



11.2.5 Original Budget Funding Sources

Policy Statement

Pursuant to the policies of the University System of Georgia (USG), the University of Georgia shall prepare an operating budget for educational and general activities and an operating budget for auxiliary enterprises for the institution for each fiscal year within the limit of funds allocated plus estimated internal income of the institution.

Reason for policy

The University of Georgia budget is designed as a comprehensive fiscal plan for implementing its mission as a land-grant and sea-grant University with statewide commitments and responsibilities, as the State's oldest, most comprehensive, and most diversified institution of higher education. Our motto, "to teach, to serve, and to inquire into the nature of things," reflects the University's integral and unique role in the conservation and enhancement of the state's and Nation's intellectual, cultural, and environmental heritage. The implied values of the budget as a comprehensive fiscal plan for the institution include accountability, efficiency and efficacy.

Procedures

Funding sources for the University of Georgia's original budget involve:

- State Appropriations
- Student Tuition and Fees, which involves mandatory, housing, food services, and other elective fees
- Indirect Cost Recovery
- Student Technology Fees
- Continuing Education Fees
- Departmental Sales and Services
- Sponsored Operations

This money comes from students, the university itself, or external sources. The amount of funds to be obtained from each of these sources must be outlined in the budget plan.

More specific details about the procedures surrounding these 7 funding sources are outlined in the subtopics of this policy. Please see the Related Information section below for links to each funding source's applicable policy.

Additional contacts

Policy Contact: University Budget Office

Phone Number: 706-542-2802

Email: budgets@uga.edu

Policy definitions

State Appropriations: Each fiscal year the Georgia General Assembly allocates funds to higher education. After the bill is passed and signed by the Governor, the Board of Regents of the University System of Georgia makes allocations to the institutions within the System. Each institution of the System prepares an operating budget for educational and general activities and an operating budget for auxiliary enterprises of the institution for the fiscal year. This budget must be within the limit of these funds allocated plus estimated internal income of the institution. Insert link to applicable University Accounting policy, if available.

Tuition: shall be defined as payment required for credit-based instruction and related services that is charged to all students. Tuition rates for all System institutions and programs shall be approved annually no later than the May meeting by the Board of Regents to become effective the following fall semester.

Mandatory Student Fees: Fees that are paid by all students. They may be required by the Board of Regents or by the institution subject to approval by the Board of Regents. Mandatory fees shall include, but not be limited to:

1. Intercollegiate athletic fees
2. Student health service fees
3. Transportation or parking fees
4. Student activity fees
5. Technology fees
6. Facility fees
7. Green Fees

All mandatory fees shall be approved by the Board of Regents at its meeting in April to become effective the following fall semester.

Housing Fees: Fees paid by students who elect to live in institutional residential facilities. All housing fees, except for housing fees that are proposed to support debt service and operating costs on new housing projects funded with private funds, shall be approved by the institution president in April of each year.

Food Service Fees: Fees paid by students who elect to choose an institutional food service plan. All elective food service fees and those required for residential students shall be approved by the institution president in April of each year.

Other Elective Fees and Special Charges: Fees and charges that are paid selectively by students. These fees and charges may include, but are not limited to:

1. Resident hall deposits
2. Penalty charges
3. Non-mandatory parking fees and parking fines
4. Library fines
5. Laboratory fees
6. Post office box rentals
7. Course fees and supplementary costs for specific courses

Institutional presidents are authorized to establish and adjust these fees, as appropriate.

Indirect Cost Recovery: Indirect costs (or facilities and administrative costs) are institutional costs which are not readily identifiable with a particular project or activity, but which are necessary to the general operation of the institution and to the conduct of each of the activities performed. Facilities and administrative cost rates are determined in accordance with cost principles promulgated by the federal government. The University ensures the full recovery of facilities and administrative costs in all proposals submitted to prospective sponsors. In order to comply with Board of Regents accounting requirements, indirect cost recovery funds must be budgeted and expended in a unique operation within the existing university account structure.

Continuing Education and Tuition for Distance Learning Courses and Programs: Special tuition rates for distance education courses and programs may be charged. Distance learning courses and programs are defined as

those courses and programs in which 95% or more of class contact time is delivered by a distance technology. Special tuition rates may also be charged as part of agreements with customers, defined as corporations, organizations, agencies, or other legal entities, for the delivery of credit courses and programs. The course/program delivery shall be restricted to members of the customer group and their dependents, except upon agreement between the institution and the customer to permit nonmembers or nonemployees to enroll in courses/programs on a space-available basis.

Department Sales and Service(DSS): Some units within the University are authorized to provide services or products to customers. These services or products are normally provided as an adjunct to instruction or research activities through auxiliary enterprises, sales and services of educational activities and service centers within departments. Revenue resulting from department sales and services is budgeted.

Even though DSS accounts have their own funding source, a budget is required to be established and maintained each fiscal year to provide an estimate of the income and related expenses expected from the DSS activity and allow budget balance validation by transaction processes. Revenues and expenditures should be estimated and budgeted in the appropriate object codes. The total budget (revenue + expenditures) for the DSS account should be zero. Budget amounts in DSS accounts do not represent real funds, but are merely used to estimate anticipated revenues and expenditures from the DSS activity.

Sponsored Operations: Some units engage in a project – classified as Instruction, Research, and Public Service – funded by an external entity on the basis of a written proposal or scope of work. Restricted accounts are established based on the terms of the agreement and project-related expenses are paid out of the restricted accounts.

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Associate Vice President for Finance Division

Policy Owner: University Budget Office

Policy Contact: Ken McCollum

Phone Number: 706-542-2802

Record Retention

Citation or Reference: Annual Budget Records

Number: 0472-03-004

This series documents the annual institutional budget provided for inclusion in its Annual Adopted Operating Budget book. This series includes: operating budget expense by categories and functions report; estimated gifts, grants, contracts and clearing account summary report; student fee income and application of funds report; statewide public service source and application of funds; other reports specified by the Chancellor's Office; and institutional budget preparation instructions.

Retention: Annual operating budget: PERMANENT; All other records: 7 years.

Related information

[University System of Georgia Board of Regents Business Procedures Manual for Original Budget](#)

[Operating budget policies and budget amendment policies](#)

[Operating budget processes and budget amendment processes](#)

[University System of Georgia Board of Regents Records Management and Archives](#)

Policy Dates

Effective Date:

Date Last Updated: 12/22/2016

Date of Last Review:

Date of Approval:

Previous Version of Policy: