FY25 Budget Guidebook

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BUDGET GUIDEBOOK PURPOSE AND AUDIENCE

This document serves as a comprehensive manual to assist Georgia Tech's academic and administrative unit leaders, budget officers, and their teams in developing their operating budgets. The guidebook contains information about Georgia Tech's all funds revenue and expense structure, budget and planning processes and assumptions, and path towards a new budget model. The audience for this guidebook is anyone who stewards Georgia Tech financial resources.

This guide, produced by Georgia Tech's Institute Budget and Planning Administration (IBPA) office, was deployed for the first time during the FY24 budget planning process and is updated for FY25. It outlines both longstanding budget & planning policies as well as details on policies and processes that are changing through the Budget Reform initiative. Elements of the Budget Guidebook that are related to the Budget Reform initiatives will be governed by a Budget Advisory Committee, the long-term governance forum dedicated to assessing the outputs of the new budget model and related changes to process and policy. We hope to improve upon this guidebook each year – please share your feedback or questions about the guidebook with us at budget_reform@gatech.edu.

1. BUDGET PROCESS OVERVIEW

1.A Background

As Georgia Tech continues to advance its mission and vision, our fiscal planning process reflects investment in the Institute's aspirations. The Institute Strategic Plan's (ISP) vision and central themes are listed below:

> ***Vision***
> Over the next decade, Georgia Tech will become an example of inclusive innovation, a leading technological research university of unmatched scale, relentlessly committed to serving the public good; breaking new ground in addressing the biggest local, national, and global challenges and opportunities of our time; making technology broadly accessible; and developing exceptional, principled leaders from all backgrounds ready to produce novel ideas and create solutions with real human impact.
>
> Georgia Tech will deliver on this vision by building an outstanding and diverse community of learning, discovery, and creation in an inclusive and collaborative environment focused on innovation and access. The Institute will develop healthy and vibrant learning environments that support holistic learning and personal growth.
>
> Georgia Tech seeks to be a leader in educational innovation and develop a global learning platform of unmatched impact and scale to support learners throughout their life journeys. The Institute will challenge itself to push the boundaries of research while focusing on the most consequential questions and problems faced by humanity.

Institute Strategic Plan Focus Areas

1. **Amplify Impact** - Embrace our power as agents of change for the public good and generate talent, ideas, and solutions with unmatched impact and scale to help define and address the most critical problems of our time, locally and globally.

2. **Champion Innovation** - Champion our leadership position as an engine of innovation and entrepreneurship, collaborate with other public and private actors to create economic opportunity and mobility and position Atlanta and Georgia as examples of inclusive innovation.

3. **Connect Globally** - Strengthen our role as a convener of worldwide collaboration and build a global learning network to expand our reach and amplify our impact.

4. **Expand Access** - Empower people of all backgrounds and stages of life to learn and contribute to technological and human progress.

5. **Cultivate Well-being** - Strengthen our culture of well-being and create an environment of holistic learning where all members of our community can grow and learn to lead healthy, purposeful, impactful lives.

6. **Lead by Example -** Lead and inspire by example by creating a culture of deliberate innovation in all our practices and be an example of efficiency, sustainability, ethics, equity, and inclusion.

As a part of the ISP, Georgia Tech has developed an enrollment strategy which aims to:

- Recruit, enroll, and support students in their pursuit of innovation, entrepreneurship, and public service.
- Foster agility and collaboration within the enrollment services organization to support the Institute's progress.
- Utilize technology and effectively leverage and steward financial resources for maximum impact.
- Promote professional development and training to ensure exceptional delivery of service.

This document provides information to assist in developing operating budgets for FY25 in support of the Institute's vision and strategic plan.

1.B Budget policy and process changes for FY25

At the beginning of FY23, Georgia Tech kicked off a parallel process period that will last up to three years. A *parallel process* is a period during which an institution maintains multiple budget models—the historical model (in our case, the incremental model that we've used for the past 10+ years) is used to make actual budget allocations, while new models are run in the background for the purposes of review and analysis. During Georgia Tech's parallel process, the Budget Advisory Committee and Executive Steering Committee will review the new models at regular intervals and refine and adjust the models to correct for unintended consequences and improvement alignment with our Guiding Principles, as needed. Additional information on our planned new budget models is in the callout boxes below. **During the parallel process, leadership has guaranteed full funding for college and unit-level base budgets at historical levels,** barring unexpected cuts or declines in state and tuition revenues. *(See Appendix C for more detail surrounding how base budgets are determined and back-up behind budget allocations.)*

Budget Model for FY24-25 | Net New Revenue Allocation Model

In FY24 and FY25, Georgia Tech will allocate net new revenues from tuition and state appropriations to units through a formula-based model. The colleges' portion of net new student tuition and state appropriation revenue will be allocated based on year-over-year increases in student credit hours (SCH), with SCH weighted 60% towards college of instruction and 40% towards college of enrollment. Non-college units' portion of net new revenues will be allocated across the Executive Leadership Team's (ELT) portfolios (Provost, Executive Vice President of Research [EVPR], Administration and Finance [A&F], and President) in accordance with each portfolio's historical share of operating expenses.

Budget Model for FY26+ | Hybrid Allocation Model

In FY26, Georgia Tech will implement a model which allocates a portion of unit operating budgets in proportion to their activity. This model will set unit budgets at a level that reflects general operating needs (as determined by the Executive Steering Committee during the parallel process). Annual budgets will be funded through the general operations pool, comprised of student tuition and state appropriations. The model will allocate additional funds to college annual funding provided there is growth in general operations revenue and growth in student credit hour activity. College growth and decline in annual funding will be proportional to the growth and decline in student credit hour activity. Non-college budgets will be determined using a limited set of activity drivers at the ELT portfolio-level: The model will apply an activity driver to each executive's portfolio budget (e.g., the A&F budget, EVPR budget, etc.). This driver will be used to calculate year-over-year growth or shrinkage in that portfolio's budget. Executive leadership will then have discretion over how to allocate growth or shrinkage in the portfolio budget out to the units in their portfolios.

2. REVENUES

2.A General Operations Pool Revenues and Allocation Methodology

This section describes the revenue sources allocated using the net new revenue allocation model in FY24 and FY25. Growth in these revenue sources is identified and allocated using a performance allocation mechanism. These revenue sources are also used to fund base budgets for units within Resident Instruction.

I. Student Tuition

Following the Governor's approval of the state budget (see Appendix for more detail on the state budget timeline), the Board of Regents (BOR) approves tuition and fee levels for Georgia Tech and other institutions by student classification – graduate, undergraduate, resident, and non-resident. At the same time, the BOR determines institutions' mandatory fee levels based on recommendations from institution presidents. At Georgia Tech, the President receives recommendations from the Mandatory Student Fee Advisory Committee (MSFAC), comprised of eight students and four faculty/staff.

The tables below reflect the tuition collected by the Institute and available to budget for the current fiscal year. These tables include historical data (FY24) for the upcoming projections. Once the budget is approved, the tables will be updated.

Gross tuition represents the total amount of tuition collected from students. However, this does not represent the revenue that will be captured by tuition, as the Institute issues waivers to students to subsidize the cost of their education. Additionally, tuition remission can be generated from students working on sponsored projects through the Graduate Student Tuition Remission Plan (known more commonly as GSTRP). Specifically, GSTRP provides the Institute with financial recoveries for tuition remission paid to students who are supported by grants or sponsored projects. Waivers and GSTRP continue to be a part of Georgia Tech's tuition model to incentivize high-performing students to attend. Further, certain programs charge higher tuition rates to students than the standard Institute tuition rate. These programs are known as "differential tuition programs," and their tuition rates have been set at a higher rate and approved by the BOR to cover the additional expense required to deliver these programs. According to BOR policy, the differential revenue generated from these programs needs to be applied directly to the school or program responsible for bearing the additional expense. As a result, the budget office clearly identifies the differential portion of student tuition to appropriately allocate funding through the budget process to units that generate differential tuition.

Beginning FY24, tuition differential was allocated permanently in the original budget process based on a four-year rolling average calculation for fall, spring, and summer semesters. A true-up for summer and fall semesters was calculated once fall numbers were received from the Bursar's Office in December and the adjustment allocation made in the December Budget Amendment (BA). This adjustment will be a permanent budget increase or decrease. Spring semester true-up will occur in the fall of the next fiscal year due to timing of the report received from the Bursar's Office. The implication of Georgia Tech's tuition model is that the budget process cannot allocate all tuition earned and must reflect tuition net of waivers and GSTRP. The tables below illustrate the calculation for each semester for both undergraduate and graduate students.

Finally, the Institute charges different tuition rates for students depending on residency status. As a State of Georgia institution, Georgia Tech has an obligation to education residents of the state, and it is critically important to both our mission and our annual funding from the state to maintain a healthy balance of in-state and out of state students. As a result, the budget office does not consider the residency status of student tuition when categorizing and allocating student tuition revenues.

FY23 Undergraduate	Fall	Spring	Summer	Total
Gross Tuition	$162,656,797	$152,294,930	20,673,004	$335,624,731
(-) Undergraduate Waiver	15,325,226	14,749,098	180,697	30,255,021
Net Tuition	**$147,331,571**	**$137,545,832**	**$20,492,307**	**$305,369,710**

FY23 Graduate	Fall	Spring	Summer	Total
Gross Tuition	$71,827,076	$66,731,659	$36,489,917	$175,048,652
(+) Differential Tuition (Base Only)	32,880,841	28,256,402	8,184,007	69,321,250
(-) Graduate Waiver	74,085,983	74,010,225	45,069,568	193,165,776
(+) GSTRP Recovery	13,591,833	13,048,428	10,227,920	36,868,181
Net Tuition	**$44,213,767**	**$34,026,264**	**$9,832,276**	**$88,072,307**

In FY24, **18 percent, or $491 million,** of the total Institute original operating budget came from Student Tuition.

Budget guideline owner: *Justin White*

II. State Appropriations

Most state funding for higher education appropriated by the General Assembly to the University System of

Georgia (USG) is based on a funding formula principally determined by student enrollment.

Each January the Governor submits a proposed budget to the Legislature, which includes formula and other funding for the USG. The Governor may or may not recommend full funding of the formula, and the General Assembly considers their recommendations as it reviews the state budget proposal.

The General Assembly approves state funding via the Annual Appropriations Act. These funds are principally intended to cover a portion of each state institution's instructional costs for Georgia residents, with the balance of instructional costs funded from tuition and other sources. The Legislature approves funding for the entire USG, and the BOR then allocates funding to individual institutions. As part of the formula funding, the Legislature may approve appropriations for pay raises (e.g., cost of living adjustment) and increased fringe benefit expenses, such as employee health insurance and retirement.

After the Legislature approves funding for the system via Annual Appropriations Act, the Governor may veto individual line items, which are subject to override by the General Assembly. Following completion of the final Appropriations Act, the BOR approves the allocations to individuals USG schools.

In FY24, **18 percent, or $505.8 million,** of the Institute's total original budget came from state appropriations.

Budget guideline owner: *Justin White*

III. Net New Revenue Methodology (FY24/FY25 Only)

In both planned new budget models (the FY24 and FY25 net new revenue allocation model and the FY26 hybrid activity model), undergraduate and graduate tuition will be pooled with state appropriations to fund a "general operations pool" that will be used to fund unit base budgets. The undergraduate and graduate tuition that is included in the general operations pool does not contain differential tuition or tuition that is directly generated by Georgia Tech Professional Education (GTPE). Differential tuition will continue to flow directly to the units that generate it, in accordance with USG guidelines.

In the FY24 and FY25 net new revenue allocation model, unit base budgets will be calculated based upon the unit's prior year base budget plus any permanent adjustments during the year. These adjustments will be noted on the Form 1 provided by the budget office. The base budgets will then be funded at 100% from the general operations pool. Next, growth in student tuition and state appropriations is calculated (the two funding sources to be allocated in the net new revenue allocation model), and the growth in these funds will be shared among the college units, non-college units, and institutional expenses such as fringe.

For illustrative purposes, consider a scenario where the Institute generates $15M in net new revenues from allocable sources in a fiscal year:

	Net New Revenue (Illustrative)
Student Tuition Growth	$5,000,000
State Appropriations Growth	10,000,000
Total	**$15,000,000**

The next few paragraphs will walk through a hypothetical example of how these funds flow through the net new revenue allocation model.

First, three percent (3%) of the net new tuition and state appropriations pool is set aside to fund a strategic investment pool that is managed by the ELT. This serves as a strategic steering wheel and allows the ELT to earmark funding for new strategic initiatives in good times and unexpected expenses or shortfalls in down times. In the hypothetical example where the Institute generates $15M in net new revenues, $450,000 would be retained for central strategic investments.

Next, the budget office estimates the increase in those Institute expenses funded centrally on behalf of all units, including fringes, leases, and utilities, and uses the growth to pay for those increases. The table below lists some of the central expenses that the Institute funds centrally on units' behalf, as well as hypothetical amounts by which these expenses might increase year-over-year.

	Net New Revenue Growth Distribution Central Expenses (Illustrative)
Fringe & Equity, COLA Shortfall	$5,701,658
Leases	994,685
Retention	667,285
Deferred Maintenance	255,375
Additional Central Expenses	130,241
Total	**$7,749,245**

In this hypothetical scenario, the Institute would allocate $7.75M in net new revenues to cover increases in central expenses funded on units' behalf. The Institute would then have $6.8M in net new revenues available to allocate to colleges and non-college units through the net new allocation model ($15M in new revenues, less $450K for strategic reserves, less $7.75M for central expenses). This $6.8M is split between colleges and non-colleges, as illustrated in the hypothetical example below:

	Net New Revenue Growth Distribution (Illustrative)
General Institutional (Strategic)	$450,000
General Institutional (Central Expenses)	7,749,245
Colleges	3,400,378
Non-Colleges	3,400,378
Total	**$15,000,000**

In the growth model, colleges will receive a portion of the growth revenue after the center funds strategic and centrally funded expenses. Each individual college's portion of the growth revenue will be determined by year-over-year growth in its student credit hour production. The growth allocation formula considers the credit hours that a college delivers to both its own students (i.e., students enrolled in that college or majoring in that college's degree programs) and students enrolled in other colleges (i.e., students rounding out their education by taking courses in other colleges where they are not enrolled).

Specifically, the calculation recognizes 40% of credit hours taken by students enrolled in the college taking courses outside of their home college and 60% of credit hours instructed to students taking courses in their home college for the Fall and Spring semesters. This is designed to recognize the cost of both directly instructing students and supporting enrolled students through academic advising, tutoring, etc. (Note that summer instruction is calculated separately, and summer credit hours are allocated entirely based on student credit hours instructed in the college).

The total revenue shared to all colleges is divided by the total year-over-year increase in student credit hours to calculate a revenue per additional credit hour rate, which is used to calculate the growth revenue for each college. Any college that experiences reduced year-over-year credit hour instruction will not be penalized by this model but will also not be eligible for a growth revenue allocation. The table below illustrates net new revenue allocations across the colleges in this hypothetical example:

	Net New Revenue Growth Distribution (Illustrative)
College of Computing	$1,156,128
College of Design	238,026
College of Engineering	170,019
College of Sciences	952,106
Ivan Allen College of Liberal Arts	612,068
Scheller College of Business	272,030
Total	**$3,400,378**

Non-colleges will receive the remaining portion of growth revenues after funding strategic and central expenses. This growth revenue will be allocated to the non-college divisions, which includes non-college Provost units, Administration and Finance (A&F), Executive Vice President of Research (EVPR), and the President's portfolio units. Leadership within the four divisions will determine how to divide and allocate revenues among the units and will communicate their determined allocation strategy to the non-college units.

The budget office is prepared to help guide those conversations by sharing allocation scenarios and related analyses. The table below illustrates net new revenue allocations across the non-colleges in this hypothetical example:

	Net New Revenue Growth Distribution (Illustrative)
Provost (No Colleges or GTPE)	$544,060
EVPR	578,064
Administration and Finance	1,870,208
President	408,045
Total	**$3,400,378**

In this example, revenues have been allocated based on each executive division's historical share of overall operating expenses. Since much of the portfolio's operating expenses cover salaries, divisions with more staff FTE receive more of the growth revenues. Executive leadership has discretion to then allocate new revenues within their portfolios at their discretion, considering each unit's strategic initiatives and growth needs. Additional details on the net new revenue allocation methodology are included in the Appendix.

Budget guideline owner: *Cassandra Myles*

IV. Indirect Cost Recoveries

By policy, the Institute recovers Facilities & Administrative (F&A) costs on all its sponsored programs. When estimating the proposal cost of a sponsored activity, the appropriate F&A rate is applied. This provides a means for Georgia Tech to recover the F&A (indirect) costs which are incurred by the Institute for the total sponsored activity, but which cannot be directly assigned to an individual project. Georgia Tech and Georgia Tech Research Corporation (GTRC) negotiate F&A Costs rates for research performed by Resident Instruction with the Office of Naval Research, the cognizant audit agency for the institution. Rates are based on an audited cost proposal. F&A Costs are consistently applied to sponsored projects in accordance with the requirements of the Uniform Administrative Requirements (2 CFR 200), Subpart E. The F&A rate represents a source of cash inflows, but the inflows are not really revenue – they are a reimbursement of costs incurred. There is no profit built into the Institute's rates.

The treatment of indirect cost recoveries, including rates and the recognition of funds between Resident Instruction and Georgia Tech Research Corporation (GTRC), is based on the 1953 Memorandum of Agreement between the Regents of the University System and the Board of Trustees of GTRC. GTRC is responsible for working directly with research and grant sponsors to execute agreements for sponsored projects. GTRC is responsible for collecting funds from the sponsor and immediately reimburses Georgia Tech Resident Instruction, bearing the risk of non-payment. GTRC retains 21.7% (10/46) of indirect cost recoveries received by the Institute to cover GTRC operating costs, including bad debts and working capital, and to provide grants to Resident Instruction (RI) units for faculty start-up and cost-sharing. The remaining 78.3% (36/46) is allocated to Resident Instruction. Any excess funds of the 21.7% (10/46) remaining with GTRC after payment of operating costs and maintaining working capital is made available for grants to Georgia Tech, also in accordance with the Board of Trustees memorandum of agreement.

Of the indirect cost recovery amount that is generated by Georgia Tech Resident Instruction (78.3% or 36/46), 30% is returned to the colleges as incentives to be further allocated within each college at the dean's discretion. 30% approximates the percentage of research F&A costs that are borne by the colleges, with the remaining 70% borne by central administration. The annual incentive allocation to the colleges is based on growth (or decline) of the college's F&A revenue from the previous year. Additional information about the F&A rate agreements can be located on the Grants and Contracts webpage. Additional information, including the most recent F&A rates for the Institute, can be located in the Negotiation Agreement that is maintained within Grants and Contracts

Indirect cost recoveries are projected in March for the next Original Budget. Historically, the incentive has been allocated to the Colleges for the next FY in the Original Budget preparation. During the next fiscal year there was a reconciliation for the actual indirect costs recovered and a true up to adjust the budget.

The table below illustrates the actual allocations of the 30% of indirect cost recoveries incentive across the colleges from FY04-FY24. Negative balances reflect instances where the colleges overestimated their ICR.

	ICR Distribution to Colleges FY04-FY24 (cumulative)*
College of Computing	$2,254,470
College of Design	476,990
College of Engineering	14,563,350
College of Sciences	4,276,190
Ivan Allen College of Liberal Arts	393,160
Scheller College of Business	45,860
Total	**$22,010,020**

*Units recording negative variances between ICR received and generated will be held harmless and not penalized.

Click here for the policy link

Budget guideline owner: *Justin White*

2.B Direct Revenues

Direct revenues are used to cover unit base budgets, either through a general allocation of funding or through direct receipt. Growth in these revenue sources is not considered as part of the net new revenue allocation mechanism described in the section above. Examples include: GTRI Exchange of Services, USG program fees, etc.

I. Fees

The Georgia Institute of Technology Mandatory Student Fee Advisory Committee ("Committee") was created to implement the provisions of BOR Policy 7.3.2.1 and thereby to ensure student input on changes to mandatory student fees. The Committee makes recommendations to the President on changes to existing mandatory student fees or on any new mandatory fees. Fees considered by the Committee shall exclude elective fees that are paid by the students who choose to receive specific services. "Mandatory student fees" are defined in the Board of Regents' Policy manual as follows: "… fees that are assessed to all students, all undergraduate students, or all full-time undergraduate students on one or more campuses of a USG institution."

Click here for the policy link

Budget guideline owner: *Isabel Lynch*

II. OMS Revenues

The Georgia Tech Online Master's (OMS) degree programs are delivered through Georgia Tech Professional Education (GTPE). GTPE generates all revenues from each of the OMS programs and shares net revenues with the Institute, the colleges that support the programs, and itself. The three major programs and their net revenue distributions are described below:

Online Masters in Analytics

The Online Masters in Analytics program net revenue is shared between College of Computing, College of Engineering, Scheller College of Business, GTPE, and the Institute. Thirty-five percent (35%) of net revenue is shared with colleges that support the academic programing, 10% of net revenue is shared with GTPE, and the remaining 55% of net revenue is retained by the Institute. These revenue sharing percentages were determined during the initial design of the OMS programs. The amount of revenue shared at each individual college is calculated on an annual basis based on the final enrollments produced by each course within the program.

Online Masters in Computer Science

The Online Master's in Computer Science program net revenue is shared between College of Computing, GTPE, and the Institute. Thirty-five percent (35%) of net revenue is shared with the College of Computing, 10% of net revenue is shared with GTPE, and the remaining 55% of net revenue is retained at the Institute. The revenue sharing percentages were determined during the initial design of the OMS programs.

Online Masters in Cybersecurity

The Online Masters in Cybersecurity program net revenue is shared between College of Computing, Ivan Allen College of Liberal Arts, College of Engineering, GTPE, and the Institute. As the program expands, additional colleges will have the opportunity to support the curriculum and share in the net revenue allocation. Thirty-five percent (35%) of net revenue is shared with colleges that support academic programming, 10% of net revenue is shared with GTPE, and the remaining 55% of net revenue is retained at the Institute. The amount of revenue shared at each individual college is calculated on an annual basis based on the final enrollments produced by each course within the program. The revenue sharing percentages were determined during the initial design of the OMS programs.

The FY24 Original Budget net revenue is illustrated in the table below:

FY24 Original Budget (TUI)

Partner	OMS CS	OMSA	OMS Cyber	Total
Institute	$4,661,944	$5,834,802	$911,463	$11,408,209
College of Computing	2,915,889	875,312	275,197	4,066,398
College of Engineering	22,708	1,572,543	36,990	1,632,241
Scheller College of Business	17,111	956,283	6,043	979,437
Ivan Allen College	10,985	0	261,792	272,777
Georgia Tech Professional Education	1,089,476	1,117,932	186,850	2,394,258
Total	**$8,718,113**	**$10,356,872**	**$1,678,335**	**$20,753,320**

Budget guideline owners: *Lisa Godfrey*

III. Department Sales and Services (DSS)

Department Sales and Services (DSS) revenue is generated when one campus department provides goods or services to another campus department, GT affiliate, or external party, and subsequently charges the receiving entity for the goods or services provided. Revenues for these services are received directly by the unit that provides the goods or services and are typically identified by specific fund codes and worktags within Workday. Please reference the chart of accounts for further reference.

Georgia Tech has accounting requirements related to DSS funds and the ability to carry eligible funds forward in the next fiscal year. Certain requirements must be met by the department to carry forward funds. DSS accounting also requires specific revenue account codes to be used for Internal (includes

Georgia Tech Affiliates), External to GT and GT Affiliates, and External Sponsored Projects. The ability to carry forward funds enables revenue centers to better manage their operations and plan for future commitments. Department financial administrators/managers are solely responsible for managing carry forward funds for their unit. Units should note that the policy for carrying forward DSS funds differs from the policy for carrying forward general operations funds. Please refer to page 25 for guidance on carrying forward general operations funds.

Click here for the policy link

Budget guideline owner: *Justin White*

IV. Other Revenues

Other Revenues are those that are generated from activities that are not related to tuition, research, or state appropriations. The primary types of Other Revenues are:

- Technology Fee
- Other Student Fees (includes application fees, international fees, and other miscellaneous fees)
- Interest Income
- Other Revenues (a catch-all for unorthodox revenues including fines, miscellaneous revenues, and allowance for doubtful revenues)

The Technology Fee is a mandatory student fee that supports the infrastructure necessary to provide students with the latest online computing services technology. Revenues collected from the Technology Fee are earmarked for specific purposes related to student and educational technology investment and upgrades. The revenues are managed by the budget office and allocated to units based on the Provost's approval of the Technology Fee Committee's recommendation. All revenue sources within "Other Revenues" are subject to change year over year.

Budget guideline owner: *Justin White*

2.C Restricted Revenues

I. Gifts

Gifts represent contributions made for which the provider receives no direct benefit and requires nothing in exchange beyond a general assurance that the intent of the contribution will be honored. Contributions which are considered "Gifts" should be made to Georgia Tech Foundation, Inc. (GTF), and accepted and processed.

As the reformed budget evolves to an "all funds view", the budget office encourages units to thoughtfully consider how to expense their gift funds. GTF manages gift revenues on behalf of the Institute, including each unit within Resident Instruction, using a separate financial system and transfers gift revenues to the Institute throughout the fiscal year. The timing of this transfer largely depends on the nature of the donation and the Foundation's understanding of when the gift revenue should be recognized by the Institute.

The gift revenue available for each unit is reflected in an "Institute Support Budget". Each unit is responsible for managing its Institute Support Budget, which is intended to pay for discretionary items including scholarships, fellowships, alumni engagement activities, and investments for specific infrastructure. Funds within the Institute Support Budget are accessible for two years at the unit level when they become available.

The budget office encourages greater awareness and use of these funds, specifically regarding one-time investments or expenses. Unit financial leadership can access their current Institute Support Budget in Workday by running the *Other Funding Sources – Funding by Gift and Designated – CR* report (see the Appendix for more details on Workday reports). The balance reflected in these reports is updated in real-time and not at a single point in time. Historically, material gift revenues are released to units during September and March, which is aligned to the fiscal year milestones for the Foundation.

If there are additional questions regarding the balance and appropriate use of gifts, please reach out to the Georgia Tech Foundation or Development for more information.

Click here for the policy link

Budget guideline owner: *Justin White*

II. Grants and Sponsored Agreements

Grants and Sponsored Agreements represent awards that have a defined activity to be undertaken with the support provided, with an outcome that either directly benefits the provider or a public purpose. Grants and Sponsored Agreements, or contributions made for a specific project of the Institute, may be received, and accepted by GTF if the following conditions are met:

1. the grant agreement names GTF as grantee, and
2. the obligations of the Foundation under the grant agreement are limited to:
    - expenditure of the funds for the described purpose at the request of the Institute, and
    - reporting on the expenditure of funds to the donor, but not the status or progress of any project

GIT procedures require that Grants and Sponsored Agreements awarded to GTF be administered by Grants and Contracts Accounting (or Georgia Tech Research Institute [GTRI] Accounting for awards to units of GTRI) in the same manner as other sponsored projects. GTF will not accept funds sponsored directly or indirectly by the Federal Government.

Click here for the policy link

Budget guideline owner: *Jamie Fernandes*

III. Auxiliary Services

Per the NACUBO Financial Accounting and Reporting Manual for Higher Education, an auxiliary enterprise is an entity that exists predominantly to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. Auxiliary Services largely encompass Georgia Tech's auxiliary operations that are not core to the mission, but which cover operating costs through student and other fees. These include Bookstore, Dining, Housing, Parking, Transportation, Health Services, the Buzz Card Center, and Student Center.

Auxiliary Services, while related to the operational activities of Georgia Tech, operates outside of Resident Instruction and is responsible for generating and collecting revenue from operations to cover its expenses. This operating model (known more commonly as an "Every Tub on Its Bottom (ETOB)") means that Georgia Tech is not obligated to commit Institute revenues to support the operations or maintenance of Auxiliary Services. Expenses related to the operations of auxiliaries, including maintenance, repair, utilities, and rent, are expected to be covered by revenues generated by Auxiliary Services. For example, any maintenance or repair expenses within dormitory buildings is expected to be covered by Auxiliary Services.

The Budget Office works closely with Auxiliary Services to understand its revenue and expense budget for reporting purposes to the BOR. Though Auxiliary Services is responsible for covering operational expenses with revenues generated from these activities as described above, the budget office can provide financial assistance under certain circumstances when auxiliaries are expected to generate a deficit, but this requires Board of Regents approval. These situations are rare, and the Budget Office carefully assesses any additional funding requests prior to committing additional funds to Auxiliary Services.

Budget guideline owner: *Jamie Fernandes*

IV. B-Units (GTRI and EI^2)

Georgia Tech "Resident Instruction" refers to the colleges and administrative areas that support the Institute's teaching and research mission. Georgia Tech has also established separate organizations to support specific areas of teaching, research, and student success. These organizations are typically referred to as "B-Units". Georgia Tech's B-Units are separate programs in the state appropriations act under the Board of Regents. Due to this designation, the B-Units receive direct appropriations from the state, which must remain unique and distinct from the Institute's Resident Instruction budget.
Additionally, these units also have separate indirect cost recoveries and department sales and services that are earmarked for their operations and are not available for units within Resident Instruction.

Georgia Tech's B-Units include:

- **Georgia Tech Research Institute (GTRI**) – A non-profit research organization focused on applied engineering and science. GTRI is funded by earmarked state appropriations, indirect cost recoveries, department sales and services, and additional external funding sources.
- **Enterprise Innovation Institute (EI^2)** – A non-profit organization focused on local, regional, and global economic development. EI^2 is funded by earmarked state appropriations, indirect cost recoveries, department sales and services, and additional external funding sources.

Budget guideline owner: *Ebony Thompson*

V. Student Activities

Georgia Tech assesses "mandatory student fees," including Student Activity fees, to all undergraduate students. Student Activity revenues are used to support the Campus Recreation Center, Student Center, and 400+ student organizations at Georgia Tech. All revenues collected through Student Activity fees are directed to these organizations. The Student Government Association's Joint Finance Committee is responsible for determining allocations of the Activity Fee. In accordance with Board of Regents policy, these funds are not available for allocation or distribution outside of student activities or organizations that support student activities.

Georgia Tech's Student Activity Fees include:

- Activity Fee
- CRC Operations Fee
- Campus Center Facility Fee
- Recreation Facility Fee
- Student Campus Center Operations Fee

For additional information on the approved Student Activity fees and rates, please review the USG tuition and fees webpage.

Budget guideline owner: *Isabel Lynch*

3. EXPENSES

3.A Personal (Personnel)

I. Salaries and Wages

Salary and wage adjustments will generally be awarded to employees at Georgia Tech upon promotion to a higher-level position, upon reclassification to a higher-level position, when an equity, market or administrative adjustment is deemed necessary, or on an annual basis provided performance warrants the adjustment. The annual increase will be in the form of a merit increase and developed in conjunction with, and in adherence to USG guidance. Equity and market adjustments may also be developed in conjunction with the budget development process.

For all compensation and pay grade changes, the unit's Human Resources representative and department supervisor will collaborate to develop an appropriate salary recommendation, based on factors such as an employee's skill, knowledge, experience, and performance, criticality of the role, budget, and market data. All adjustments are contingent upon available funding and must be developed in consultation with the unit's Human Resource representative and GTHR Compensation.

Click here for the policy link

Budget guideline owner: *Jamie Fernandes*

II. Fringe Benefits

The institutional fringe rate captures previous and anticipated increases in employee benefits. While the official fringe rate is submitted to the BOR for approval, the budget office works carefully to track the anticipated increase in benefit expenses to estimate the impact on the fringe rate. Fringes are required to be budgeted on all personnel dollars for personnel accounts and are retained in a central fringe pool. The benefits that are included in the Institute and Sponsor-Funded Fringe Benefits rates for the academic units of Georgia Tech (excluding GTRI) include:

- Social Security
- Life insurance
- Health Insurance
- Retirement
- Termination Vacation Leave
- Worker's Compensation
- Unemployment Compensation
- Retiree Group Insurance

The budget office starts with the original budget for fringe and works with stakeholders from Grants & Contracts and Administration & Finance to track the estimated increase to fringe expenses. Using this information combined with historical actuals, the budget office calculates the predicted fringe rate and 3-year average for fringe for full employee benefits, partial employee benefits, limited employee benefits, and graduate student health benefits.

The table below illustrates the historical fringe rates, including the approved fringe rate for FY24:

Fringe Benefits Rates	FY20	FY21	FY22	FY23	FY24	FY24 change over FY23	3 yr. avg. FY21-FY24
Fringe Benefits (full benefits)	31.9%	32.3%	32.6%	31.7%	31.7%	0.0%	32.0%
Partial Benefits	1.5%	1.5%	1.4%	1.4%	1.5%	0.1%	1.4%
Limited Benefits (50-74% time)	23.3%	23.4%	23.5%	23.1%	23.8%	0.7%	23.5%
Graduate Student Health Ins.	6.2%	6.1%	5.4%	5.7%	7.3%	1.6%	6.1%

*Rates can be found on the grants & contracts website: Fringe Benefits Rates

Budget guideline owner: *Cassandra Myles*

3.B Non-Personal (Non-Personnel)

I. Travel

The BOR of the USG is responsible for travel policies for the University System. Policies and procedures are contained in the Board of Regents Business Procedures Manual. In addition, the State Accounting Office of Georgia is authorized to adopt rules and regulations governing travel policies that promote economy and efficiency in state government and which treat employees fairly and equitably.

The policies and procedures set forth in the travel statements apply to reimbursements from state funds, foundation funds and sponsored funds, unless the sponsored agreement specifically states otherwise. Authorization to travel must be obtained prior to travel from the unit head or their authorized designee. Travel is for official Georgia Tech business and is contingent upon the availability of funds.

Employees required to travel are entitled to reimbursement for reasonable, necessary, and allowable incurred expenses. Additional expenses incurred for personal preferences or convenience are the responsibility of the traveler.

Click here for the policy link

Budget guideline owner: *Jamie Fernandes*

II. Supplies and Materials

Non-Inventoried Supplies and Materials

All supplies, materials, and equipment, regardless of value, purchased through the Institute is the property of the state, federal government, or private grantor agency. As such, it cannot be sold, surplused, or transferred from Georgia Tech without the prior written approval of the appropriate federal sponsoring agency and/or the Institute Logistics (Surplus). Property that is at the end of its useful life and therefore has no value may be disposed of by cannibalization, recycling, or waste disposal provided an Affidavit of Disposal is obtained by the Institute's Logistics (Surplus) prior to disposal.

Building maintenance, repair and operation items are not required to have an Affidavit of Disposal. They may be disposed of by cannibalization, recycling, or waste disposal if, in the judgment of the installing mechanic and/or his/her superior, the economic value is such that transporting and storing the items is not practical.

Inventoried / Non-Inventoried Equipment and Materials

Equipment, inventoried, with a value of $3,000 or more purchased through the Institute is the property of the state, federal government, or private grantor agency. As such, it cannot be sold, surplused, or transferred from Georgia Tech without the prior written approval of the appropriate federal sponsoring agency and/or the Institute Logistics (Surplus). For non-inventoried equipment, Cost Centers can utilize the Non-Inventory Property Surplus Report form. A Non-Inventory Property Surplus Report Form may be obtained by downloading it from the following site:

Please utilize the below policy links for further information: http://www.procurement.gatech.edu/logistics and Equipment Management (gatech.edu)

Budget guideline owner: *Jamie Fernandes*

III. Rent

Georgia Tech often utilizes leased space agreements for classrooms, laboratories, and academic and administrative offices to expand the campus footprint. The Georgia Tech Real Estate Office is responsible for the acquisition, sale, leasing, development, encumbrance, and strategic planning of Georgia Tech's real property assets, and the management, construction, and financing of non-academic real estate. Leased space agreements and expenses for leased spaces are maintained, budgeted, and paid for centrally and should not appear as a budgetary expense at the unit level.

Although rent expenses on leased space are generally covered centrally, a few units manage and cover their own leased spaces. These exceptions include:

- Leased space within Auxiliary Services
- Certain leased spaces belonging to affiliate organizations such as GTRI and EII
- AMAC space within the College of Design

If your unit utilizes leased space or has space that is covered by a lease agreement, there may be differences in the services provided to this space per the leased agreement. If you have any questions about the leased space agreement and the services covered for the space, please contact the budget guidebook owner for more information.

If your unit is interested in leasing new space, the Real Estate Development Office can assist you in finding an off-campus office, laboratory, warehouse, and other space for lease. First you will need approval from the Office of Capital Planning and Space Management (CPSM). They will determine whether space within Georgia Tech's existing inventory can accommodate the needs (the preferred option) or whether alternatives should be pursued. Please contact the Office of Real Estate for more information.

Budget guideline owner: *Lisa Godfrey*

IV. Services

Service expenses include the payment of any external vendor or contractor. Some examples include guest speakers, architects, engineers, physicians, consultants, and IT and telecommunication support. Services are typically one-time in nature but can be recurring depending on the nature of the services provided.
Special projects or investments within your unit may require additional services, including services provided by external vendors. In these instances, the budget office recommends collaborating with internal service partners, or Procurement and Business Services to estimate the annual expense impact on your unit.

Budget guideline owner: *Lisa Godfrey*

V. Utilities

Utilities expenses include any expense related to energy usage (electricity, natural gas, etc.), water and sewage, and waste management. Expenses for utilities are variable depending on the demand for these services. Expenses for utilities are budgeted and paid centrally on behalf of units at the Institute. The budget office performs a review of prior year actuals using information about usage of utilities and expense rates for utilities and works with Infrastructure and Sustainability to understand the anticipated demand for utilities service and the financial impacts on the annual budget for utilities.

Budget guideline owner: *Lisa Godfrey*

VI. Repairs and Maintenance

GT Infrastructure & Sustainability maintains a Campus Master Project List with prioritization by fiscal year. Projects costing less than $100K and/or replacement projects (relative to renovations or improvements) are typically considered operating expenses and included within each area's budget.

Repair and Maintenance expenses are intended to cover preventive, deferred, or condition-based repairs or maintenance within your unit. The expenses for Repairs and Maintenance may vary depending on the type of project, nature of the maintenance, and the type of building (including the party responsible for providing repair and maintenance).

Within Resident Instruction, most repair and maintenance expenses are budgeted and expensed within Infrastructure and Sustainability. However, there are instances where units are responsible for financing maintenance and repair. The table below is a partial list of Infrastructure & Sustainability vs departmental responsibilities:

Infrastructure & Sustainability	Department
• Building structures: roofs, walls, windows, doors, floors, hardware • Building systems: electrical, plumbing, heating, steam lines, air conditioning, fire suppression • Landscape and grounds, sidewalks, institute-owned streets • Lighting • Elevators • Housekeeping services • Pest control • Trash removal • Staging/set-ups for official Institute business • Utilities • Carpeting (common use areas)	• Laboratory equipment, cold boxes, specialized lab systems not essential to operation of building • Animal cages, cage washers, and other specialized animal cage equipment • Office, audiovisual and kitchen equipment, safes furniture and cabinetry • Alteration of space for departmental requirements, installation, or relocation of modular furniture • Carpeting, floor mats, drapes, curtains, blinds, and shades • Bulletin/directory boards, portable chalk/marker boards • Cost of materials issued from I&S storeroom • Wall ornaments, pictures • Changing locks, replacing keys • Vehicle acquisition/maintenance/fuel • Painting, other than scheduled maintenance • Non-routine custodial grounds, or staging services • Interior building signage updates not associated with renovation projects

If there are more unit specific maintenance and repair projects that require Design & Construction services, unit leadership is welcome to work with Infrastructure and Sustainability to negotiate the anticipated expenses and project timeline.

Budget guideline owner: *Lisa Godfrey*

3.C Interdepartmental Sales & Services

Interdepartmental Sales & Services refers to the services provided by units within Georgia Tech on behalf of other units. Units that provide these services include (note this list is not comprehensive):

- Georgia Tech Strategic Consulting (GTSC)
- OIT (select services)

Generally, these expenses are paid using funds budgeted within fund code FD10600 Other General. Funds tied to this fund code do not carry forward into the next fiscal year and should be spent during the current fiscal year. The expenses charged for services vary depending on the services provided and the unit providing the services. Budget leaders should work with the units providing the services to understand the rates and expenses charged for the services provided.

Future Budget Model Change

In future iterations of the budget model, a select set of centralized costs from Facilities and IT services will be shared out to the units utilizing those services. The methodology for allocating Facilities and IT costs and the expense impact for using these services will be communicated in a future iteration of this Budget Guidebook.

Budget guideline owner: *Lisa Godfrey*

3.D Capital Budgeting

Funding

Capital projects, generally those costing more than $1 million, are funded from various sources:

- The State of Georgia funds the construction of buildings, and the Georgia State Finance and Investment Commission (GSFIC) coordinates the project and disburses the funds.

- The BOR receives an allocation from the state legislature referred to as Major Repair and Rehabilitation (MRR) funds. The MRR Fund is generally used for projects costing less than $1 million. The BOR allocates these funds to the various units of the University System. These funds may be funneled through GSFIC if they are bond funds. The administration of the project may be handled by GSFIC or Georgia Tech depending on the type of project.

- The Georgia Tech Foundation (GTF) funds various capital projects on campus. GTF retains administration of some of the projects and I&S administers the remainder. These GTF projects require prior approval from the BOR.

- Some projects are funded by resources held by Georgia Tech, i.e., discretionary endowment funds and Auxiliary Enterprises reserve funds. These projects are controlled by Georgia Tech after receiving BOR approval. The use of discretionary endowment funds must have the President's approval or his designee prior to establishing a project budget. The Auxiliary Reserve funds are used to renovate existing Auxiliary Enterprise facilities, construct new Auxiliary Enterprise facilities, and purchase equipment needed by Auxiliary Enterprise units.

The Unexpended Plant Funds fund group is used to account for the construction or acquisition of physical properties, renovation of existing properties, and purchase of inventories and non - inventoried equipment.

Expenditures in this fund group are categorized as follows:

- Land
- Buildings – New
- Buildings - Additions (Cost a minimum of $5,000 and a useful life of more than three years)
- Buildings - Renovations (Cost a minimum of $5,000 and a useful life of more than three years)
- Improvements Other Than Buildings - landscaping, parking lots, fences, etc.
- Equipment/Inventories - items costing $1,000 or more; (items made of glass or other fragile materials are supplies)
- Equipment items costing $5,000 or more are capitalized and depreciated
- Equipment/Non-inventoried - items costing less than $1,000 are considered supplies

The Capital Budgets Form is used to establish plant fund projects and is submitted by the units to the Budget Office via Workday. Driver worktags for new projects will be assigned by the Budget Office after the project has been approved.

Capital Planning

The Institute currently maintains several capital plans that prioritize capital projects and plan for their funding needs across a multi-year period. These capital plans include:

- Georgia Tech Capital Plan: Includes all approved and proposed capital projects within all funding sources
- Campus Services Capital Plan: Includes all approved and proposed projects within Housing, Dining, Transportation, Parking, Bookstore, Student Center, and Stamps Health Services.
- USG Capital Plan: Includes capital projects that have been submitted and approved by the USG
- Student Government Plan: Includes all capital projects outlined in the student government annual budget
- Large/Small Capital Plans: Unit-specific capital plans, including capital projects relating to research

Future Process Change

In FY24, the Institute implemented a **singularly standardized capital planning process**, combining the existing capital plans into a comprehensive, prioritized plan for all capital projects and investments on campus. This created a single source of information for capital planning and investment and provide a consistent mechanism for evaluating, approving, and financing capital projects. It will also enhance the transparency of capital projects underway at the Institute.

Budget guideline owner: *Lisa Godfrey*

4. CARRY FORWARD

A division may request the return of surplus funds at year-end for use in the next fiscal year, often referred to as a "carry forward of funds." In accordance with state policies governing carry forward funds and year-end closing, surplus/carry forward arrangements must be documented by units and reviewed by IBPA to ensure proper accounting and budgeting methods have been followed. The following policy and process updates to Carry Forward were implemented in FY22 and updated in FY23.

The Carry Forward Program under which a maximum of 10% of the adjusted original base budget may be carried forward utilizing up to a 3% allowance and the return for use in future FY mechanisms:

1. Return to Institute – Units will report and return excess budget or unused/unplanned surplus budget to the Institute before fiscal year end, and ideally, early in the calendar year, in an effort to support other Institute strategic uses of funding/expenditures prior to fiscal year end.
2. Units are permitted to request carry forward up to a maximum of 10% of the unit's General Operations adjusted original base budget. This includes prior year funds held by the Institute.
    - 3% - Division requests are not to exceed the 3% permitted carry forward allowance.
    - 7% - Division requests are not to exceed the 7% return for future allowance. This will allow for carry forward mitigation and multi-year planning, which will amplify impact through carry forward savings for future projects/spending and/or Institute initiatives:
        - Return to unit for use in future Fiscal Year (FY) - Units with unused financial resources would advance budget over one or more years to the Institute by execution of a "Request to Return Funds" carry forward request form submission. The request will outline that accumulated funds will be returned in a subsequent year(s) for an approved high priority strategic large dollar initiative(s). The request will also outline the unit's planned use(s) of funds and an estimated timeline; usually 3-5 years and not to exceed 5 years. Notification of request approval or denial will be communicated. There is a 10% minimum utilization requirement per FY on all funds returned for future. If the 10% minimum is not met, then these funds will be returned to the Institute each Fiscal Year (FY) except if impacted by outside extenuating circumstances. Advanced IBPA approval is required in the event a unit is unable to meet the 10% minimum utilization requirement per FY.
3. Advance of funds to unit - The unit projects full use of current General Operations Base Budget but needs additional access to Institute carry forward funds for a strategic purpose. The unit may apply for an advance against aggregate carry forward funds request for previously submitted and approved expenditures.
4. Provide tools to assist units in tracking and reporting approved Carry forward expenditures separate from units' original budgets.

Georgia Tech has accounting requirements related to DSS funds and the ability to carry eligible funds forward in the next fiscal year. DSS accounting requires DSS project numbers to correctly point to a non-lapsing fund code, which then allows campus units to carry forward eligible funds. DSS fund codes include any fund codes that begin with "FD14xxx". Certain requirements must be met by the department to carry forward funds. DSS accounting also requires specific revenue account codes to be used for Internal (includes GT Affiliates), External to Georgia Tech and GT Affiliates, and External Sponsored Projects.

The ability to carry forward funds enables revenue centers to better manage their operations and plan for future commitments. Department financial administrators/managers are solely responsible for managing carry forward funds for their unit.

Click here to access the Carry Forward website that includes request forms and additional information.

Budget guideline owner: *Lisa Godfrey*

5. DEBT SERVICE

As a State of Georgia institution, there are restrictions that prohibit Georgia Tech from issuing debt. However, Georgia Tech works closely and collaboratively with its affiliate organizations, including the Georgia Tech Foundation (GTF) and Georgia Tech Facilities, Inc. (GTFI), who can issue debt on behalf of the Institute. Revenues from debt service are often used to finance the development and construction of facilities and special projects. Georgia Tech has a 30-year lease agreement with its affiliate organizations to reimburse the debt distributions.

The budget office works closely with units to fund projects that require debt financing. Georgia Tech and the Treasury Office have outlined a thorough process through which units can apply for capital and Public-Private Venture (PPV) funding, which includes an assessment of the project and anticipated expenses related to the project. Similarly, Auxiliaries Services maintains its own process for debt and PPV funding and is responsible for negotiating and financing projects for any buildings that fall under the purview of Auxiliary Services (including dormitories, parking, etc.).

The budget office works carefully with units to understand the nature of their projects and outline the appropriate funding. Units should continue to work with the budget office to discuss funding plans for capital projects or one-time expenses that require debt or funding outside of the general operating budget.

Click here for the list of debt-funded facilities as of 12/8/2022.

Budget guideline owner: *Lisa Godfrey*

APPENDIX

Appendix A. Budget Timeline

Institute Budget Planning and Administration

FY25 Original Budget Development Calendar

When	Who	What
January 11, 2024	Governor	Governor releases Amended FY24 & FY25 Budget Reports
January - March 2024	Individual ELT Members (internal to unit)	ELT members meet with Deans, VPs, other key leaders to review New Expense Request Form (NERF) requests • Review of updated performance data and college/division strategic plans • Evaluation of results from new funding allocated in current year • New program or program expansion proposals • Consider funding re-direction to address administrative improvements • Consider proposed enhanced revenue opportunities (if any) • Prioritize unit NERF requests -- Support staff to assist using consolidated forms by ELT grouping
January 31, 2024	Campus	NERF prioritizations due to the Executives from Divisions
February 12, 2024	IBPA	FY25 request for GTF Institute Support Budget (ISB) funds form sent to campus units
February 26, 2024	ELT	FY25 Budget Hearing with Chancellor
March 1, 2024	ELT/IBPA	Provide preliminary revenue projections and "must pay items" to ELT for review -- General Operations
March 8, 2024	Campus	Completed FY25 Request for GTF Institute Support Funds online form and detailed budget due to IBPA
March 14, 2024	ELT	NERF due from Executives and Deans to Budget Office
March 26, 2024	ELT/IBPA	Review of updated revenue projections, must pay items, credit hour data, and finalize Net New Revenue % split to colleges and non-colleges with Executives
March/April 2024	General Assembly	General Assembly passes FY25 Budget
March/April 2024	IBPA	FY25 base budget (previously Form 1) distribution to campus units
April 3, 2024	IBPA	Provide GTF Institute budget projections to ELT for review, along with current year approved budget/status report through Q3
April 1, 2024	Campus	oneBudget opens for Original Budget Development
April 2024	Campus	Original Budget Workshops
April 15, 2024	Campus	Detailed Original Budget submissions due in oneBudget
April 16, 2024	BOR	Approval of FY25 State Formula Allocation, Tuition, and Fee recommendations.
April 17, 2024	ELT	GTF Institute Support Funds recommendations due from Executive Leadership to Budget Office
April 18, 2024	ELT/IBPA	Executive leadership finalizes FY25 net new revenue allocations
April 19, 2024	Campus	Division Carry Forward request forms due for maximum of 3% gen ops, future use and return of funds (separate forms for each request)
May 3, 2024	IBPA	FY25 Original Budget due to BOR
Early May, 2024	IBPA	GTF FY25 proposed budget submitted to GTF
May 31, 2024	Campus	Division Carry Forward adjustments due
Late June, 2024	IBPA	FY25 allocation sheets prepared and provided to campus
June BA	Campus	Last budget amendment to return funds for future use
June, 2024	GTF	GTF board approves FY25 budget
June, 2024	IBPA	Campus notified of FY25 GTF allocations (including MSN)

New: GTF dates are on the institute calendar and aligned with the institute budget development process. GTF deadlines are highlighted in yellow.

Link to FY25 Original Budget Development timeline

Appendix B. Net New Revenue Model Allocation and Hybrid Allocation Model

In both the FY24 and FY25 net new revenue allocation model and the FY26 Hybrid Allocation Model, undergraduate and graduate tuition will be pooled with state appropriations to fund a "general operations pool" that will be used to fund base budgets. The undergraduate and graduate tuition that is included in the general operations pool does not contain differential tuition or tuition that is directly generated by GTPE.

Net New Revenue Model Allocation

In the FY24 and FY25 net new revenue allocation model, base budgets for each unit are calculated based on the unit's prior year base budget plus any permanent adjustments during the year. These adjustments will be noted on the Form 1 provided by the budget office. The base budgets are then funded at 100% from the general operations pool. In this way, base budgets are guaranteed through the parallel process period.

Additionally, growth in student tuition and state appropriations is calculated and the growth in these funds is shared between the central administration, college units, and non-college units. 3% of net new tuition revenue and state appropriations are set aside to fund a strategic investment pool; at the same time, the budget office estimates the increase in expenses paid for at the center on behalf of all units, including fringe, leases, campus logistics, and other expense items and uses the growth revenue to pay for those increased expenses.

In the growth model, colleges receive half of the growth revenue remaining after the Institute covers strategic and central expenses. Each individual college's portion of the growth revenue is determined by its year-over-year growth in student credit hours produced. The growth in credit hours considers the credit hours that a college instructs to both its own students (i.e., students enrolled in that college or majoring in that college's degree programs) and students enrolled in other colleges. Specifically, the calculation recognizes 60% of credit hours instructed to students taking courses in the college and 40% of students enrolled in the college taking courses outside of the college. This is designed to recognize the cost of both directly instructing students and supporting enrolled students through academic advising, tutoring, etc. (Note that summer instruction is calculated separately, and summer credit hours are allocated entirely based on student credit hours instructed in the college). The total revenue shared to all colleges is divided by the total year-over-year increase in student credit hours to calculate a revenue per additional credit hour rate, which is used to calculate the growth revenue for each college. Note that any college that experiences reduced year-over-year credit hour instruction will not be penalized by this model but will also not be eligible for a growth revenue allocation.

Non-colleges receive the other half of the remaining growth after covering strategic and central expenses. The growth revenue is allocated to the non-college divisions, which includes non-college Provost units, A&F, EVPR, and the President's portfolio units. Leadership within the four divisions will decide how to divide and allocate revenues among the units and allocate those shared revenues and will communicate their determined allocation strategy to the non-college units. The budget office is prepared to help guide those conversations by sharing allocation scenarios and other analyses.

The scenario below illustrates how hypothetical net new revenues from student tuition and state appropriations would be allocated across the Institute using the net new revenue allocation model.

Hypothetical Revenue Growth - FY23 to FY24

	Net New Revenue (Illustrative)
Student Tuition Growth	$5,000,000
State Appropriations Growth	10,000,000
Total	**$15,000,000**

After calculating the net new revenues available for allocation, three percent (3%) of the net new tuition and state appropriations pool is set aside to fund a strategic investment pool that is managed by the ELT. In the hypothetical example where the Institute generates $15M in net new revenues, $450,000 would be retained for central strategic investments.

Next, the budget office estimates the increase in those common good expenses funded centrally on behalf of all units, including fringe, leases, and campus logistics, and uses the growth to pay for those increases. The table below lists some of the common good expenses that the Institute funds centrally on units' behalf, as well as hypothetical amounts by which these expenses might increase year-over-year.

	Net New Revenue Growth Distribution – Central Expenses (Illustrative)
Fringe & Equity	$5,701,658
Leases	994,685
Retention	667,285
Deferred Maintenance	255,375
Additional Central Expenses	130,241
Total	**$7,749,245**

The total distribution of net new revenues in this hypothetical scenario is summarized in the following table:

	Net New Revenue Growth Distribution (Illustrative)
General Institutional (Strategic)	$450,000
General Institutional (Central Expenses)	7,749,245
Colleges	3,400,378
Non-Colleges	3,400,378
Total	**$15,000,000**

The distribution of the net new revenue growth for colleges is based on each college's share of the Institute's year-over-year increase in credit hour production. The additional credit hour generation in this hypothetical example is summarized below:

	Year over Year Increase in Student Credit Hours Instructed (Illustrative)	% of Student Credit Hour Growth (Illustrative)
College of Computing	9,266	34%
College of Design	1,908	7%
College of Engineering	1,363	5%
College of Sciences	7,631	28%
Ivan Allen College of Liberal Arts	4,906	18%
Scheller College of Business	2,180	8%
Total	**27,253***	**100%***

**Figures may not sum due to rounding*

Using the distribution of year-over-year increases in student credit hours instructed, the hypothetical net new revenue growth distribution to the colleges is summarized in the table below:

	Net New Revenue Growth Distribution (Illustrative)
College of Computing	$1,156,128
College of Design	238,026
College of Engineering	170,019
College of Sciences	952,106
Ivan Allen College of Liberal Arts	612,068
Scheller College of Business	272,030
Total	**$3,400,378**

Net new revenue distributions to the ELT-led non-college divisions will be determined by leadership within those units. However, leadership considers each ELT-led divisions' relative share of overall non- college operating expenses when distributing growth.

	Base Budgets (Illustrative)	% of Base Budgets (Illustrative)
Provost (No Colleges or GTPE)	$43,784,477	15%
EVPR	48,272,095	17%
Administration and Finance	157,421,929	55%
President	34,334,650	12%
Total	**$283,813,152***	**100%***

**Figures may not sum due to rounding*

Using the information above, the net new revenue distribution to the non-college ELT-led units in this hypothetical scenario is summarized in the table below:

	Net New Revenue Growth Distribution (Illustrative)
Provost (No Colleges or GTPE)	$544,060
EVPR	578,064
Administration and Finance	1,870,208
President	408,045
Total	**$3,400,378**

Hybrid Allocation Model

In FY26, Georgia Tech will implement a model which allocates a portion of unit operating budgets in proportion to the unit's activity. This model will set unit initial budgets at a level that reflects general operating needs (as determined by the IBPA during the parallel process). Annual budgets will be funded by a general operations pool that includes student tuition and state appropriations.

Non-college budgets will be determined using a limited set of activity drivers at the ELT-level, tying growth in ELT portfolio budgets to enrollment growth or other activity metrics, with executive leadership making budget allocation decisions at the unit level. For the colleges, the model assumes the initial funding amounts are reflective of a level of student credit hour production, wherein if a college instructs the same number of credit hours each year, they receive the exact budget funding required to instruct those credit hours.

The allocation portion of college budgets is designed to reward colleges that grow credit hour activity by rewarding budget above and beyond their initial budget levels to compensate for the additional financial resources required to instruct more students. It can also provide funding below budget levels for circumstances where colleges do not achieve baseline levels of student credit hour delivery. In this model, a central strategic funding pool may subsidize units whose base allocations per the model do not meet their full operating or strategic needs.

Non-college budgets will be determined using a limited set of activity drivers at the ELT-level, tying growth in ELT portfolio budgets to enrollment growth, faculty/staff headcount growth, or other activity metrics, with executive leaders making budget allocation decisions for each individual unit. Collectively, these drivers are intended to reflect the economics of each of the four divisions (Provost, EVPR, President, and A&F), where growth in population or other activity metrics drive rising costs and demand for services—and more budget required to support this growth. Declines in population or other activity metrics may conversely trigger a reduction in budgets. These drivers will dictate the increase or decrease in budget at the division-level (e.g., A&F, EVPR, Provost, and President), and executive leadership will then determine how to allocate the new funding each year to each of the respective units within their portfolios. For example, A&F leadership may decide to invest more heavily in IT in one year to fund growth opportunities, then in the next year increase budget in Infrastructure and Sustainability to support growth in that year.

As the Institute navigates the parallel process and establishes long-term budget governance, the model and decisions regarding allocation mechanisms are subject to change.

Appendix C. Helpful Budget and Planning Reports

1. EBBR - Expense Budgetary Balance Report

The Expense Budgetary Balance Report (EBBR) shows each entry in a journal line or budget separately and grouped by Ledger Account and Driver Worktag.

Link to report instructions

2. RBBR - Revenue Budgetary Balance Report

The Revenue Budgetary Balance Report (RBBR) is run at the Organization level and is utilized to review revenue and compare to budget. The report displays Original Budget, Amendments, Current Budget, Revenue, Balance, and Percent Collected.

3. IBPA –All Ledger Data

This report contains general ledger data by account, fund, cost center, division, function, and class codes.

4. Georgia Tech Executive Gen Ops Report - Summary

This report summarizes all General Operations related budget entries as well as revenue and expense activity rolled up by cost center hierarchies. Data can be drilled down to the cost center level. *Exclude FD16000 Technology Fee to tie to eligible year end carry forward balances.*

5. General Operations Dashboard

This dashboard includes operational balances by worktag and funding source for a selected cost center or cost center hierarchy. Distinct reports show balances and budgetary impact with and without fringe. This dashboard contains three reports, listed below. Note that dashboard reports only display the first hundred lines, and no totals will appear if that limit is exceeded. However, the full report with totals can be run using the link below.

6. All Gen Ops Drivers – Fringe Included

This report pulls all General Operations designated worktags that are assigned to the following funds: FD10000 State Appropriations, FD10500 Tuition, FD10600 Other General, FD15000 Indirect Cost Recoveries, and FD16000 Tech Fee. Fringe benefits, which may be funded by the Institute or funded by the unit, are included in this report. The offsetting budget for Institute-funded fringe expenditures is also included. This report can be run on its own.

7. Institute Funded Gen Ops Drivers – Fringe Excluded

This report pulls only the General Operation designated worktags that have fringe benefits funded by the Institute. These designated worktags are assigned the following class codes: CL11000 General Operations, CL11200 State Appropriations, CL11300 Other General, CL11500 Indirect Cost Recoveries, CL11600 Tech Fee, and CL11800 Tuition. The fringe benefit budgets, and expenses have been removed from the report. All other spend categories are included in the report. This report can be run on its own.

8. Unit Funded Gen Ops Drivers – Fringe Included

This report pulls only the General Operations designated worktags that have fringe benefits funded by the individual Unit. These designated worktags are assigned the following class codes: CL11005 General Operation - No Fringe, CL11205 State Appropriations - No Fringe, CL11305 Other General - No Fringe, CL11505 Indirect Cost Recoveries - No Fringe, CL11605 Tech Fee - No Fringe, and CL11805 Tuition - No Fringe. All spend categories are included in the report, including fringe benefits. This report can be run on its own.

Link to report instructions

9. Other Funding Sources Dashboard

This dashboard is used to view operational balances for expenses by worktag and funding source for a selected cost center or cost center hierarchy. Distinct reports show balances and budgetary impact for various funding sources. This dashboard, combined with the General Operations Dashboard, helps to track balances across organizations. This dashboard contains four reports, listed below.

10. Other Funding Sources – Funding by Gift & Designated

This report shows gift funds for selected organization(s) and is available on the second tab in this dashboard. Balances are broken down by both Gift and Designated to view any breakdown of a Gift. Any Designated field with a blank represents the "main" Gift. This can be run for individual gifts or cost centers or by multiple gifts or cost centers.

11. Other Funding Sources - DSS/AUX by Designated

This report displays Departmental Sales & Services Funds (FD14XXX) and Auxiliary Services Funds (FD12XXX) Designated driver worktags for a given organization. Balances are broken down by the Designated driver worktag. Please note that revenue is not included on this report. Those details can be found in the Departmental Sales & Services Financial Statement – CR report. This dashboard can be run for individual Designated worktags or Cost Centers or by multiple Designated worktags or Cost Centers.

12. Other Funding Sources – by Custodial Entity

This report shows custodial funds for a given organization. Balances are broken down by the Custodial Entity driver worktag. This includes opening balances, revenue collected, and expenses. This can be run for individual CEs or cost centers or by multiple CE's or cost centers. It includes FD60000 Custodial - Funds on Deposit, FD61000 Custodial - Designated Scholarships and FD62000 – Payroll Operations (central office only) balances.

13. Other Funding Sources - Unexpended Plant Funds by Designated

This report shows all unused construction funds within the FD5XXXX fund group to track carryforward plant funds. This displays balances by Designated and Cost Center for simplified tracking.

Link to report instructions

14. Unit Financial Statement

The Unit Financial Statement displays revenue and expense and any accompanying budget for the selected organization(s).

15. Department Sales & Services Financial Statement

The Departmental Sales and Services Financial Statement displays DSS details, including revenue and expense, for the selected organization(s).

16. Sponsored Award Budget and Expense Report (SABER)

Workday grants reporting provides visibility and flexibility to manage financial activity for awards and grants. The Sponsored Award Budget & Expense Report (SABER) presents real-time budgets, spend, and remaining balance. Anyone who previously had access to the PEB report or has the Award Report Viewer role in workday will be able to view the SABER report. You can drill down into transactions which originated in Workday, including supplier invoices, expense reports, purchase orders, requisitions, and accounting journals. SABER also provides capability to quickly summarize grant costs by object class (cost category), cost center, and more. Report results can be exported to Excel for even more flexibility.

Link to report instructions

17. Find Journal Lines

CR report can be used to find Journal line detail including:

- All journal entries (Service Centers, Controller journals, Banner journals)
- Procurement commitments, obligations, and spends
- Pcard obligations (pending approval) and spends (post approvals)
- Travel & Expense commitments, obligations, & spends
- Salary commitments, obligations & spends by pay period
- Revenue from Service Centers
- Revenue from Journals
- Revenue from Banner

Link to report instructions

18. LITE report for salary data

This report includes details from reporting tools managed by Institute Research Planning (IRP).

Link to report instructions