations ↑

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$12,452	\$12,429	\$23	0.2%

Federal Appropriations are a small percentage of the University’s total revenue sources (1.4%). Public Service and Agriculture is the only division in the University projected to receive unrestricted Federal Appropriations in FY 2013-14. This federal funding is used to support research and extension programs within the College of Agriculture, Forestry and Life Sciences. Federal Appropriations represent 18.7% of PSA’s total unrestricted resources.

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

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$329,644	\$303,194	\$26,450	8.7%

Student Fees represent the largest single source of revenue for the University. The FY 2013-14 projected Student Fees comprise 48.9% of the unrestricted budget and 36.3% of the total budget. In total, student tuition and fees are projected to increase approximately \$26.4M. Included in this growth is approximately \$5.4M in online, distance and summer programs and approximately \$18.7M from growth in enrollment and general tuition and fee revenue.

The Board of Trustees approved a 3.0% increase for undergraduate resident and for undergraduate non-resident tuition and fees for Fall 2013 (FY 2013-14). The tuition and fee increase for resident and non-resident undergraduates is the lowest increase in a decade due to aggressive cost-cutting measures and a commitment to use internal reallocations and other revenues as primary sources of funding for the 2020 Plan. The tuition and fee increase, new revenue generation, as well as internal reallocations, will continue to provide funding for strategic priorities within the 2020 Plan. 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 compensation and strategic faculty hires, particularly as prescribed by the 2020 Plan to attract and retain world-class faculty.

 **Facilities and Administrative Cost Recoveries** ↓

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$12,004	\$13,162	\$(1,158)	(8.8%)

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 1.3% of total resources. As a result of a decline in funding for sponsored program activities, F&A recoveries are projected to decrease by \$1.2M or 8.8%.

 **Sales and Services** ↑

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$147,532	\$142,035	\$5,497	3.9%

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 3.9% in FY 2013-14. PSA revenues are expected to increase 12.1% resulting from increased participation in the leadership centers (camps) and CU Cooperative Extension Services. Auxiliary enterprises expect a modest 2.7% growth in revenue. This growth results from an increase of \$2.5M for the Athletics ACC Broadcasting contract and increased ticket sales producing a 5.5% increase in sales and services revenues overall for Athletics. The Board approved a 3.0% increase 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. Clemson's Board has approved the construction of a new housing community for Upperclass and Bridge students that will include a new dining facility, as well as a new Visitor and Prospect Center.

Other University Generated Revenue ↑

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$27,105	\$25,819	\$1,286	5.0%

Other University Generated Revenue is projected to increase 5.0%, a reflection of the University’s commitment to generate other sources of revenue. This revenue source represents 3.0% of the total revenue budget and 4.0% of the unrestricted revenue budget. A \$1.3M increase in revenues is expected from computer services provided by CCIT and testing service fees by the Campbell Engineering Center program.

Graduate and Undergraduate Waivers (Noncash) ↑

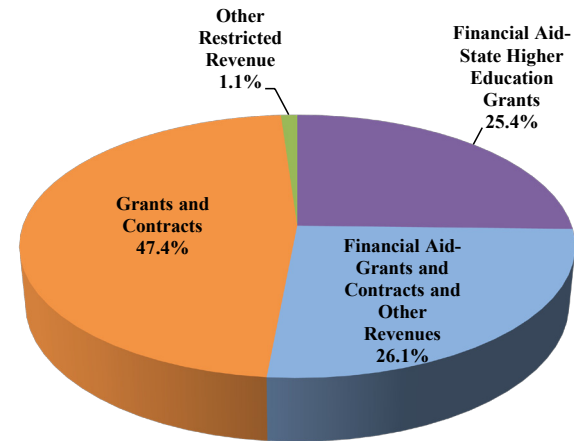
FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$45,060	\$44,325	\$735	1.7%

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 1.7% in FY 2013-14 due to the 2020 Plan’s continued aggressive recruiting and enrollment of a Top-15 student body.

Restricted Operating Resources Budget (In 000’s)

The restricted operating revenue budget at \$187.4M accounts for 20.6% of the University’s overall resources. The distribution of restricted revenue budget is shown in **Graph 3**.

Graph 3. - Distribution of Restricted Resources



The following sections provide an analysis of the FY 2013-14 budget for each of the University’s restricted funding sources as shown in **Graph 3**.

Financial Aid - State Higher Education Grants ↑

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$47,650	\$46,004	\$1,646	3.6%

State Higher Education Grants, primarily LIFE and Palmetto Fellows Scholarships, comprise 5.2% of the projected total revenue budget and 25.4% of the restricted revenue budget. State Higher Education grants to Clemson students are projected to grow primarily due to a \$1.3M increase in Palmetto Fellows Scholarships and \$100K increase for LIFE Scholarships during the FY 2013-14 budget period.

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

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$48,851	\$41,540	\$7,311	17.6%

Financial Aid - Grants and Contracts and Other Revenues are expected to increase 17.6% with additional funding for Clemson National Scholars, Post 9/11 GI Bill and IPTAY Scholarships.

 **Grants and Contracts** ↓

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$88,851	\$94,233	\$(5,382)	(5.7%)

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 reduced by 8.4% to \$70.7M. Current economic conditions are continuing to limit the potential of new federal and private research funding for the University, while the federal sequestration is jeopardizing future funding for current research awards. Helping to mitigate this drop in core sponsored program funding, grants and contracts in other restricted funds reflects an increase of \$1.1M primarily due to several new programs such as Call Me Mister Kellogg Fund and Endowed Chairs for Dr. EL Corley Trustee Chair and The Timken Trustee Chair, as well as continued growth in the National Brick Research Center, Eugene T. Moore School of Education and the SC Coalition for Mathematics and Science.

 **Other Restricted Revenue** ↑

FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
\$2,042	\$1,613	\$429	26.6%

Other Restricted Revenue is another small revenue resource representing 0.2% of projected total revenue and 1.1% of restricted revenue. Other restricted revenues are projected to remain relatively stable with slight growth in the National Brick Research Center.

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

Clemson's proposed operating expense budget for FY 2013-14 is \$907.0M, a 5.5% increase over FY 2012-13 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.

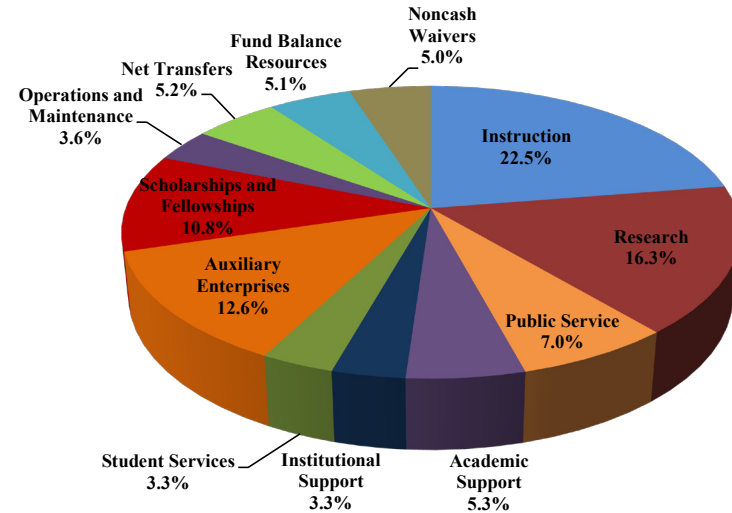
Figure 3. Total University Operating Expense by Program

Program	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change
Instruction	\$204,422	\$196,284	4.1%
Research	147,658	139,866	5.6%
Public Service	63,180	63,200	(0.0%)
Academic Support	48,163	42,088	14.4%
Institutional Support	30,040	27,213	10.4%
Student Services	30,020	28,523	5.2%
Auxiliary Enterprises	114,335	110,181	3.8%
Scholarships and Fellowships	98,086	90,330	8.6%
Operations and Maintenance	32,845	32,506	1.0%
Net Transfers	46,835	41,742	12.2%
Total Current Expense	\$815,584	\$771,933	5.7%
Fund Balance Resources	46,396	43,505	6.6%
Total Restricted & Unrestricted Expenses	\$861,980	\$815,438	5.7%
Noncash Waivers	45,060	44,325	1.7%
Total Operating Uses by Program	\$907,040	\$859,763	5.5%

Figure 4. Operating Expense Budget by Program

Program	Unrestricted	Restricted	Total
Instruction	\$199,587	\$4,835	\$204,422
Research	78,655	69,003	147,658
Public Service	50,294	12,886	63,180
Academic Support	47,640	523	48,163
Institutional Support	28,042	1,998	30,040
Student Services	29,207	813	30,020
Auxiliary Enterprises	114,335	-	114,335
Scholarships and Fellowships	17,017	81,069	98,086
Operations and Maintenance	32,840	5	32,845
Net Transfers	30,573	16,262	46,835
Fund Balance Resources	46,396	-	46,396
Total Operating Expense Budget by Program (Cash)	\$674,586	\$187,394	\$861,980
Noncash Waivers	45,060	-	45,060
Total Operating Expense Budget by Program	\$719,646	\$187,394	\$907,040

Graph 4. - Distribution of Expenses by Program



Instruction ↑

Resource Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$199,587	\$190,164	\$9,423	5.0%
Restricted	\$4,835	\$6,120	\$(1,285)	(21.0%)

Instruction is projected as the largest expenditure category on a program basis. This aligns with the University's 2020 Plan to recruit and retain outstanding students and faculty and provide an exceptional educational experience grounded in engagement. Instruction represents 22.5% of total projected expenses and is expected to increase above FY 2012-13 levels by 4.1%. Research expenditures are the second largest program category and are projected to grow by 5.6%. The third largest program component, Auxiliary Enterprises, is expected to increase 3.8%. The fourth largest program component, Scholarships and Fellowships, is expected to increase approximately \$7.8M, bringing the total to \$98.1M, which continues to be more than the combined budgets for Institutional Support, Student Services, and Operations and Maintenance, and is less than half of the instruction budget.

Projected expenses for instructional activities are expected to increase by \$8.1M to \$204.4M, which is more than twice as much as instruction expense for FY 1999-2000, and reflects approximately 66.6% growth over the last ten years. This budget demonstrates the increasing investment in instruction as prescribed by the 2020 Plan, with an increase of 9.6% since before the implementation of the 2020 Plan in FY 2010-11. The FY 2013-14 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. The 2020 Plan calls for resources to be reallocated or generated in order to fund strategic priorities such as strategic and critical faculty hires at approximately \$6.1M in this category. The instruction budget also includes growth in student engagement and University Quality Enhancement Program (QEP) costs by \$600K and approximately \$1.1M in State Appropriations for rising health and dental insurance costs.

Research ↑

Resource Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$78,655	\$68,860	\$9,795	14.2%
Restricted	\$69,003	\$71,006	\$(2,003)	(2.8%)

Total Research expenditures are projected to increase by 5.6% or \$7.8M. The unrestricted research budget is projected to increase by 14.2% or \$9.8M. New State Appropriations of \$3.0M were approved for support of the Center for Energy Systems. PSA will also receive new State Appropriations for the research of Advanced Plant Technology and Precision Agriculture programs of approximately \$1.1M. The research budget also supports the 2020 Plan priority to attract, retain, and reward top people through competitive compensation, strategic faculty hires and start-ups for \$3.3M. The sponsored research budget is expected to decline in FY 2013-14 by 5.6% as a result of current economic conditions and federal sequestration, contributing to the restricted research budget reduction by 2.8%. Overall, research funding has grown 7.0% since FY 2010-11 as a result of continued focus to achieve the University's strategic goals.

Public Service ↑

Resource Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$50,294	\$48,234	\$2,060	4.3%
Restricted	\$12,886	\$14,966	\$(2,080)	(13.9%)

Total Public Service expenses are projected to remain flat in FY 2013-14. Unrestricted public service expenses are expected to increase by \$2.1M with growth in sales from leadership centers (camps) and in State Appropriations for Advanced Plant Technology, Precision Agriculture and Veterinary Diagnostics research. Current economic conditions continue to negatively affect the development of new federal and private research funding. Federal sequestration is also jeopardizing future funding for current research awards, resulting in a \$2.1M reduction to the restricted public service budget.

 **Academic Support** ↑

Resource Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$47,640	\$41,738	\$5,902	14.1%
Restricted	\$523	\$350	\$173	49.4%

Academic Support represents 5.3% of the total proposed expense budget. Expenses for academic support are projected to increase in total by 14.4% to \$48.2M, which is 1.5 times the level in FY 2000-01 and 17.4% higher than FY 2010-11, prior to the implementation of the 2020 Plan in FY 2010-11. In support of the University’s goals for student engagement, the academic support budget includes non-recurring State Appropriations of \$1.0M for the Student Career Opportunity Program (co-ops and internships). The budget also includes a \$1.0M increase for information resources, in support of the 2020 Plan strategic priority “Build to Compete.”

 **Institutional Support** ↑

Resource Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$28,042	\$25,322	\$2,720	10.7%
Restricted	\$1,998	\$1,891	\$107	5.7%

Institutional Support includes administrative support activities, such as fiscal operations, legal services and human resources, and represents 3.3% of the total FY 2013-14 budget. Institutional support expenses are expected to grow by \$2.8M as a result of increased investments in Development Enterprise supporting its efforts to become a consistent \$100.0M fundraising organization each year, as well as general inflationary costs, such as liability insurance and legal costs. Even with an increase, the institutional support budget (\$30.0M) will still remain roughly the same percentage of total budget as FY 2012-13, (3.3%). In comparison to 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 \$15.3M lower, or 33.7% less than the FY 2008-09 budget.

 **Student Services** ↑

Resource Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$29,207	\$27,653	\$1,554	5.6%
Restricted	\$813	\$870	\$(57)	(6.6%)

Student Services represent 3.3% of the total projected FY 2013-14 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 5.6%, or approximately \$1.6M, as a result of increased investments in student health services and the University’s strategic goal to offer competitive compensation.

 **Auxiliary Enterprises** ↑

Resource Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$114,335	\$110,181	\$4,154	3.8%
Restricted	\$-	\$-	\$-	0.0%

The Auxiliary Enterprises expense budget is expected to increase 3.8% or \$4.2M in FY 2013-14. Revenue increases from the Athletics ACC Broadcasting contract and ticket sales contribute \$2.5M of this growth in expenditures for FY 2013-14. The remaining percentage of growth is a result of ongoing plans to improve dining, housing and student life facilities, which warrant the 3.0% rise in room and board fees for FY 2013-14.

 **Operations and Maintenance** ↑

Resource Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$32,840	\$32,491	\$349	1.1%
Restricted	\$5	\$15	\$(10)	(66.7%)

Projected Operations and Maintenance expenses are only 3.6% of the total expense budget and are anticipated to increase in FY 2013-14 by 1.0%, or \$339K. This minor growth can be attributed to rising property insurance and utility costs.

 **Scholarships and Fellowships** ↑

Resource Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$17,017	\$15,846	\$1,171	7.4%
Restricted	\$81,069	\$74,484	\$6,585	8.8%

Scholarships and Fellowships, the fourth largest expenditure category, are expected to increase \$7.8M in FY 2013-14, bringing the total to \$98.1M, which is more than the combined budgets for Institutional Support, Student Services and Operations and Maintenance. This program has grown by 13.5% since FY 2010-11, prior to the implementation of the 2020 Plan. The growth in scholarships is attributed to the following projected increases: \$2.4M for the Post 9/11 GI Bill; \$2.1M for Clemson National Scholars; \$1.4M for Palmetto Fellows and LIFE Scholarships; and \$1.8M for the IPTAY Scholarship transfers.

 **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 2013-14 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 47.9% of the University’s total operating resources. The remainder of the operating uses budget is distributed between Other Costs (42.0%), Noncash Waivers (5.0%) and Fund Balance Resources (5.1%). 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 5.5%.

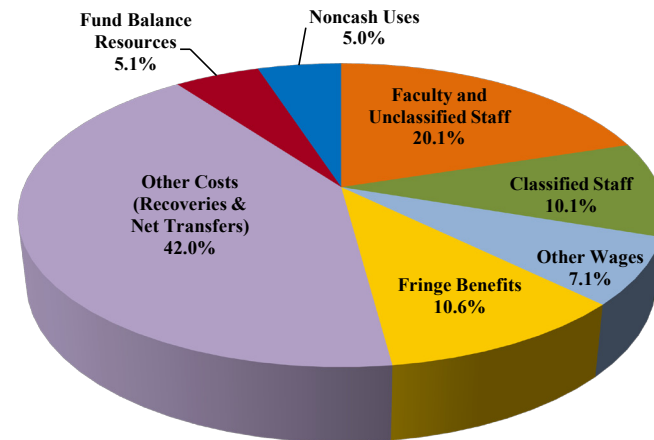
Figure 5. Total University Operating Expense by Account

Account	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change
Compensation and Benefits:			
Faculty and Unclassified Staff	\$183,640	\$175,111	4.9%
Classified Staff	91,202	89,496	1.9%
Other Wages	64,269	59,204	8.6%
Fringe Benefits	95,821	89,813	6.7%
Total Compensation and Benefits	\$434,932	\$413,624	5.2%
Other Costs (Recoveries & Net Transfers)	380,652	358,309	6.2%
Fund Balance Resources	46,396	43,505	6.6%
Total Restricted & Unrestricted Expenses	\$861,980	\$815,438	5.7%
Noncash Uses	45,060	44,325	1.7%
Total Operating Uses by Account	\$907,040	\$859,763	5.5%

Figure 6. Operating Expense Budget by Account Category

Account Category	Unrestricted	Restricted	Total
Compensation and Benefits:			
Faculty and Unclassified Staff	\$173,136	\$10,504	\$183,640
Classified Staff	89,047	2,155	91,202
Other Wages	45,099	19,170	64,269
Fringe Benefits	89,426	6,395	95,821
Total Compensation & Benefits	\$396,708	\$38,224	\$434,932
Other Costs (Recoveries & Net Transfers)	231,482	149,170	380,652
Fund Balance Resources	46,396	-	46,396
Total Operating Expense Budget (Cash)	\$674,586	\$187,394	\$861,980
Noncash Waivers	45,060	-	45,060
Total Operating Expense Budget	\$719,646	\$187,394	\$907,040

Graph 5. - Distribution of Expenses by Account Category



 **Compensations and Benefits** ↑

Unrestricted Uses

Account Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$173,136	\$164,120	\$9,016	5.5%
Classified Staff	89,047	86,879	2,168	2.5%
Other Wages	45,099	36,993	8,106	21.9%
Fringe Benefits	89,426	82,380	7,046	8.6%
Total Compensation & Benefits	\$396,708	\$370,372	\$26,336	7.1%

Restricted Uses

Account Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$10,504	\$10,991	\$(487)	(4.4%)
Classified Staff	2,155	2,617	(462)	(17.7%)
Other Wages	19,170	22,211	(3,041)	(13.7%)
Fringe Benefits	6,395	7,433	(1,038)	(14.0%)
Total Compensation & Benefits	\$38,224	\$43,252	\$(5,028)	(11.6%)

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 5.2% or \$21.3M in FY 2013-14. The FY 2013-14 compensation and benefits budget supports the University's 2020 Plan, reflecting 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 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, which are all goals of the 2020 Plan.

Strategic and critical faculty hires and start-up costs comprise approximately \$7.5M of the budget increase, while new state funding for the Center for Energy Systems and for the Student Career Opportunity Program (internships and co-ops) contribute \$1.8M to the growth in this category. Student engagement expenses, primarily for the QEP, are expected to increase by \$500K in this category as well. The 2020 Plan includes a performance compensation package of approximately \$2.3M in FY 2013-14. Fringe benefit costs are projected to escalate due to state-mandated increases in retirement and health and dental insurance costs, as well as rising costs for graduate health insurance, for a total increase of \$2.8M. This budget includes the impact of additional investment in Development Enterprise for its efforts to become a \$100.0M fundraising organization each year, as well as growth in departmentally generated revenues, for approximately \$5.2M of growth in compensation and benefits.

 **Other Costs** ↑

Account Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$255,587	\$243,662	\$11,925	4.9%
Restricted	\$132,908	\$126,450	\$6,458	5.1%

Other Costs represent approximately 42.8% of total operating uses. This large cost category includes anticipated expenditures ranging from utilities and travel to printer cartridges and paper. 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 28.2% of total operating uses at \$255.6M, unrestricted other costs are projected to increase \$11.9M. The majority of this increase resides in E&G, with 5.2% growth, or \$7.5M. The 2020 Plan calls for investments in strategic faculty hires, and as a direct result, start-up costs are projected to increase by at least \$1.8M. This budget also includes \$1.0M in additional 2020 Plan investments in information resources for the “Build to Compete” priority. State funding for the Center for Energy Systems comprises \$2.2M of E&G other costs, with approximately \$1.0M of this amount designated for equipment. General inflationary costs and rising utility and insurance costs contribute \$1.4M to the growth in other costs.

An increase of 8.4% is anticipated for PSA other costs when compared to FY 2012-13, and a 3.5% increase is expected for Auxiliary Enterprises other costs. The majority of the increase for PSA can be attributed to the growth in state funding for Advanced Plant Technology and Precision Agriculture, as well as growth in revenues from Youth Learning Institute programs. The increase for Auxiliary Enterprises is a reflection of increased investments by Athletics and Computing and Information Technology.

Restricted other costs are expected to increase to \$132.9M and represent approximately 14.7% of total operating uses. The \$6.5M increase is attributable to growth in scholarship programs, primarily Palmetto Fellows and LIFE, Clemson National Scholars and Post 9/11 GI Bill.

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

Account Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$(54,678)	\$(53,545)	\$(1,133)	2.1%
Restricted	\$-	\$-	\$-	0.0%

Recoveries are revenues generated from sales and services or the allocation of costs to internal customers of the University. Recoveries include revenues generated from the internal sale and distribution of telecommunications, information technology, fuel, facilities services and departmental services. The majority of the \$1.1M increase in unrestricted recoveries is due to the Build to Compete priority of the 2020 Plan.

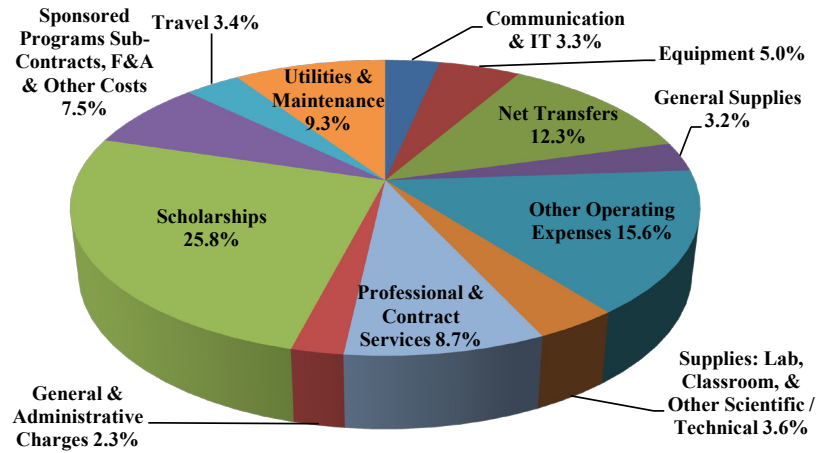
 **Net Transfers** ↑

Account Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$30,573	\$28,054	\$2,519	9.0%
Restricted	\$16,262	\$13,688	\$2,574	18.8%

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.

In anticipation of improvements to housing, dining and parking facilities in the 2020 Plan, unrestricted transfers from these units for capital and strategic planning are increasing by 9.0% totaling \$2.5M. Restricted net transfers are increasing by 18.8%, primarily for athletic scholarships from IPTAY.

Graph 6. - Projected Noncompensation Expenditures



Estimated Other Costs, Recoveries and Net Transfers sections provide an analysis of the FY 2013-14 budget for University's expenditures as shown in **Graph 6**.

Account	FY 2013-14 Proposed Budget	Percent of Total
Communication & IT	12,748	3.3%
Equipment	19,028	5.0%
General & Administrative Charges	8,624	2.3%
General Supplies	12,302	3.2%
Supplies: Lab, Classroom, & Other Scientific / Technical	13,729	3.6%
Net Transfers	46,835	12.3%
Other Operating Expenses	59,292	15.6%
Professional & Contract Services	33,068	8.7%
Scholarships	98,086	25.8%
Sponsored Programs Sub-Contracts, F&A & Other Costs	28,390	7.5%
Travel	12,996	3.4%
Utilities & Maintenance	35,554	9.3%
Total	\$380,652	100.0%

 **Noncash Waivers** ↑

Account Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$45,060	\$44,325	\$735	1.7%
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 1.7% in FY 2013-14 due to the 2020 Plan’s call for aggressive recruiting and enrollment of a Top-15 student body.

 **Fund Balance Resources** ↑

Account Category	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Change Amount	Percent Change
Unrestricted	\$46,396	\$43,505	\$2,891	6.6%
Restricted	\$-	\$-	\$-	0.0%

The University projects it will utilize up to \$46.4M of prior years’ fund balance resources, primarily for the return of generated funds, contractual start-up commitments for faculty, QEP, continuation of undergraduate creative inquiry programs and research incentives for faculty and other 2020 Plan initiatives. Fund balances are also utilized to make investments in labs, classrooms and other capital investments funded by individual budgetary units. The majority of the increase is due to the Colleges’ increased utilization of fund balance resources of \$1.7M, over half of the increase.

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 Proposed Budget	FY 2012-13 Initial Budget	Percent Change		FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change
Operating Resources				Operating Uses			
Unrestricted Revenue:				Unrestricted Expense:			
State Appropriations	\$ 99,453	\$ 91,904	8.2%	Instruction	\$ 199,587	\$ 190,164	5.0%
Federal Appropriations	12,452	12,429	0.2%	Research	78,655	68,860	14.2%
Student Fees	329,644	303,194	8.7%	Public Service	50,294	48,234	4.3%
Facilities and Administrative Cost Recoveries	12,004	13,162	(8.8%)	Academic Support	47,640	41,738	14.1%
Sales and Services	147,532	142,035	3.9%	Institutional Support	28,042	25,322	10.7%
Other University Generated	27,105	25,819	5.0%	Student Services	29,207	27,653	5.6%
				Auxiliary Enterprises	114,335	110,181	3.8%
Total Unrestricted Revenue	628,190	588,543	6.7%	Scholarships and Fellowships	17,017	15,846	7.4%
Fund Balance Resources	46,396	43,505		Operations and Maintenance	32,840	32,491	1.1%
Total Unrestricted Revenue and Fund Balance Resources	674,586	632,048	6.7%	Net Transfers	30,573	28,054	9.0%
				Current Unrestricted Expense	628,190	588,543	6.7%
				Projected Fund Balance Expenditures	46,396	43,505	
				Total Unrestricted Expense	674,586	632,048	6.7%
Restricted Revenue:				Restricted Expense:			
State Higher Education Grants	47,650	46,004	3.6%	Instruction	4,835	6,120	(21.0%)
Financial Aid - Grants and Contracts and Other Revenues	48,851	41,540	17.6%	Research	69,003	71,006	(2.8%)
Grants and Contracts	88,851	94,233	(5.7%)	Public Service	12,886	14,966	(13.9%)
Other Restricted Revenue	2,042	1,613	26.6%	Academic Support	523	350	49.4%
				Institutional Support	1,998	1,891	5.7%
Total Restricted Revenue	187,394	183,390	2.2%	Student Services	813	870	(6.6%)
				Auxiliary Enterprises	-	-	0.0%
				Scholarships and Fellowships	81,069	74,484	8.8%
				Operations and Maintenance	5	15	(66.7%)
				Net Transfers	16,262	13,688	18.8%
				Total Restricted Expense	187,394	183,390	2.2%
Total Revenue and Fund Balance Resources	861,980	815,438	5.7%	Total Expense	861,980	815,438	5.7%
Noncash Resources:				Noncash Uses:			
Graduate and Undergraduate Waivers	45,060	44,325	1.7%	Graduate and Undergraduate Waivers	21,810	21,625	0.9%
				Fringe Benefits - Graduate Assistant Differential	23,250	22,700	2.4%
Total Noncash Resources	45,060	44,325	1.7%	Total Noncash Uses	45,060	44,325	1.7%
Total Operating Resources	\$ 907,040	\$ 859,763	5.5%	Total Operating Uses	\$ 907,040	\$ 859,763	5.5%

SUMMARY REVENUE AND EXPENSE BY ACCOUNT BUDGET

(dollars in thousands)

	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change		FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change
Operating Resources				Operating Uses			
Unrestricted Revenue:				Unrestricted Expense:			
State Appropriations	\$ 99,453	\$ 91,904	8.2%	Compensation and Benefits:			
Federal Appropriations	12,452	12,429	0.2%	Faculty and Unclassified Staff	\$ 173,136	\$ 164,120	5.5%
Student Fees	329,644	303,194	8.7%	Classified Staff	89,047	86,879	2.5%
Facilities and Administrative Cost Recoveries	12,004	13,162	(8.8%)	Other Wages	45,099	36,993	21.9%
Sales and Services	147,532	142,035	3.9%	Fringe Benefits	89,426	82,380	8.6%
Other University Generated	27,105	25,819	5.0%	Total Compensation and Benefits	396,708	370,372	7.1%
				Operating Costs	255,587	243,662	4.9%
Total Unrestricted Revenue	<u>628,190</u>	<u>588,543</u>	6.7%	Net Transfers	30,573	28,054	9.0%
Fund Balance Resources	46,396	43,505		Recoveries	(54,678)	(53,545)	2.1%
Total Unrestricted Revenue and Fund Balance Resources	<u>674,586</u>	<u>632,048</u>	6.7%	Current Unrestricted Expense	<u>628,190</u>	<u>588,543</u>	6.7%
				Projected Fund Balance Expenditures	46,396	43,505	
				Total Unrestricted Expense	<u>674,586</u>	<u>632,048</u>	6.7%
Restricted Revenue:				Restricted Expense:			
State Higher Education Grants	47,650	46,004	3.6%	Compensation and Benefits:			
Financial Aid - Grants and Contracts and Other Revenues	48,851	41,540	17.6%	Faculty and Unclassified Staff	10,504	10,991	(4.4%)
Grants and Contracts	88,851	94,233	(5.7%)	Classified Staff	2,155	2,617	(17.7%)
Other Restricted Revenue	2,042	1,613	26.6%	Other Wages	19,170	22,211	(13.7%)
				Fringe Benefits	6,395	7,433	(14.0%)
Total Restricted Revenue	<u>187,394</u>	<u>183,390</u>	2.2%	Total Compensation and Benefits	38,224	43,252	(11.6%)
				Operating Costs	132,908	126,450	5.1%
				Net Transfers	16,262	13,688	18.8%
				Recoveries	-	-	0.0%
				Total Restricted Expense	<u>187,394</u>	<u>183,390</u>	2.2%
Total Revenue and Fund Balance Resources	<u>861,980</u>	<u>815,438</u>	5.7%	Total Expense	<u>861,980</u>	<u>815,438</u>	5.7%
Noncash Resources:				Noncash Uses:			
Graduate and Undergraduate Waivers	45,060	44,325	1.7%	Graduate and Undergraduate Waivers	21,810	21,625	0.9%
				Fringe Benefits - Graduate Assistant Differential	23,250	22,700	2.4%
Total Noncash Resources	<u>45,060</u>	<u>44,325</u>	1.7%	Total Noncash Uses	<u>45,060</u>	<u>44,325</u>	1.7%
Total Operating Resources	<u>\$ 907,040</u>	<u>\$ 859,763</u>	5.5%	Total Operating Uses	<u>\$ 907,040</u>	<u>\$ 859,763</u>	5.5%

Operating Resources by Source
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2013-14	FY 2012-13	Percent Change	FY 2013-14	FY 2012-13	Percent Change	FY 2013-14	FY 2012-13	Percent Change	FY 2013-14	FY 2012-13	Percent Change
	Proposed Budget	Initial Budget		Proposed Budget	Initial Budget		Proposed Budget	Initial Budget		Proposed Budget	Initial Budget	
Unrestricted Revenue:												
State Appropriations	\$ 67,682	\$ 62,363	8.5%	\$ 31,771	\$ 29,541	7.5%	\$ -	\$ -	0.0%	\$ 99,453	\$ 91,904	8.2%
Federal Appropriations	-	-	0.0%	12,452	12,429	0.2%	-	-	0.0%	12,452	12,429	0.2%
Student Fees	323,870	297,854	8.7%	-	-	0.0%	5,774	5,340	8.1%	329,644	303,194	8.7%
Facilities and Administrative												
Cost Recoveries	10,050	11,050	(9.0%)	1,954	2,112	(7.5%)	-	-	0.0%	12,004	13,162	(8.8%)
Sales and Services	130	11	1,081.8%	18,455	16,456	12.1%	128,947	125,568	2.7%	147,532	142,035	3.9%
Other University Generated	24,567	22,347	9.9%	96	1,426	(93.3%)	2,442	2,046	19.4%	27,105	25,819	5.0%
Total Unrestricted Revenue	426,299	393,625	8.3%	64,728	61,964	4.5%	137,163	132,954	3.2%	628,190	588,543	6.7%
Fund Balance Resources	44,202	41,726		1,916	1,779		278	-		46,396	43,505	
Total Unrestricted Revenue and Fund Balance Resources	470,501	435,351	8.1%	66,644	63,743	4.6%	137,441	132,954	3.4%	674,586	632,048	6.7%
Noncash Resources:												
Graduate and Undergraduate												
Waivers	45,060	44,325	1.7%	-	-	0.0%	-	-	0.0%	45,060	44,325	1.7%
Total Noncash Resources	45,060	44,325	1.7%	-	-	0.0%	-	-	0.0%	45,060	44,325	1.7%
Total Operating Resources	\$ 515,561	\$ 479,676	7.5%	\$ 66,644	\$ 63,743	4.6%	\$ 137,441	\$ 132,954	3.4%	\$ 719,646	\$ 676,373	6.4%

	Sponsored Program Activities			Scholarships and Student Aid			Other Restricted			Total Restricted		
	FY 2013-14	FY 2012-13	Percent Change	FY 2013-14	FY 2012-13	Percent Change	FY 2013-14	FY 2012-13	Percent Change	FY 2013-14	FY 2012-13	Percent Change
	Proposed Budget	Initial Budget		Proposed Budget	Initial Budget		Proposed Budget	Initial Budget		Proposed Budget	Initial Budget	
Restricted Revenue:												
State Higher Education Grants Financial Aid - Grants and Contracts and Other Revenue	\$ -	\$ -	0.0%	\$ 47,650	\$ 46,004	3.6%	\$ -	\$ -	0.0%	\$ 47,650	\$ 46,004	3.6%
Grants and Contracts	70,719	77,224	(8.4%)	48,851	41,540	17.6%	-	-	0.0%	48,851	41,540	17.6%
Other Restricted Revenues	1,326	1,011	31.2%	-	-	0.0%	18,132	17,009	6.6%	88,851	94,233	(5.7%)
							716	602	19.0%	2,042	1,613	26.6%
Total Restricted Revenue	72,045	78,235	(7.9%)	96,501	87,544	10.2%	18,848	17,611	7.0%	187,394	183,390	2.2%
Noncash Uses:												
Graduate and Undergraduate Waivers	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Noncash Resources	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Operating Resources	\$ 72,045	\$ 78,235	(7.9%)	\$ 96,501	\$ 87,544	10.2%	\$ 18,848	\$ 17,611	7.0%	\$ 187,394	\$ 183,390	2.2%

	Total Unrestricted			Total Restricted			Total University		
	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change
Total Restricted and Unrestricted Revenue:									
Total Revenue Resources	\$ 674,586	\$ 632,048	6.7%	\$ 187,394	\$ 183,390	2.2%	\$ 861,980	\$ 815,438	5.7%
Total Noncash Resources	45,060	44,325	1.7%	-	-	0.0%	45,060	44,325	1.7%
Total Operating Resources by Source	\$ 719,646	\$ 676,373	6.4%	\$ 187,394	\$ 183,390	2.2%	\$ 907,040	\$ 859,763	5.5%

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

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change
Unrestricted Expense:												
Instruction	\$ 197,514	\$ 188,352	4.9%	\$ -	\$ -	0.0%	\$ 2,073	\$ 1,812	14.4%	\$ 199,587	\$ 190,164	5.0%
Research	55,173	46,483	18.7%	23,482	22,377	4.9%	-	-	0.0%	78,655	68,860	14.2%
Public Service	9,031	8,762	3.1%	41,263	39,472	4.5%	-	-	0.0%	50,294	48,234	4.3%
Academic Support	47,382	41,370	14.5%	258	368	(29.9%)	-	-	0.0%	47,640	41,738	14.1%
Institutional Support	28,042	25,322	10.7%	-	-	0.0%	-	-	0.0%	28,042	25,322	10.7%
Student Services	21,983	21,233	3.5%	-	-	0.0%	7,224	6,420	12.5%	29,207	27,653	5.6%
Auxiliary Enterprises	(10)	(179)	(94.4%)	-	-	0.0%	114,345	110,360	3.6%	114,335	110,181	3.8%
Scholarships and Fellowships	9,010	7,715	16.8%	-	-	0.0%	8,007	8,131	(1.5%)	17,017	15,846	7.4%
Operations and Maintenance	32,840	32,491	1.1%	-	-	0.0%	-	-	0.0%	32,840	32,491	1.1%
Net Transfers	25,334	22,076	14.8%	(275)	(253)	8.7%	5,514	6,231	(11.5%)	30,573	28,054	9.0%
Current Unrestricted Expense	426,299	393,625	8.3%	64,728	61,964	4.5%	137,163	132,954	3.2%	628,190	588,543	6.7%
Projected Fund Balance Expenditures	44,202	41,726		1,916	1,779		278	-		46,396	43,505	
Total Unrestricted Expense	470,501	435,351	8.1%	66,644	63,743	4.6%	137,441	132,954	3.4%	674,586	632,048	6.7%
Noncash Uses:												
Graduate and Undergraduate Waivers	21,810	21,625	0.9%	-	-	0.0%	-	-	0.0%	21,810	21,625	0.9%
Fringe Benefits - Graduate Assistant Differential	23,250	22,700	2.4%	-	-	0.0%	-	-	0.0%	23,250	22,700	2.4%
Total Noncash Uses	45,060	44,325	1.7%	-	-	0.0%	-	-	0.0%	45,060	44,325	1.7%
Total Operating Uses	\$ 515,561	\$ 479,676	7.5%	\$ 66,644	\$ 63,743	4.6%	\$ 137,441	\$ 132,954	3.4%	\$ 719,646	\$ 676,373	6.4%

	Sponsored Program Activities			Scholarships and Student Aid			Other Restricted			Total Restricted		
	FY 2013-14		FY 2012-13	FY 2013-14		FY 2012-13	FY 2013-14		FY 2012-13	FY 2013-14		FY 2012-13
	Proposed Budget	Initial Budget	Percent Change	Proposed Budget	Initial Budget	Percent Change	Proposed Budget	Initial Budget	Percent Change	Proposed Budget	Initial Budget	Percent Change
Restricted Expense:												
Instruction	\$ 2,533	\$ 3,405	(25.6%)	\$ 10	\$ 4	150.0%	\$ 2,292	\$ 2,711	(15.5%)	\$ 4,835	\$ 6,120	(21.0%)
Research	58,604	62,080	(5.6%)	-	-	0.0%	10,399	8,926	16.5%	69,003	71,006	(2.8%)
Public Service	10,443	13,181	(20.8%)	-	-	0.0%	2,443	1,785	36.9%	12,886	14,966	(13.9%)
Academic Support	-	-	0.0%	1	1	0.0%	522	349	49.6%	523	350	49.4%
Institutional Support	-	-	0.0%	-	-	0.0%	1,998	1,891	5.7%	1,998	1,891	5.7%
Student Services	-	-	0.0%	-	-	0.0%	813	870	(6.6%)	813	870	(6.6%)
Auxiliary Enterprises	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Scholarships and Fellowships	-	-	0.0%	80,991	73,807	9.7%	78	677	(88.5%)	81,069	74,484	8.8%
Operations and Maintenance	-	-	0.0%	-	-	0.0%	5	15	(66.7%)	5	15	(66.7%)
Net Transfers	465	(431)	207.9%	15,499	13,732	12.9%	298	387	(23.0%)	16,262	13,688	18.8%
Total Restricted Expense	72,045	78,235	(7.9%)	96,501	87,544	10.2%	18,848	17,611	7.0%	187,394	183,390	2.2%
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	\$ 72,045	\$ 78,235	(7.9%)	\$ 96,501	\$ 87,544	10.2%	\$ 18,848	\$ 17,611	7.0%	\$ 187,394	\$ 183,390	2.2%
				Total Unrestricted			Total Restricted			Total University		
				FY 2013-14	FY 2012-13		FY 2013-14	FY 2012-13		FY 2013-14	FY 2012-13	
				Proposed Budget	Initial Budget	Percent Change	Proposed Budget	Initial Budget	Percent Change	Proposed Budget	Initial Budget	Percent Change
Total Restricted and Unrestricted Expense:												
Total Expense				\$ 674,586	\$ 632,048	6.7%	\$ 187,394	\$ 183,390	2.2%	\$ 861,980	\$ 815,438	5.7%
Total Noncash Uses				45,060	44,325	1.7%	-	-	0.0%	45,060	44,325	1.7%
Total Operating Uses by Program				\$ 719,646	\$ 676,373	6.4%	\$ 187,394	\$ 183,390	2.2%	\$ 907,040	\$ 859,763	5.5%

(1) Program expense includes internal recoveries.

Operating Uses by Account
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change
Unrestricted Expense:												
Compensation and Benefits:												
Faculty and Unclassified Staff	\$ 133,819	\$ 127,087	5.3%	\$ 18,351	\$ 17,241	6.4%	\$ 20,966	\$ 19,792	5.9%	\$ 173,136	\$ 164,120	5.5%
Classified Staff	67,680	64,205	5.4%	9,605	10,884	(11.8%)	11,762	11,790	(0.2%)	89,047	86,879	2.5%
Other Wages	32,273	25,374	27.2%	5,996	4,996	20.0%	6,830	6,623	3.1%	45,099	36,993	21.9%
Fringe Benefits	67,397	61,505	9.6%	10,599	10,408	1.8%	11,430	10,467	9.2%	89,426	82,380	8.6%
Total Compensation and Benefits	301,169	278,171	8.3%	44,551	43,529	2.3%	50,988	48,672	4.8%	396,708	370,372	7.1%
Other Costs	151,885	144,361	5.2%	20,981	19,354	8.4%	82,721	79,947	3.5%	255,587	243,662	4.9%
Net Transfers	25,334	22,076	14.8%	(275)	(253)	8.7%	5,514	6,231	(11.5%)	30,573	28,054	9.0%
Recoveries	(52,089)	(50,983)	2.2%	(529)	(666)	(20.6%)	(2,060)	(1,896)	8.6%	(54,678)	(53,545)	2.1%
Current Unrestricted Expense	426,299	393,625	8.3%	64,728	61,964	4.5%	137,163	132,954	3.2%	628,190	588,543	6.7%
Projected Fund Balance Expenditures	44,202	41,726		1,916	1,779		278	-		46,396	43,505	
Total Unrestricted Expense	470,501	435,351	8.1%	66,644	63,743	4.6%	137,441	132,954	3.4%	674,586	632,048	6.7%
Noncash Uses:												
Graduate and Undergraduate Waivers	21,810	21,625	0.9%	-	-	0.0%	-	-	0.0%	21,810	21,625	0.9%
Fringe Benefits - Graduate Assistant Differential	23,250	22,700	2.4%	-	-	0.0%	-	-	0.0%	23,250	22,700	2.4%
Total Noncash Uses	45,060	44,325	1.7%	-	-	0.0%	-	-	0.0%	45,060	44,325	1.7%
Total Operating Uses	\$ 515,561	\$ 479,676	7.5%	\$ 66,644	\$ 63,743	4.6%	\$ 137,441	\$ 132,954	3.4%	\$ 719,646	\$ 676,373	6.4%

	Sponsored Program Activities			Scholarships and Student Aid			Other Restricted			Total Restricted		
	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change
Restricted Expense:												
Compensation and Benefits:												
Faculty and Unclassified Staff	\$ 7,198	\$ 7,445	(3.3%)	\$ 2	\$ 2	0.0%	\$ 3,304	\$ 3,544	(6.8%)	\$ 10,504	\$ 10,991	(4.4%)
Classified Staff	1,435	1,877	(23.5%)	-	-	0.0%	720	740	(2.7%)	2,155	2,617	(17.7%)
Other Wages	16,608	19,363	(14.2%)	-	-	0.0%	2,562	2,848	(10.0%)	19,170	22,211	(13.7%)
Fringe Benefits	4,846	5,832	(16.9%)	1	1	0.0%	1,548	1,600	(3.3%)	6,395	7,433	(14.0%)
Total Compensation and Benefits	30,087	34,517	(12.8%)	3	3	0.0%	8,134	8,732	(6.8%)	38,224	43,252	(11.6%)
Other Costs	41,493	44,149	(6.0%)	80,999	73,809	9.7%	10,416	8,492	22.7%	132,908	126,450	5.1%
Net Transfers	465	(431)	207.9%	15,499	13,732	12.9%	298	387	(23.0%)	16,262	13,688	18.8%
Recoveries	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Restricted Expense	72,045	78,235	(7.9%)	96,501	87,544	10.2%	18,848	17,611	7.0%	187,394	183,390	2.2%
Noncash Uses:												
Graduate and Undergraduate												
Waivers	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Fringe Benefits - Graduate	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Assistant Differential	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Noncash Uses	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Operating Uses	\$ 72,045	\$ 78,235	(7.9%)	\$ 96,501	\$ 87,544	10.2%	\$ 18,848	\$ 17,611	7.0%	\$ 187,394	\$ 183,390	2.2%

	Total Unrestricted			Total Restricted			Total University		
	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change	FY 2013-14 Proposed Budget	FY 2012-13 Initial Budget	Percent Change
Total Restricted and Unrestricted Expense:									
Total Operating Expense	\$ 674,586	\$ 632,048	6.7%	\$ 187,394	\$ 183,390	2.2%	\$ 861,980	\$ 815,438	5.7%
Total Noncash Uses	45,060	44,325	1.7%	-	-	0.0%	45,060	44,325	1.7%
Total Operating Uses by Account	\$ 719,646	\$ 676,373	6.4%	\$ 187,394	\$ 183,390	2.2%	\$ 907,040	\$ 859,763	5.5%

Academic Fee Schedule
Undergraduate Student Academic Fee Schedule
Effective Fall 2013

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

Additional Full-Time Undergraduate Fees per Semester:

Library Fee (30+ credit hours)

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

Additional Part-Time Undergraduate Fees per Credit Hour:

Library Fee

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)

	Resident	Non-Resident
	\$ 5,434	\$ 13,148
	590	1,458
	91	226
	5	5
	40	40
	12	12
	50	50
	150	150
	4	4
	33	33
	118	118
	<u>\$ 6,527</u>	<u>\$ 15,244</u>
	\$ 50	\$ 50
	\$ 489	\$ 1,162
	49	122
	8	19
	4	4
	10	10
	<u>\$ 560</u>	<u>\$ 1,317</u>
	\$ 4	\$ 4
	\$ 5	\$ 5
	12	12
	50	50
	150	150
	4	4
	33	33

Academic Fee Schedule
Undergraduate Student Academic Fee Schedule
 Effective Fall 2013 *(continued)*

Summer Session Fees per Credit Hour:	Resident	Non-Resident
Base Academic Fee	\$ 489	\$ 1,162
Tuition	49	122
Other Debt Retirement and Plant Fund Transfers	8	19
Activity Fee	4	4
Information Technology Fee	10	10
Total Summer Session Fees per Credit Hour	\$ 560	\$ 1,317
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>)	54	54
Software License Fee	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
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	616	616
Summer Study Abroad Academic Fee	616	616
Youth Development Program - On-Line 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

* Additional information for Undergraduate fees is included after the Graduate section on page 8.

Academic Fee Schedule
Graduate Student Academic
Effective Fall 2013

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
2,385	4,819
1,817	3,728

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

\$ 590	\$ 1,458
91	226
5	5
20	20
12	12
50	50
150	150
33	33
118	118
2	2

Total Additional Full-Time Graduate Fees per Semester

<u>\$ 1,071</u>	<u>\$ 2,074</u>
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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

\$ 756	\$ 756
10	10
3	3
5	5
20	20
12	12
50	50
150	150
33	33
2	2

Total Full-Time Graduate Assistant Fees per Semester

<u>\$ 1,041</u>	<u>\$ 1,041</u>
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Academic Fee Schedule
Graduate Student Academic
 Effective Fall 2013 *(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	313	602
Tier 5 Program - Base Academic Fee	261	498
Additional Part-Time Graduate Mandatory Fees per Credit Hour:		
Tuition	\$ 49	\$ 122
Other Debt Retirement and Plant Fund Transfers	8	19
Total Additional Part-Time Graduate Mandatory Fees per Credit Hour	\$ 57	\$ 141
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>)	150	150
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 (less than nine hours):

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
313	602
261	498

Additional Summer Session Graduate Mandatory Fees per Credit Hour:

Tuition
Other Debt Retirement and Plant Fund Transfers

\$ 49	\$ 122
8	19

Total Additional Summer Session Graduate Mandatory Fees per Credit Hour

\$ 57	\$ 141
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Other Summer Session Graduate Fees:

Per Credit Hour:

Information Technology Fee

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

Per Session:

Summer Session Fee

\$ 5	\$ 5
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Software License Fee

6	6
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Fike Fee (3+ on-campus credit hours)

15	15
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Medical Fee (3+ credit hours)

54	54
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Academic Fee Schedule
Graduate Student Academic
 Effective Fall 2013 *(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	417	417
Tier 5 Program - Base Academic Fee	261	261
Additional Mandatory Graduate Fees per Credit Hour:		
Tuition	\$ 49	\$ 49
Other Debt Retirement and Plant Fund Transfers	8	8
Total Additional Mandatory Graduate Fees per Credit Hour	\$ 57	\$ 57
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	\$ 2,857	\$ 2,857
Full-Time Assistantship	756	756
Graduate International Exchange Programs Academic Fees per Credit Hour:		
Part-Time Non-Assistantship	\$ 515	\$ 515
Summer Session Non-Assistantship	515	515
Summer Session Graduate Fees:		
Graduate Assistantship Academic Fee per Session	\$ 630	\$ 630
Summer Study Abroad Academic Fee per Credit Hour	515	515
Special Masters in Business Administration (MBA) Programs:		
MBA with a Concentration in Entrepreneurship and Innovation Annual Tuition	\$ 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	\$ 200
Albania Program	N/A	\$ 300

Academic Fee Schedule
Graduate Student Academic Fee Schedule
 Effective Fall 2013 *(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

- NOTE:**
1. Online programs include Human Resource Development, Youth Development & Leadership, Public Administration, Industrial Engineering and non-thesis Biological Sciences.
 2. The Graduate School has clarified that a full-time graduate student (including a graduate assistant) is classified consistently by enrollment in a minimum of nine credit hours per semester for all university purposes (approved Fall 2012).
 3. The Audit Fee has been removed from the Fall 2013 Fee Schedule. Previously the fee was calculated at 50% of tuition; however, due to best practices the calculation has been updated to be 100% of tuition and thus removed from this document.
 4. Clemson University is actively participating and soliciting nationally competitive fellowships which include a predetermined tuition & fee support amount. In order to remain competitive the departments will have the option to apply a waiver to cover the difference between the predetermined tuition & fee support and Clemson's tuition & fee rate (approved Fall 2012).
 5. The Undergraduate Student Government has established the Student Sustainability Initiative (i.e Green Fee) for Fall 2013 academic year. The fee is a \$10.00 opt in fee that will be managed by the Undergraduate Student Government.
 6. The Summer Experiential Program Fee is being proposed for the upcoming Summer Session. The fee will be a variable rate that would cover travel costs associated with the innovative summer courses and programs that are being developed commensurate with the Road Map 2020 goal to increase summer school activity.

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 2020 Plan 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 2013-14 Initial 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 columnar section, titled "FY 2013-14 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 discreet 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 expense) 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 2013-14 Proposed Budget	Description	CAFR Adjustments			FY 2013-14 CAFR Perspective
			Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
Unrestricted Revenue:						
State Appropriation	\$ 99,453		\$ -	\$ -	\$ -	\$ 99,453
Federal Appropriation	12,452		-	-	-	12,452
Federal Stimulus	-		-	-	-	-
Student Fees	329,644	Scholarship Allowances	(68,800)	-	-	257,644
		Internal Charges	(3,200)	-	-	-
Facilities and Administrative Cost Recoveries	12,004	Facilities and Administrative Recoveries	(12,004)	-	-	-
Sales and Services	147,532	Internal Charges	(3,800)	-	-	136,832
		Reporting Adjustments	-	-	4,000	-
		Scholarship Allowances	(10,900)	-	-	-
Other University Generated	27,105		-	-	-	27,105
Total Unrestricted Revenue	628,190		(98,704)	-	4,000	533,486
Fund Balance Resources	46,396		-	-	-	46,396
Total Unrestricted Revenue & Fund Balance Resources	674,586		(98,704)	-	4,000	579,882
Restricted Revenue:						
State Higher Education Grants	47,650		-	-	-	47,650
Financial Aid-Grants and Contracts and Other Revenues	48,851		-	-	-	48,851
Grants and Contracts	88,851	Reporting Adjustments	-	-	1,000	89,851
Other Restricted Revenue	2,042	Capital Additions	-	5,000	-	15,042
		Reporting Adjustments	-	-	8,000	-
Total Restricted Revenue	187,394		-	5,000	9,000	201,394
Noncash Resources:						
Graduate and Undergraduate Waivers	45,060	Scholarship Allowances	(21,810)	-	-	23,250
Total Noncash Resources	45,060		(21,810)	-	-	23,250
Total Operating Resources	\$ 907,040		\$(120,514)	\$ 5,000	\$ 13,000	\$ 804,526

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

	FY 2013-14 Proposed Budget	Description	CAFR Adjustments			FY 2013-14 CAFR Perspective
			Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
Total University Expense:						
Instruction	\$ 204,422	Facilities and Administrative Recoveries Reporting Adjustments	\$ (126)	\$	\$	\$ 204,296
Research	147,658	Noncapital Repairs and Renovations				134,687
		Facilities and Administrative Recoveries	(10,771)			-
		Internal Charges	(3,200)			-
		Reporting Adjustments			1,000	-
Public Service	63,180	Facilities and Administrative Recoveries	(1,107)			62,073
Academic Support	48,163	Reporting Adjustments				48,163
Institutional Support	30,040	Reporting Adjustments		100		30,140
Student Services	30,020	Reporting Adjustments				30,020
Auxiliary Enterprises	114,335	Reporting Adjustments		(3,800)		99,635
		Scholarship Allowances	(10,900)			-
Scholarships and Fellowships	98,086	Scholarship Allowances	(68,800)			29,286
Operations and Maintenance	32,845	Noncapital Repairs and Renovations		10,000		45,845
		Reporting Adjustments			3,000	-
Net Transfers	46,835	Transfers for Capital and Debt		(46,835)		-
Depreciation	-	Depreciation		39,000		39,000
Interest Expense	-	Interest Expense		5,800		5,800
Current University Expense	815,584		(94,904)	4,265	4,000	728,945
Projected Fund Balance Expenditures	46,396					46,396
Total University Expense	861,980		(94,904)	4,265	4,000	775,341
Noncash Uses:						
Graduate and Undergraduate Waivers	21,810	Scholarship Allowance	(21,810)			-
Fringe Benefits - Graduate Assistant Differential	23,250					23,250
Total Noncash Uses	45,060		(21,810)	-	-	23,250
Total Operating Uses	\$ 907,040		\$(116,714)	\$ 4,265	\$ 4,000	\$ 798,591

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

	FY 2013-14 Proposed Budget	Description	CAFR Adjustments			FY 2013-14 CAFR Perspective
			Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
Total University Expense:						
Compensation and Benefits:						
Faculty and Unclassified Staff	\$ 183,640	Noncapital Repairs and Renovations	\$ -	\$ -	\$ -	\$ 183,640
Classified Staff	91,202	Noncapital Repairs and Renovations		(400)		90,802
Other Wages	64,269	Noncapital Repairs and Renovations		(100)		64,169
Fringe Benefits	95,821	Internal Charges	(3,200)			92,621
Total Compensation and Benefits	434,932		(3,200)	(500)	-	431,232
Other Costs	388,495	Noncapital Repairs and Renovations		10,500		352,391
		Scholarship Allowances	(79,700)			-
		Depreciation		39,000		-
		Interest Expense		5,800		-
		Reporting Adjustments		(3,700)	4,000	-
		Facilities and Administrative Recoveries	(12,004)			-
Net Transfers	46,835	Transfers for Capital and Debt		(46,835)		-
Recoveries	(54,678)					(54,678)
Current University Expense	815,584		(94,904)	4,265	4,000	728,945
Projected Fund Balance Expenditures	46,396					46,396
Total University Expense	861,980		(94,904)	4,265	4,000	775,341
Noncash Uses:						
Graduate and Undergraduate Waivers	21,810	Scholarship Allowance	(21,810)			-
Fringe Benefits - Graduate Assistant	23,250					23,250
Differential						
Total Noncash Uses	45,060		(21,810)	-	-	23,250
Total Operating Uses	\$ 907,040		\$(116,714)	\$ 4,265	\$ 4,000	\$ 798,591

Definition of Terms

Academic Support

Program expenses for libraries, computing support and academic administration.

Account

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

Auxiliary Enterprises

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

Capital Activity

Construction and equipment expenditures.

Capital, Debt and Endowment Activities

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

Capital Projects

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

Comprehensive Annual Financial Report (CAFR)

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

Clemson University Foundation (CUF)

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

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 Assets

The balance of assets offset by liabilities. In public higher education, net assets may be classified as unrestricted net assets, restricted net assets or invested in capital assets, net of related debt. Net Assets as an accounting term will be replaced with Net Position in FY 2013-14.

Net Position

An accounting term which defines the remaining balance of assets and deferred outflows offset by liabilities and deferred inflows. Net position terminology will replace net assets beginning with FY 2013-14. 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.

Definition of Terms *(continued)*

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.

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.

Definition of Terms (*continued*)**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.

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.