

# Budgeting Basics: *“The Colors of Money”*



**Georgia** Institute  
of **Tech**nology®

## Outline

- I. Basics of GT’s Budget and Accounting Structure
- II. Building Blocks of Georgia Tech’s Operating Budget
- III. Allowable Uses for Funding Sources
- IV. A Quick Budget Outlook

# I. Terminology and Budget Structure

## **What is GT’s basic budgeting and accounting structure?**

- **Two Principal GT Budgets:**
  - Operating Budget – ongoing operations including:
    - Colleges – instruction and research
    - Interdisciplinary Research Institutes
    - Student support services
    - Facilities and leases
    - Administrative support
  - Capital Budget – one-time major capital investments including:
    - Engineered Biosystems Building
    - Price Gilbert Library and Crosland Tower Renovation
    - West Campus Dining

## **What is GT’s basic budgeting and accounting structure?**

- **Budgeting/Accounting by Major Fund\* Area:**
  - Resident Instruction – core operations of GT – research, instruction, administration, facilities, student services
  - State Earmarks: Georgia Tech Research Institute, Enterprise Innovation Institute
  - Student Activities – earmarked student fees for funding of Campus Recreation Center, Student Center, and student organizations
  - Auxiliary Enterprises – businesslike service operations funded through fees
    - Examples: parking, transportation, housing, dining, student health, retail

\* Fund – an accounting entity with its own self-balancing set of accounts

## What is GT’s basic budgeting and accounting and budgeting structure?

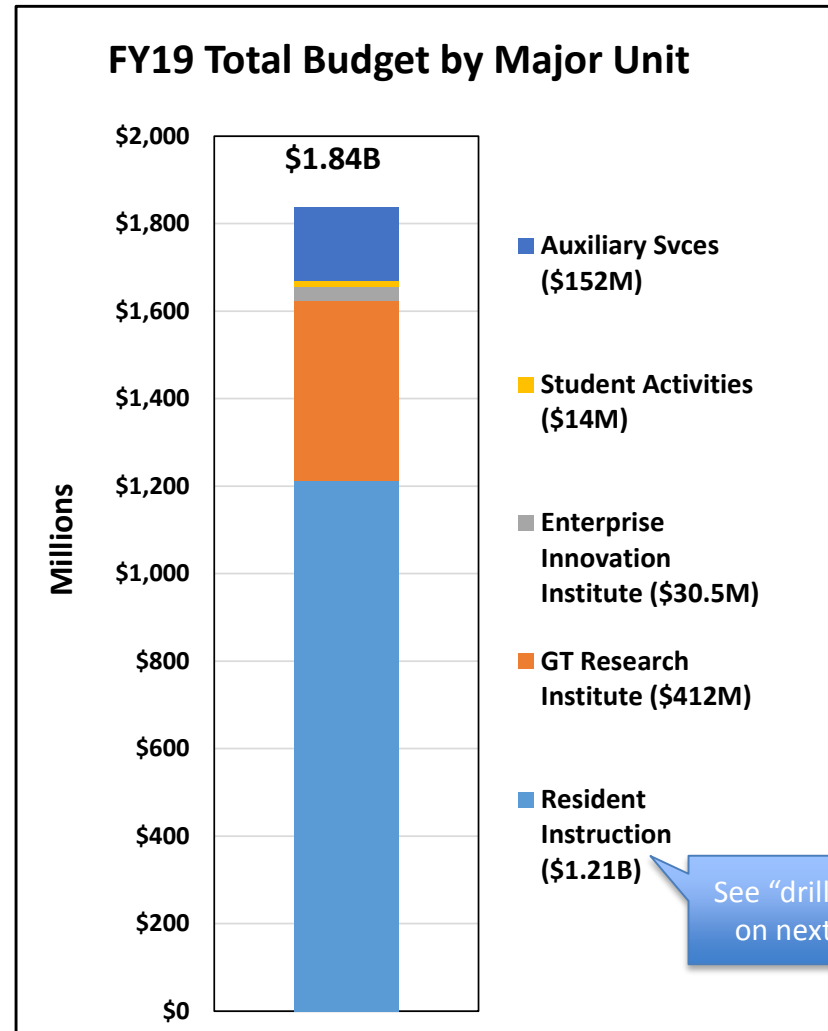
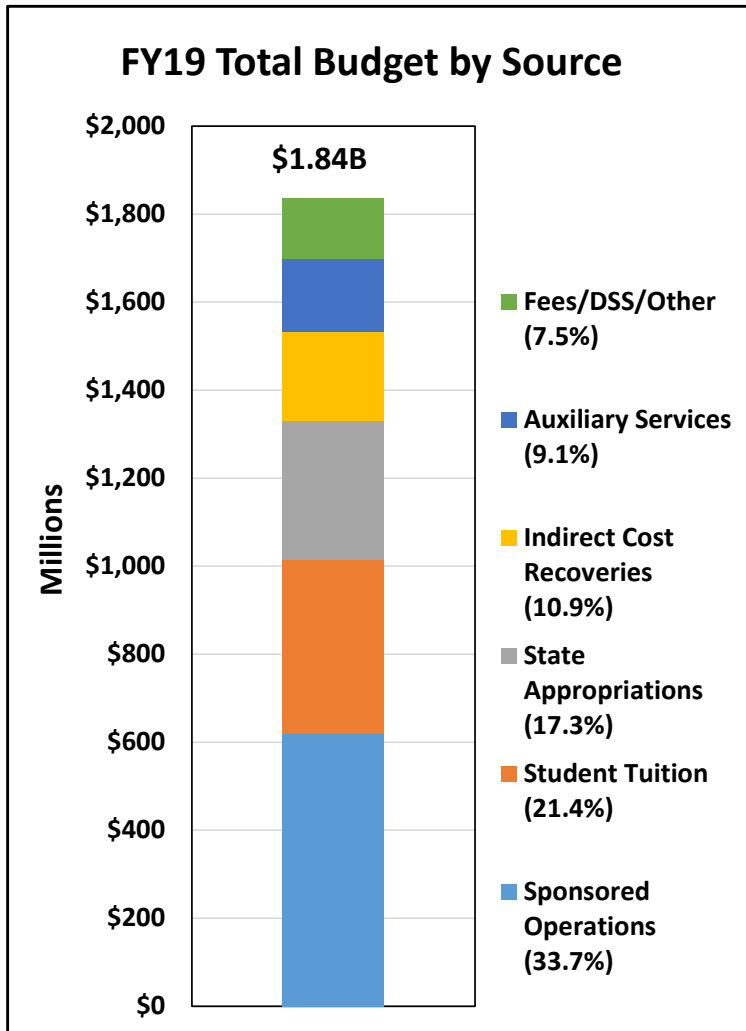
- General Operations – general revenue in Resident Instruction from any of the sources below:
  - State – appropriations approved by General Assembly & Board of Regents
  - Tuition – general tuition and tuition earmarked for specific programs
  - Indirect cost recoveries – “overhead” revenue from sponsored grants & contracts
  - Student fees and other general revenue
- Program/Function – major service areas budgeted
  - Required by U.S. Department of Education
  - Examples: instruction, research, public service, support areas
  - Each project assigned a program/function
- Projects – lowest level of GT accounting & budgeting\*
- Account Number – specified expenditure type\*

*\*NOTE: With implementation of the Workday financial system, the account code structure will change substantially.*

## **II. Building Blocks of Georgia Tech’s Operating Budget**

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## Operating Budget Building Blocks by Source & Major Unit

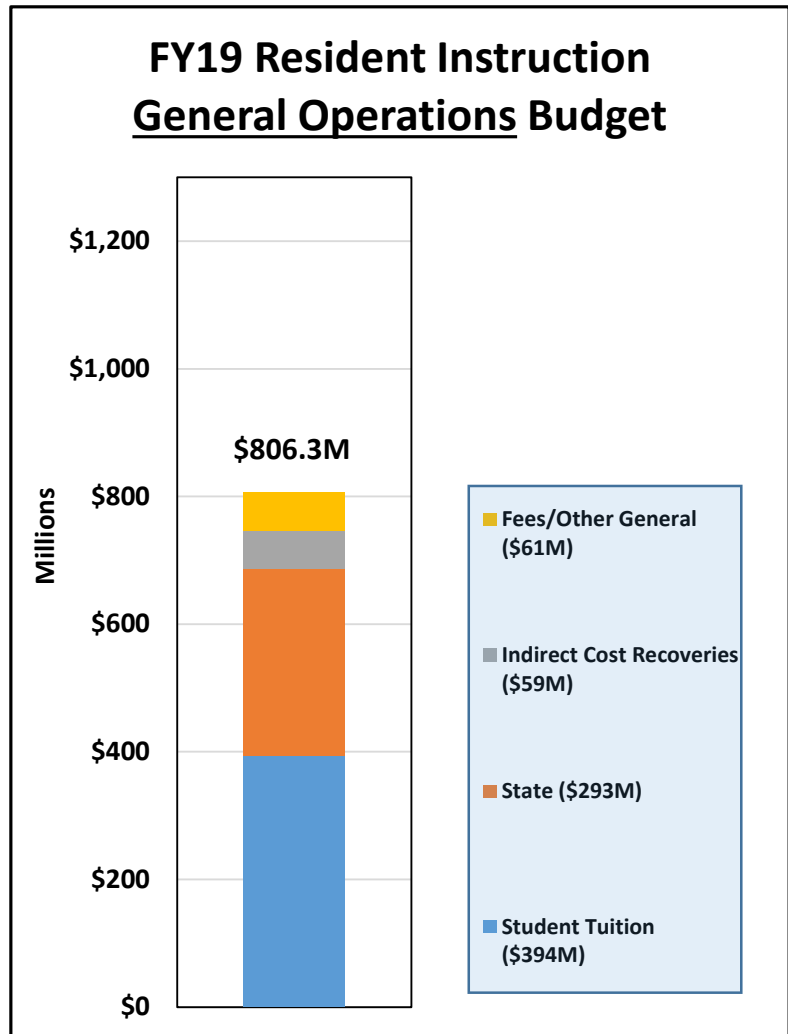
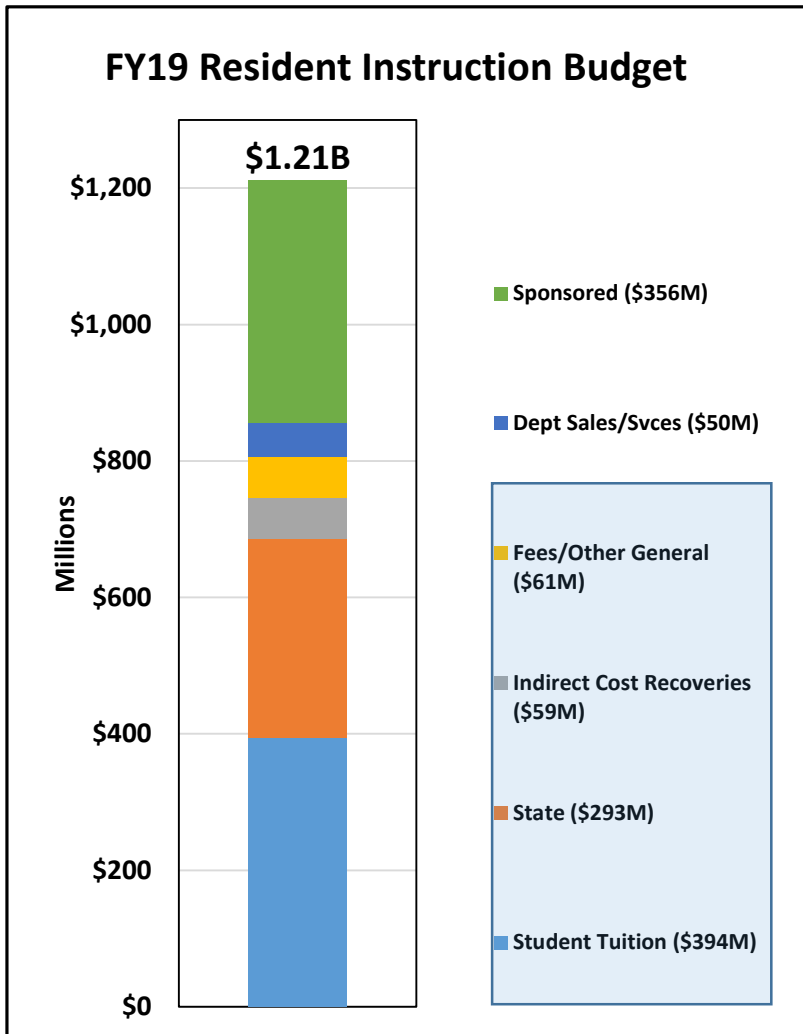


See “drill down” on next page



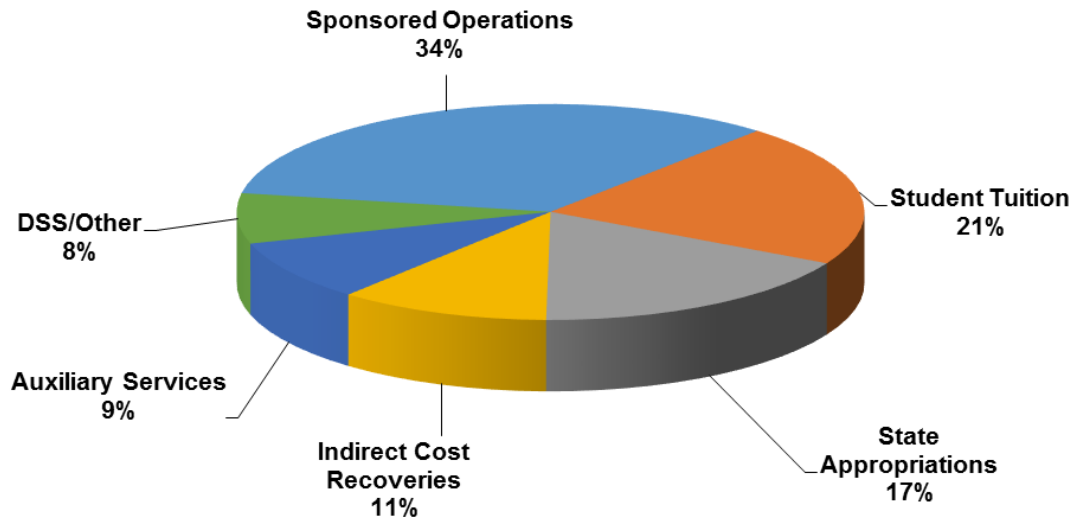
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## Operating Budget Building Blocks – "Resident Instruction"



## Where does the money come from?

**FY19 Total Revenue Budget by Source**



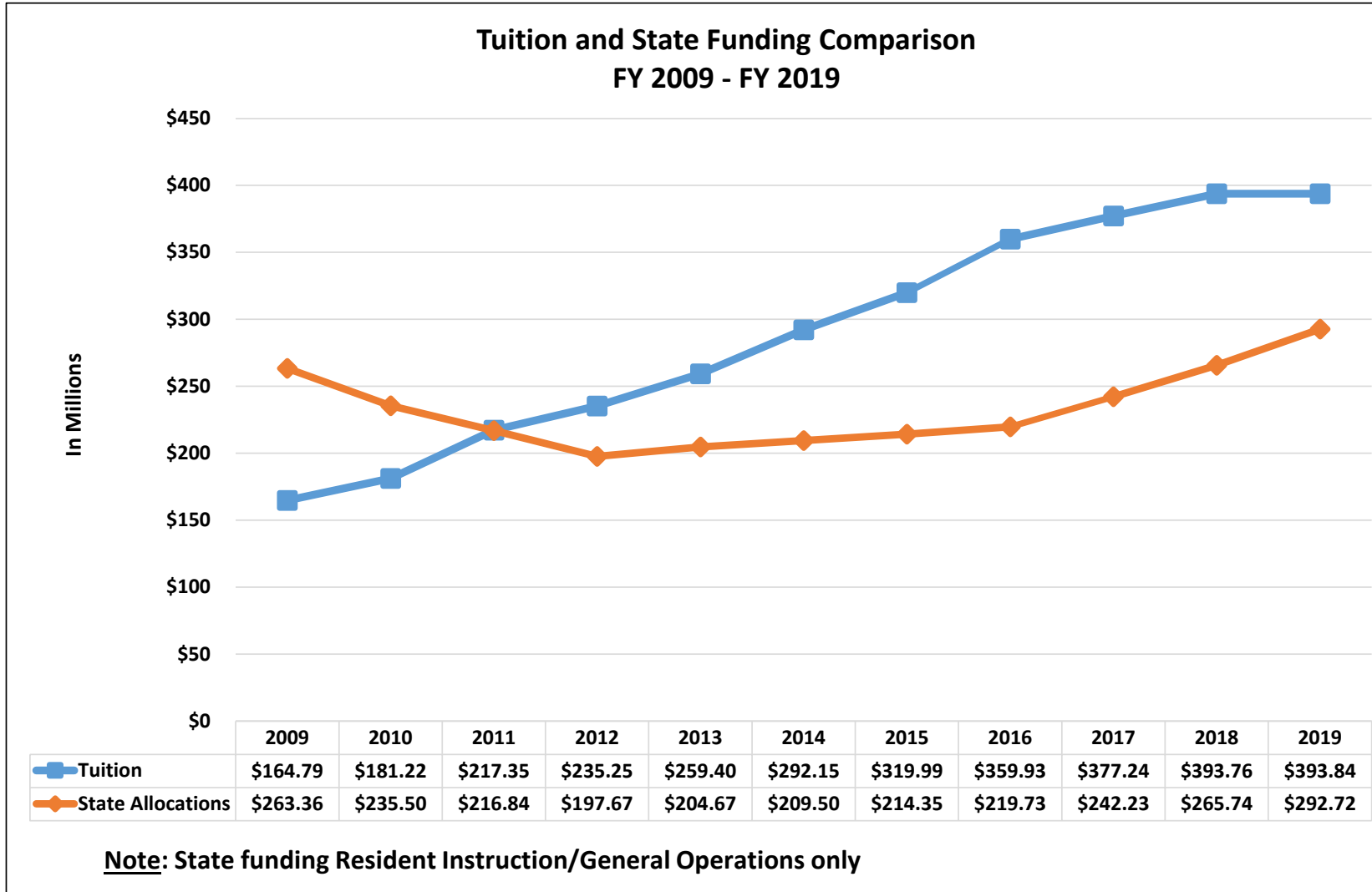
• Sponsored	34%
• Tuition	21%
• State	17%
• Auxiliary *	9%
• Indirect Cost Recoveries**	11%
• DSS/Other	8%
<b>Total</b>	<b>100%</b>

**Total Georgia Tech Revenue Budget: \$1,837,659,932**

\* Auxiliary programs are operated like businesses – e.g. parking, transportation, student health, retail, housing, food service

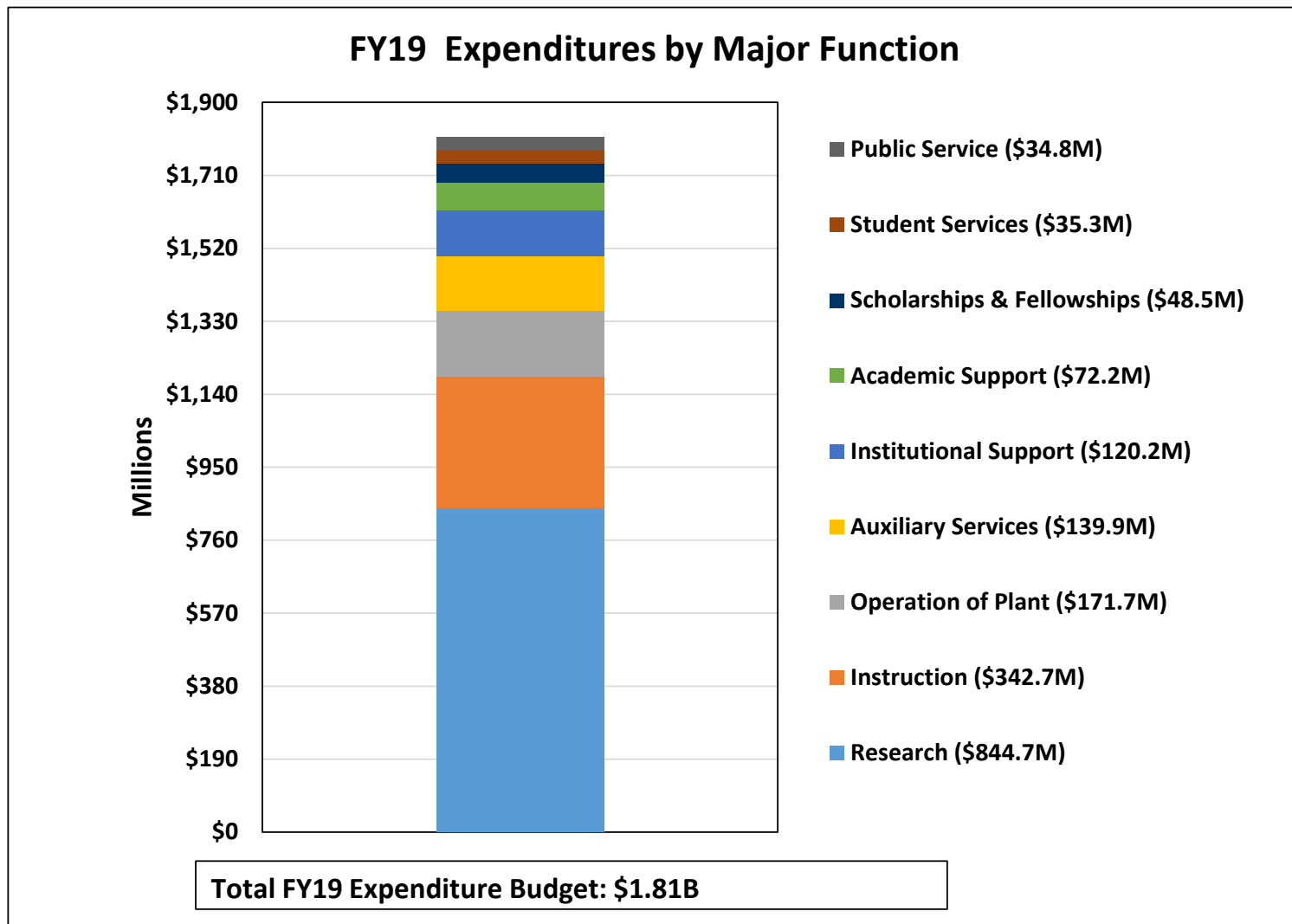
\*\* Indirect Cost Recoveries are overhead costs of doing business such as facilities and administration costs.

## What are the state versus tuition revenue trends?



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## What does the money go?



### **III. Allowable Uses for Funding Sources**

## Special Spending Requirements

- Allowable cost matrix – [Controller’s Office website](#)
  - Tool created to assist accounting and finance staff with making decisions related to Institute expenses
  - Provides a vehicle to determine if certain expenses are allowable on certain fund types.
  - Provides list of all Institute fund groups and a list of expense types
- Technology Fees – [Budget Office Website](#)
- GT Foundation – [based on intention of donors](#)
- Sponsored funding – grants and contracts (next page)

## What can be charged to grants and contracts?

Note: See Policy Library – “Allowable Expenses”

- Necessary, reasonable, and allocable
- Conform to any limitations or exclusions of award
- Consistency:
  - With policies and procedures that apply uniformly to grants and other requirements of grantee
  - Either direct or indirect cost, not both
  - Consistent with GAAP
  - Not also counted as matching/cost sharing
- Adequately documented

## **IV. Budget Outlook**



## **What have been GT’s recent budget challenges?**

- Administrative support in colleges
- Facility expansion for enrollment increases and research requirements
- Funding faculty and staff pay adjustments:
  - Market challenges – hiring and retaining faculty and staff
  - Merit increases
  - Increasing the grades for classified staff
  - Covering the “campus minimum” salary
- Continued quality of student services with growing enrollment including mental health services
- Faculty start-up & matching commitments
- Deferred maintenance on aging facilities

## Resident Instruction /General Operations Fiscal 2019 budget status?

### Modest Revenue Growth:

- State formula funding:
  - Strong formula earnings for GT for Fiscal 2019 based on Fiscal 2017 enrollment
  - State funding increase for TRS; no health insurance increase
- Tuition and fees:\*
  - No tuition increases and only one mandatory fee increase
  - Modest enrollment increases
  - No further shift in undergraduate resident to *non-resident* (currently held @ 60% resident and 40% non-resident)
- Indirect Cost Recoveries in Resident Instruction beginning to rebound after two year decline

\* Georgia Tech’s Tuition and Fees: <http://www.bursar.gatech.edu/content/tuition-fees>

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## Resident Instruction /General Operations Fiscal 2019 budget status?

### Key Fiscal 2019 Resource Allocations from Available \$51.9M:

- \$43.6M for mandatory requirements – includes:
  - Revenue earmarked for units, including indirect cost recoveries, summer school tuition, other selected tuition and fees
  - GT share of fringe benefit increases and mid-year merit increases
  - Library subscription increases
  - Facilities-related costs including leases & new CODA building operations
- \$2.8M for previous precedents, including funding for equity and retention pay adjustments
- \$5.5M in new FY 19 workload/expansion priorities, – includes:
  - New faculty and faculty support
  - Student Life programs, including mental health initiatives
  - Graduate teaching assistants and other non-tenure track teachers

## **Future Year Spending Factors?**

- Employee merit pay
- Instructional growth to accompany enrollment:
  - Salaries for new faculty positions and non-tenure track instructional positions – instructors, lecturers, graduate teaching assistants
  - Administrative support for faculty
  - Faculty startup including equipment and matching
- Administrative and student support systems
- High Performance Computing (HPC – CODA building) and other leases to support instruction and research
- Research administrative support
- Research equipment refreshment
- Information Technology (IT) refreshment and expansion

## Need additional information??

<http://www.budgets.gatech.edu/>

<http://www.budgets.gatech.edu/mResources/GenInfo>

## Questions??

