Budget Policy Deep Dive

Resource Description:

This resource is intended to address the most asked questions about Georgia Tech's funding model and budget development process. Please refer to the Budget Guidebook for the complete list of budget development policies and protocols as well as contact information for each policy owner.

For updates on Budget Reform and the new budget model (including answers to FAQs), please see the Budget Reform website.

Institute

Question	Answer	Policy Link
Is my unit allowed to carry forward unspent General Operations (GenOps) dollars for use in future fiscal years?	Units are permitted to request carry forward up to 3.0% of the unit's General Operations (GenOps) Original Base Budget. Units will report and return surplus or extra budget to the Institute before fiscal year end, and ideally, early in the **calendar year**, to support other Institute strategic uses of funding/ expenditures prior to fiscal year end.	Budget Carry Forward Website (gatech.edu) Budget Carryforward Policy (gatech.edu) Budget Guidebook – Section 4 Carry Forward (page 27)
Are auxiliary units required to maintain certain levels of funding in reserves accounts?	There is currently no requirement for how much funding auxiliaries put into reserves, though auxiliaries must annually submit a five-year plan showing projected reserves balances. As scrutiny over carry forward continues tracking requirements, as implemented for GenOps, may be needed.	BOR Policy 7.2.2 - Auxiliary Enterprises and Student Activities Revenue and Expenditures
Who pays for employee benefits?	Fringe for positions funded via GenOps is budgeted and funded centrally, and the actual fringe expenses are pushed to the department budgets via the flat rate fringe process Positions funded by sources other than GenOps, including Sponsored, Grants, Auxiliary, Student Activities, and Departmental	Budget Guidebook – Section 3A II – Fringe (page 21) More on Fringe Rates: Fringe Benefits Cost Rates

	Sales and Services, require the department to budget and fund fringe benefits.	
What happens if my unit ends the fiscal year in a deficit?	In accordance with Georgia Tech policy, units should not end the year with a deficit in the GenOps budget. If this occurs, the budget office will work with the unit to reimburse the Institute over multiple years.	[Year-End Deficits and Division Carry Forwards | Policy Library | Georgia Institute of Technology | Atlanta, GA (gatech.edu)](#)
How are indirect cost recovery revenues that come centrally to the institute shared with colleges?	Georgia Tech allocates 30% of the Resident Instruction F&A (facilities and admin) indirect cost recoveries generated by academic units back to those units. The remaining 70% is retained centrally. This split is intended to return funding to the units that generate the indirect costs and reward colleges for generating research for the Institute. The institute uses tuition and state appropriations to subsidize research activities as 70% of the revenues do not cover all related expenses.	[Indirect Research Support Allocation | Policy Library | Georgia Institute of Technology | Atlanta, GA (gatech.edu)](#) Budget Guidebook – Section 2A IV – Indirect Cost Recoveries (page 12)
When should my unit receive funding earned from the summer school incentive?	Summer incentive funding is paid in arrears under the current budget model in FY22. Units receive summer incentive funding in the fall after the summer session concludes and summer enrollment has been confirmed. This process will be updated in FY23 during the parallel process.	[Summer School Incentive Funding.pdf (gatech.edu)](#)
What is included in a "budget amendment" and how often should I submit a budget amendment?	A budget amendment is the process that campus units use to update their Original Budgets whenever operating conditions reflect a deviation from the Original Budget estimate.	[Budget Amendments | Policy Library | Georgia Institute of Technology | Atlanta, GA (gatech.edu)](#) [Budget Amendment FAQ Document.pdf (gatech.edu)](#)

| | Units should submit monthly budget amendments to reflect changes in budgetary spending authority (changes in anticipated income or original budget amounts) or anticipated expenses (changes in budgeted expenses or vacant positions)

The central budget office provides quarterly budget amendments and budget to actual reports to the Board of Regents (BOR). Revenue and expenses must stay in balance to the quarterly amendment on file with the BOR until the following quarter. | |
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USG

FAQ	Answer	Policy Link
Who sets tuition rates?	The USG approves tuition rates for both graduate and undergraduate programs. The USG aspires to maintain affordability for students and has kept undergraduate tuition rates flat for the third year in a row. This is the fifth time in seven years that the Board has approved keeping tuition costs flat across most institutions in the USG.	Board of Regents Policy Manual	7.3 Tuition and Fees	University System of Georgia (usg.edu)
Can any program charge differential tuition?	Board approval is required for in state and out-of-state differential tuition rates for nationally competitive graduate and professional programs, as deemed appropriate by the institution based upon the academic marketplace and the tuition charged by peer	Board of Regents Policy Manual	7.3 Tuition and Fees	University System of Georgia (usg.edu) Budget Guidebook – Section 2A I – Student Tuition (page 7)

	institutions with similar missions. An institution seeking such approval from the Board shall provide the Board with an impact analysis and a plan for enhancing the quality of the program. Because affordability is a priority of the Board, differential tuition requests are scrutinized and difficult to get approved.	
How are new degree programs funded?	New degree programs must be funded through the annual budget cycle with existing college funds or approved graduate tuition differential.	
How does the USG determine the Institute's state appropriations?	The USG uses a formula to calculate the funds available for all schools within the University System. The formula first calculates a "funding base" which is calculated from instructional expenses based on credit hours generated across both instructional levels and different programs groups. It also calculates funding based on research expenses for position requirements for graduate students. Additional funding, including academic support, student services, and technology enhancement are funded on top of the "funding base". Funding from state appropriations is also considers operations of maintenance and plant, public service and	USG Funding Formula Documentation University System of Georgia Formula Funding Overview.pptx University System of Georgia | Policy Library | The University System of Georgia Budget

	community education, fringe benefits, and additional adjustments based on the Board of Regents financial assessments. The USG formula funds incremental growth two years in arears. For example, FY22 credit hour growth will be available in the FY24 budget.	
Are there restrictions on how the Institute can use state appropriations?	State appropriations are intended to be used to support the educational and general program of the Institute and can be expensed on a variety of activities that support the general operations of the Institute.	University System of Georgia | 2.2 Fund Group| University System of Georgia (usg.edu)
Who approves auxiliary rates?	The system office approves auxiliary rates, including housing and dining.	Board of Regents Policy Manual | 7.3 Tuition and Fees | University System of Georgia (usg.edu)
Does the USG allow the Institute to enter multiyear contracts?	The State of Georgia prohibits state agencies from entering into multi-year contract agreements or agreements with automatic renewals. However, Georgia Tech works with several affiliate organizations (including GTRC, Auxiliaries Services, and Georgia Tech Facilities, Inc to name a few) to negotiate multi-year financial agreements on behalf of the Institute.	State of Georgia Contract Terms for State Agencies Contracts | Policy Library | Georgia Institute of Technology | Atlanta, GA (gatech.edu)

State of Georgia

FAQ	Answer	Policy Link
How are HOPE Scholarship revenues treated?	HOPE Scholarship comes to Georgia Tech as sponsored revenue.	

Can the Institute carry forward state appropriations?	No. Units funded with State Appropriations may request and receive carryforward internally to GT. 3% of tuition can be carried forward; IDC, Tech Fee, and DSS can be carried forward without a cap. New reporting requirements apply.	Budget Carry Forward (gatech.edu)
Can the Institute end the year in a surplus or deficit?	No. The Institute is not permitted to overspend their Board of Regents approved budget authority, nor will expenses exceed revenues. Before the fiscal year can be closed, the operating deficits must be corrected. The budget must balance by fund and by personal and non-personal services.	Year-End Deficits and Division Carry Forwards | Policy Library | Georgia Institute of Technology | Atlanta, GA (gatech.edu)
When does the Institute receive state appropriations?	The Board of Regents communicate State Appropriation allocations to Georgia Tech in April. State Appropriations are funded two years in arrears due to the lengthy state budget cycle. The budget team uses this information to develop the final original budget for the Institute which is submitted to the Board of Regents in May. Assuming the Institute budget is approved, state appropriations are available to the Institute at the beginning of the fiscal year, starting in July.	Board of Regents Policy Manual | 7.3 Tuition and Fees | University System of Georgia (usg.edu)
Do we expect tuition freezes to continue? How does this affect the Institute?	Tuition and fee increases are expected to be minimal moving forward due to the focus on affordability. This means that for the Institute to grow tuition revenues, we must grow overall enrollments.	University System of Georgia communication on tuition freeze for academic year 2022-23
Can the Institute use debt to fund new initiatives?	As a State of Georgia institution, there are restrictions that	Budget Guidebook – Section 5 Debt Service (page 28)

	prohibit Georgia Tech from issuing debt. However, Georgia Tech works closely and collaboratively with its affiliate organizations, including Georgia Tech Facilities, Inc. (GTFI), who can issue debt on behalf of the Institute. Georgia Tech works closely with these affiliate organizations to reimburse debt distribution.	
What is the Technology Fee and how is it used?	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 and are split between Atlanta campus and non-Atlanta campus (online) students.	Budget Guidebook – Section 2C IV – Other Revenues (page 17)
When are fee changes effective?	Changes to fees are effective at the beginning of the Fall academic semester	Board of Regents Policy Manual	7.3 Tuition and Fees	University System of Georgia (usg.edu)