

# **FY 2024 All Funds Budget Initiative**

**Finance and Operations Committee**

**March 24, 2023**

# All Funds Budget: Goals and Objectives

- **Purpose:** Part of a UNC system-wide effort to improve transparency and strategic allocation of resources by budgeting all revenue streams that have historically not been part of an annual budget process.
- **The Board of Governors now requires all UNC System campuses to develop an “All Funds Budget” in an effort to:**
  - Better align resources with strategic priorities
  - Promote stewardship and financial sustainability
  - Enhance data and reporting capabilities across funding sources in order to better allocate resources
  - Better understand the impact of discrete decisions on the broader financial picture
  - Improve transparency and campus engagement
  - Strengthen the fiduciary responsibility of the Boards of Trustees

# All Funds Budget: Goals and Objectives

By requiring a more robust review of all institutional resources, this process provides a structural foundation for the execution of the System's strategic plan and the strategic plan of each constituent institution.

Funding Sources	Visibility	
	Previous Budget Development Processes	All-Funds Budget
Appropriations	YES	YES
Tuition	YES	YES
Fees	LIMITED	YES
Housing	---	YES
Dining	---	YES
Bookstores	---	YES
Parking & Transportation	---	YES
Athletics	---	YES
Contracts & Grants	---	YES
Other Trusts Funds	---	YES
Key Organization Units	---	YES

# Institution-Specific Strategic Priorities

**App State's Strategic Plan (2022-2027): “*Empowering Human Potential through the Appalachian Experience*”**

- **Priority 1:** Providing Exceptional Educational Experiences
- **Priority 2:** Advancing Research, Innovation and Creativity
- **Priority 3:** Advancing Local, Regional and Global Engagement
- **Priority 4:** Advancing Diversity, Equity and Inclusion
- **Priority 5:** Investing in Faculty and Staff Excellence
- **Priority 6:** Strengthen Resilience and Sustainability

# System-wide Strategic Goals

## UNC System Strategic Plan (2017-2022): “Higher Expectations”

- **Category 1:** Access
- **Category 2:** Student Success
- **Category 3:** Affordability and Efficiency
- **Category 4:** Economic Impact and Community Engagement
- **Category 5:** Excellent and Diverse Institutions

## Other UNC Strategic Priorities:

- Student Affordability
- Support for Campus Safety
  - BOG requires FY 2024 budgeted expenses in the Public Safety unit to be equivalent to or exceed the budgeted expenses in this unit for FY 2023

# All Funds Budget: Instructions

Two required components to be submitted no later than **May 3, 2023**

## 1. Budget Template

- Prepared on a modified cash basis
- Non-cash expenses (e.g. depreciation) not included
- The following funds are also excluded: capital improvements, endowment, foundations, loan funds and agency funds

## 2. Two-Page Narrative

- Should indicate how the all-funds budget reflects investment in mission-aligned activities and addresses institution-specific and system-wide policy priorities.

# All Funds Budget: Fund Types

<b>Fund Type</b>	<b>Includes</b>	<b>Source</b>
General Fund	State Appropriations, Tuition, Graduate Tuition Increments, Educational Receipts, Summer Receipts	FY 2023 base budget overlaid with anticipated changes for employee salary & benefits increases, enrollment changes and projected new general funds
Auxiliary & Other Trust Funds	Auxiliaries, Student Fees and Unrestricted Trust Funds	FY 2024 budget projections provided by Auxiliary & Fee-supported units
Overhead Receipts	Federal Facilities and Administrative Cost (F&A Receipts)	Centrally projected based upon historical actuals
Restricted Trust Funds	Restricted Trust Funds (e.g. scholarships, professorships) and Contracts & Grants	Centrally projected based upon historical actuals

# All Funds Budget: Structural Elements

- Template requires reporting across common academic and administrative organizational structures
- Increases the University's ability to use financial data to make strategic decisions
- Provides valuable information on how the institution uses resources to plan and meet its strategic goals

Specified Units	
College of Arts and Sciences	Facilities
College of Business	Human Resources
College of Education (incl. lab schools)	Information Technology
College of Health Sciences	Public Safety
College of Fine and Applied Arts	Advancement
School of Music	Dining
Academic Affairs	Housing
Student Affairs	Parking & Transportation
Financial Aid	Athletics
Library	Student Health
Sponsored Research	Other Auxiliaries
University Administration	New River Light and Power
Finance & Operations	

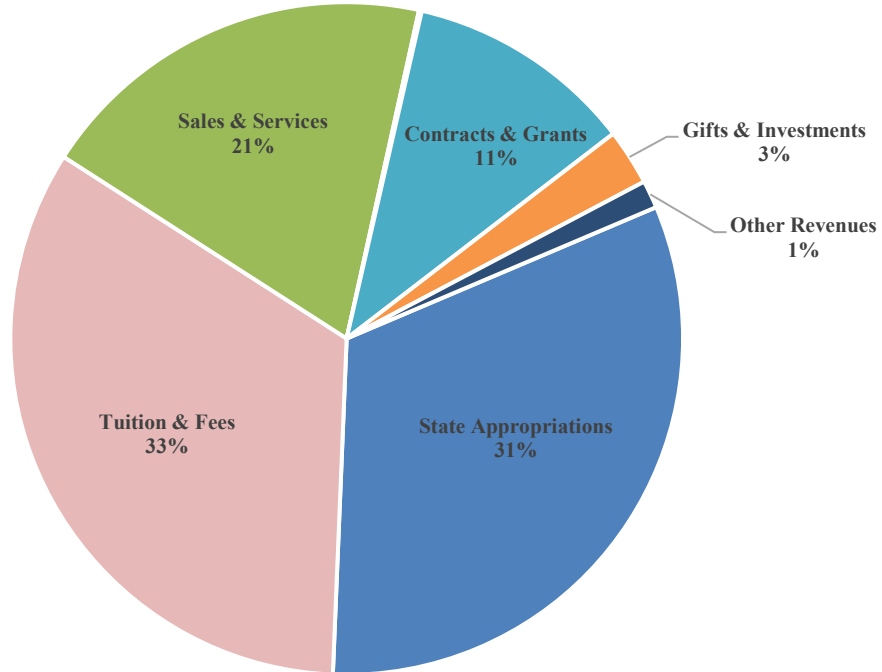


**Appalachian State University  
FY 2023-24 All-Funds Budget**

		General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues	State Appropriations	\$ 185,952,000	\$ -	\$ -	\$ -	\$ 185,952,000
	Tuition & Fees	\$ 116,770,000	\$ 77,224,000	\$ -	\$ -	\$ 193,994,000
	<i>Less Discounts and Allowances</i>	\$ (21,900,000)	\$ (21,840,000)	\$ -	\$ -	\$ (43,740,000)
	Sales & Services	\$ 2,065,000	\$ 118,878,000	\$ -	\$ 354,000	\$ 121,297,000
	Patient Services	\$ -	\$ 800,000	\$ -	\$ -	\$ 800,000
	Contracts & Grants	\$ 5,435,000	\$ -	\$ -	\$ 58,288,000	\$ 63,723,000
	Gifts & Investments	\$ 2,000	\$ 6,774,000	\$ -	\$ 8,913,000	\$ 15,689,000
	Other Revenues	\$ 757,000	\$ 4,988,000	\$ 2,000,000	\$ -	\$ 7,745,000
<b>Revenues Total</b>		<b>\$ 289,081,000</b>	<b>\$ 186,824,000</b>	<b>\$ 2,000,000</b>	<b>\$ 67,555,000</b>	<b>\$ 545,460,000</b>
Expenses	Salaries and Wages	\$ 195,624,000	\$ 54,458,000	\$ 969,000	\$ 8,114,000	\$ 259,165,000
	Staff Benefits	\$ 65,563,000	\$ 17,254,000	\$ 381,000	\$ 2,130,000	\$ 85,328,000
	Services, Supplies, Materials, & Equip.	\$ 25,709,000	\$ 82,185,000	\$ 198,000	\$ 9,158,000	\$ 117,250,000
	Scholarships & Fellowships	\$ 15,388,000	\$ 12,565,000	\$ -	\$ 47,712,000	\$ 75,665,000
	<i>Less Discounts and Allowances</i>	\$ (9,461,000)	\$ (5,541,000)	\$ -	\$ (28,738,000)	\$ (43,740,000)
	Debt Service	\$ 2,052,000	\$ 22,687,000	\$ -	\$ -	\$ 24,739,000
	Utilities	\$ 6,102,000	\$ 4,379,000	\$ -	\$ -	\$ 10,481,000
	Other Expenses	\$ 2,346,000	\$ 9,329,000	\$ -	\$ -	\$ 11,675,000
<b>Expenses Total</b>		<b>\$ 303,323,000</b>	<b>\$ 197,316,000</b>	<b>\$ 1,548,000</b>	<b>\$ 38,376,000</b>	<b>\$ 540,563,000</b>
<b>Net Transfers</b>		<b>\$ 4,881,000</b>	<b>\$ (10,188,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,307,000)</b>
<b>Change in Fund Balance</b>		<b>\$ (9,361,000)</b>	<b>\$ (20,680,000)</b>	<b>\$ 452,000</b>	<b>\$ 29,179,000</b>	<b>\$ (410,000)</b>

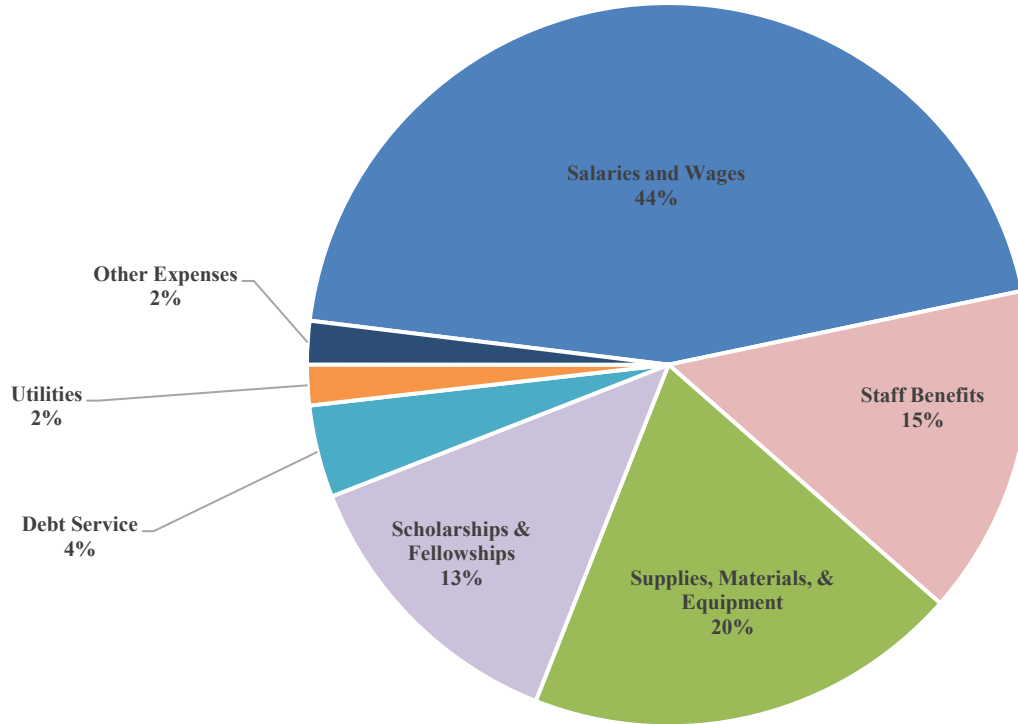
- 1) General Fund net transfers (\$4.8M) represent Auxiliary Overhead support for services rendered to the auxiliary units and Campus Security Fee support for Police and Title IX positions.
- 2) Auxiliary & Other Trust net transfers are largely comprised of transfers out for capital improvement projects and capitalized equipment leases (\$7.3M) and auxiliary overhead assessments.
- 3) UNC System guidance now requires campuses to include discounts & allowances applied to tuition, fees and auxiliary sales & services which results in negative fund balance changes in the General Fund and Auxiliary & Other Trust fund types.

# Budgeted Revenue (FY24)



3/24/2023

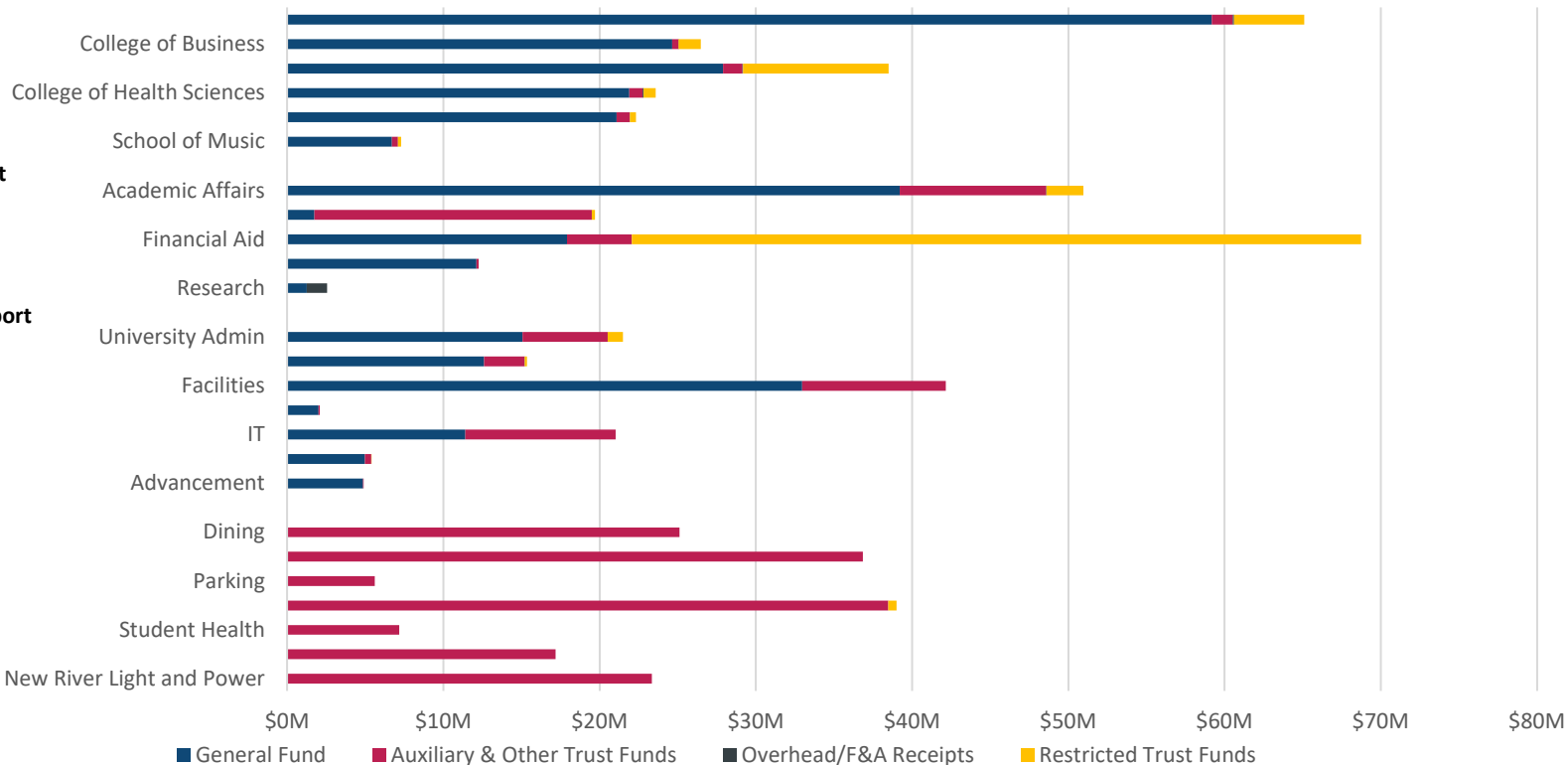
# Budgeted Expenses (FY24)



3/24/2023

# Operating Expenses by Unit

## Academic Units



## Academic Support

## Institutional Support

## Auxiliaries

3/24/2023

# All Funds Budget: Action Item

**Action Item:** Approval recommended for the Fiscal Year 2023-24 All Funds Budget for App State as presented to the committee.