

Committee on Finance and Business Operations

February 13, 2018

Tracey Cook
Vice Chancellor for Fiscal Affairs



1. Information Item:



Report on Fiscal Year 2018 Second Quarter Revenues and Expenditures

Second Quarter Amended Budget

Fund	2 nd Quarter Amended Budget
State Appropriations	\$2,308,786,758
Tuition	\$2,026,978,102
Special Institutional Fee	\$210,419,500
Other Revenues	\$578,889,469
Sponsored	\$2,441,240,285
Departmental Sales and Services	\$401,265,205
Capital	\$223,805,855
Auxiliary Enterprises	\$1,016,235,362
Student Activities	\$159,840,466
Total FY 2018 Budget	\$9,367,461,002

Amendment submitted and approved by OPB

Actual Revenues & Expenditures as of Second Quarter, FY 2018

(July 1 – December 31)

	FY 2017 Final Budget	FY 2017 2nd Qtr. Actuals		FY 2018 Amended Budget	FY 2018 2nd Qtr. Actuals	
Revenues						
State Appropriations	\$ 2,160,290,030	\$ 1,077,038,471	50%	\$ 2,308,786,758	\$ 1,152,542,988	50%
Tuition	\$ 1,990,959,864	\$ 1,689,825,488	85%	\$ 2,026,978,102	\$ 1,744,970,688	86%
Sponsored	\$ 2,405,728,836	\$ 1,047,239,855	44%	\$ 2,441,240,285	\$ 1,086,789,301	45%
Dept. Sales & Services	\$ 433,858,744	\$ 159,535,566	37%	\$ 401,265,205	\$ 155,823,704	39%
Auxiliary Enterprises	\$ 1,016,162,190	\$ 712,706,522	70%	\$ 1,016,235,362	\$ 732,977,442	72%
Student Activities	\$ 166,799,377	\$ 103,744,204	62%	\$ 159,840,466	\$ 104,281,806	65%
Other Funds	\$ 1,133,716,018	\$ 480,247,854	42%	\$ 1,013,114,824	\$ 502,535,019	50%
Total Revenues	\$ 9,307,515,059	\$ 5,270,517,959	57%	\$ 9,367,461,002	\$ 5,479,920,947	58%

Actual Revenues & Expenditures as of Second Quarter, FY 2018 (July 1 – December 31)

	FY 2017 Final Budget	FY 2017 2nd Qtr. Actuals		FY 2018 Amended Budget	FY 2018 2nd Qtr. Actuals
Total Revenues	\$ 9,307,515,059	\$ 5,270,517,959	57%	\$ 9,367,461,002	\$ 5,479,920,947
Expenditures					
Salaries and Wages	\$ 5,003,280,410	\$ 2,311,838,346	46%	\$ 5,248,138,989	\$ 2,416,583,362
Operating Expenses	\$ 4,304,234,649	\$ 1,525,635,335	35%	\$ 4,119,322,013	\$ 1,564,643,339
Total Expenditures	\$ 9,307,515,059	\$ 3,837,473,681	41%	\$ 9,367,461,002	\$ 3,981,226,701
Revenues in Excess of Expenditures	\$ -	\$ 1,433,044,279		\$ -	\$ 1,498,694,246

Key Financial Trends as of December 31

<u>Select Balance Sheet Accounts</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2 YR % Change</u>
Cash and S-T Investments	\$ 1,056,892,010	\$ 1,122,215,044	\$ 1,185,441,482	5.6%
Student Receivables	\$ 1,131,921,479	\$ 1,146,950,744	\$ 1,194,237,125	4.1%
Federal Receivables	\$ 53,841,426	\$ 68,070,205	\$ 55,559,337	-18.4%
Other Receivables	\$ 951,728,215	\$ 1,034,874,948	\$ 1,126,911,477	8.9%
Current Liabilities	\$ (313,434,795)	\$ (343,638,035)	\$ (373,846,643)	8.8%
L-T Lease Purchase Obligations	\$(3,230,323,946)	\$(3,122,229,328)	\$(2,997,481,044)	-4.0%



2. Approval Item:

Revisions to Policy Manual Section 7 – Finance and Business

Background

- Last year, Chancellor launched a complete Policy Manual Review of all sections
- Purpose: To simplify language, eliminate conflicting, redundant, and unnecessary provisions, and increase the efficiency of the Policy Manual
- Working Group of 22 system and institution representatives
- Most of the recommended edits are stylistic in nature. Substantive proposed policy edits will be highlighted

Section 7 – Finance and Business Policy Revisions

7.1 General Policy

- 7.1.1 Allocation of Funds
- 7.1.2 Accounting and Reporting
 - 7.1.2.1 Procedures
 - 7.1.2.2 Deficits
 - 7.1.2.3 Financial Report

7.2 USG Budget

7.2.1 Educational and General Revenues & Expenditures

- 7.2.1.1 Instruction
- 7.2.1.2 Research
- 7.2.1.3 Public Service
- 7.2.1.4 Academic Support
- 7.2.1.5 Student Services
- 7.2.1.6 Institutional Support
- 7.2.1.7 Plant Operations and Maintenance
- 7.2.1.8 Scholarships and Fellowships

7.2.3 Operating Budget

7.2.4 Budget Amendments

7.3.1.5 Tuition Agreements with Corporations, Organization, and Other Legal Entities

7.3.2 Student Fees and Special Charges

- 7.3.2.1 Mandatory Student Fees
- 7.3.2.2 Elective Fees and Special Charges
- 7.3.2.3 Auxiliary and Fee Reserves

7.3.3 Tuition and Fee Payment and Deferral

7.5.3 Loan Funds for Matching Purposes

7.6 Travel

7.7 Purchasing

- 7.7.1 General Policy
- 7.7.2 Employee Purchasing

7.8 Insurance

- 7.8.1 Property Insurance
- 7.8.2 Liability Insurance
 - 7.8.2.1 Automotive
 - 7.8.2.2 Professional Liability

7.9 Contracts

- 7.9.1 Contracting Authority

Policy Revision Highlights

7.2.1 Educational and General Revenues & Expenditures

- 7.2.1.1 Instruction
- 7.2.1.2 Research
- 7.2.1.3 Public Service
- 7.2.1.4 Academic Support
- 7.2.1.5 Student Services
- 7.2.1.6 Institutional Support
- 7.2.1.7 Plant Operations and Maintenance
- 7.2.1.8 Scholarships and Fellowships

- Revenue and expenditures are classified in accordance with guidelines developed by the National Association of College and University Business Officers (NACUBO)
- Remove definitions from Board policy to Business Procedures Manual (BPM)

7.2.4 Budget Amendments

- Remove language requiring Board approval for any amendment exceeding \$1,000,000 that involves state general fund appropriations, auxiliary enterprise funds or student activity funds
- Continuous review and system access provides increased oversight at System level

7.3.3 Tuition and Fee Payment and Deferral

- All tuition and fees are due and payable ~~upon registration~~ on or before the last day of the drop/add period for the specific academic term.
- Extend installment plan option to include housing and dining

2. Approval Item

Recommend:

Board Approve Revisions to Policy Manual
Section 7 – Finance and Business



Committee on Finance and Business Operations

February 13, 2018

