FY23 All-Funds Budget

December 6, 2021

Agenda

1. Welcome

2. Strategic Plan Overview and the All-Funds Budget

3. Overview of All-Funds budget template

4. Campus review of All-Fund Budget templates and feedback process

5. Submission process and timeline

6. Questions

NC State's All-Funds Budget

Strategic Planning:
- Leadership level commitment to the All Funds Budget
- The Provost Office and OFA work closely on University wide financials
  - Routine budget meetings to evaluate financial needs
  - Continually looking towards how to accomplish strategic goals through comprehensive budget planning

Improved Actionable Intelligence:
- The All Funds Budget will increase the University's ability to use financial data to make strategic decisions
- The implementation of the All Funds Budget will result in the expansion of current and future budgeting and financial tools
- The All Funds Budget will additionally provide valuable information on how we use resources to plan and meet our strategic goals

NC State's All-Funds Budget

- **Purpose:** Part of a UNC system-wide effort to **improve transparency and strategic allocation of resources by budgeting all revenue streams** that historically have not been part of an annual budget process.

- **Budgeting is a common best practice and benefits of the initiative include:**
  - Better aligning NC State's resources with our strategic priorities
  - Seeking the highest and best use of all of our funds
  - Enhancing our use data and reporting capabilities across funding sources to make the best allocation decisions
  - Improving understanding the impact of discrete decisions on the broader financial picture
  - Engaging campus leadership in budget details to help inform decisions at all levels of the university

NC State's All-Funds Budget

- Focused on developing an All-Funds Budget model that is:
  - Sustainable
  - Evolves and matures over time
  - Benefits NC State in addition to meeting UNC System Office reporting obligations

- Timeframe for developing the FY23 All-Funds Budget is short

- Teams are working collaboratively across the divisions and keeping the project on track.

All-Funds Budget Instructions

- **Three Required Components**

    1. Two-Page Narrative

    2. Budget Template

    3. Campus Process Checklist

Two-Page Narrative

- **How the campus is allocating its resources to accomplish the following:**

1. **Progress towards system-wide strategic goals**
   - Improvement in affordability (including components of cost of attendance in addition to tuition/fees)
   - Timely completion of undergraduate degrees
   - Productivity (cost per positive outcome)
2. **Progress towards institution strategic goals**
3. **Improved efficiency**
   - Eliminating duplication, consolidating programs, reducing administration
   - Assessing personnel growth and alignment with strategic vision using the BOG's 2016-2020 Workforce Analysis Summary
   - Articulating specific strategies and an estimated savings generated to be repurposed for higher priorities or structural budget shortfalls

NC State's 2021-2030 Strategic Plan Goals

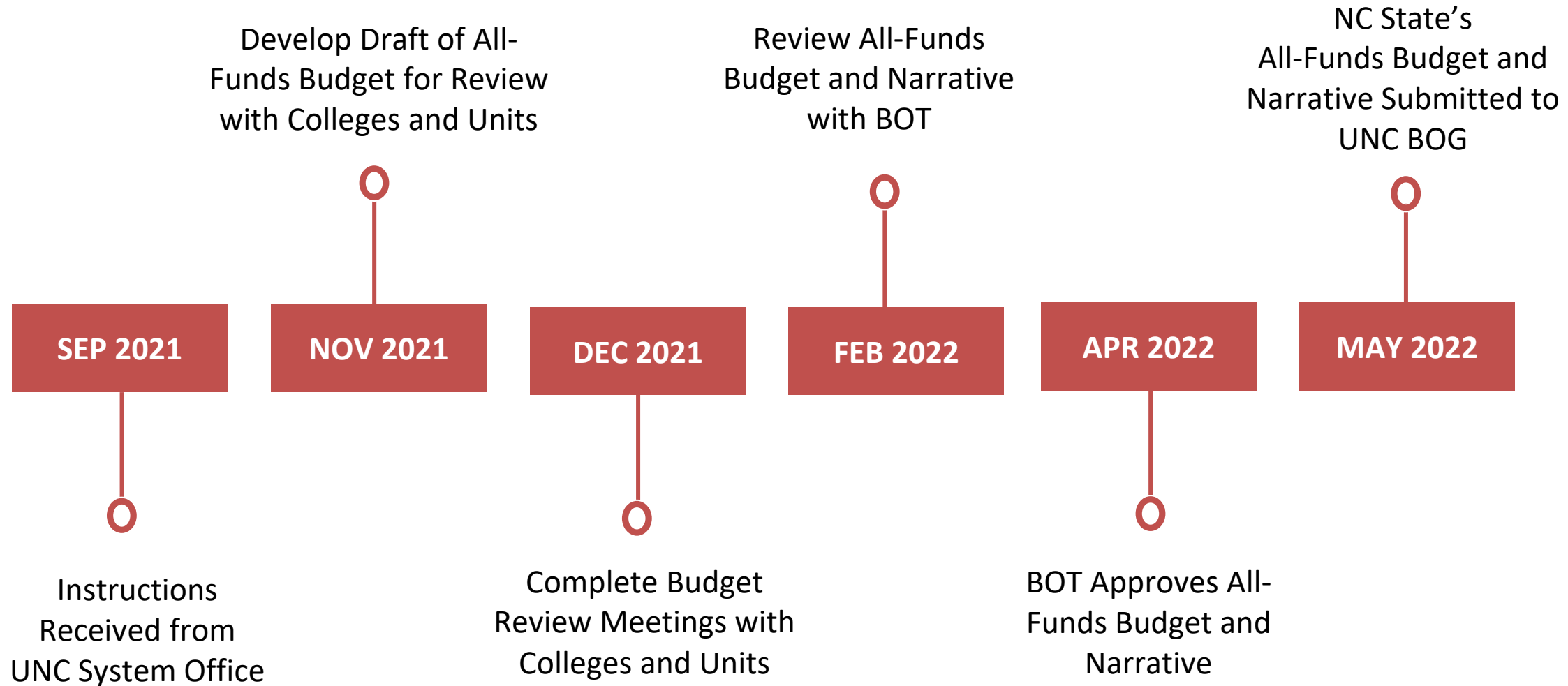## Wolfpack 2030: Powering the Extraordinary Goals

> **Goal 1:** Empower students for a lifetime of success and impact.

> **Goal 2:** Ensure preeminence in research, scholarship, innovation and collaboration.

> **Goal 3:** Expand and advance our engagement with and service to North Carolina and beyond, defining the standard for a 21st-century land-grant university.

> **Goal 4:** Champion a culture of equity, diversity, inclusion, belonging and well-being in all we do.

> **Goal 5:** Improve university effectiveness through transformative technologies, cutting-edge processes and actionable data.

> **Goal 6:** Lead in developing innovative partnerships, entrepreneurial thinking and applied problem-solving.

> **Goal 7:** Elevate the national and global reputation and visibility of NC State.

Progress toward goals – strategic metrics

1. **Empower students for a lifetime of success and impact.**
   - Increased 5 and 6 year graduation rate
   - Decreased time to completion – Master's and Doctoral students
   - Increased number of degrees and certificates
2. **Ensure preeminence in research, scholarship, innovation and collaboration.**
   - Increased number of faculty
   - Increased research expenditures
   - Increased number of faculty awards including the number of National Academy members
   - Increase number of funded interdisciplinary projects
3. **Expand and advance our engagement with and service to North Carolina and beyond, defining the standard for a 21st century land-grant university.**
   - Quantify engagement activities and develop metrics to focus on improvement
4. **Champion a culture of diversity, equity, inclusion, belonging and well-being in all we do.**
   - Develop disaggregated metrics related to student and faculty success
   - Review survey questions and identify as needed additional survey questions as metrics for equity inclusion, belonging and well-being
5. **Improve university effectiveness through transformative technology, cutting-edge processes and actionable data.**
   - Adopt efficiency and productivity measures provided by UNC-SO as appropriate and relevant to NC State.
6. **Lead in developing innovative partnerships, entrepreneurial thinking and applied problem solving.**
   - Increase number of commercialization agreements and start-up companies
7. **Elevate the national and global reputation and visibility of NC State.**
   - Increase the number annual donors , Increase the endowment, Improve rankings

All-Funds Budget Timeline

SEP 2021 — Instructions Received from UNC System Office

NOV 2021 — Develop Draft of All-Funds Budget for Review with Colleges and Units

DEC 2021 — Complete Budget Review Meetings with Colleges and Units

FEB 2022 — Review All-Funds Budget and Narrative with BOT

APR 2022 — BOT Approves All-Funds Budget and Narrative

MAY 2022 — NC State's All-Funds Budget and Narrative Submitted to UNC BOG

All-Funds Budget Template – 29 Reporting Units

Academic Units
College of Agriculture and Life Sciences
College of Design
College of Education
College of Engineering
College of Humanities and Social Sciences
College of Natural Resources
College of Sciences
College of Veterinary Medicine
Poole College of Management
Wilson College of Textiles
Libraries
Academic Affairs
Student Affairs

Administrative Units
Student Financial Aid
University Administration
Business Affairs
Facilities
Advancement
Human Resources
Information Technology
Public Safety
Sponsored Research

Auxiliary Units
Athletics
Dining Services
Student Housing
Parking
Student Health
McKimmon Center
Other Auxiliaries

UNC System All-Funds Budget: Budgeting Conventions

- **UNC System has developed a set of "Budgeting Conventions"**
- **These conventions serve as a rubric for how we should categorize and classify budget and expenditures**
- **The full document can be found [here,](#) but below are some key highlights:**

Accounting Basis

Budgets should be prepared on a modified cash basis. Revenues should be included as these are earned, so unearned revenue should not be included. Non-cash expenses (e.g., depreciation) should not be included. Planned eliminations should be included in the university-wide budget as outlined under "Internal Transfers – University" and should not be included in the unit-specific budgets. Other accruals generally do not need be budgeted.

Business Affairs Unit

While many university transactions often flow through the business affairs unit, the budget for the unit should only reflect the activity related directly to Business Affairs.

Contracts and Grants

Multi-year contracts and grants should be budgeted annually on an expense reimbursement basis. Revenues should be budgeted in the year that expenses are expected to occur.

Enrollment Funding & CITI:

Appropriation for enrollment funding should be included in the budget as requested in the short session budget priorities for FY 2023. *** *Enrollment Growth Funding and CITI funding will NOT be budgeted at the college level for FY23, instead, it will be budgeted at the University level*.

Sample: All-Funds Budget Template

College of Design		General Fund	Auxiliary & Other Trust Funds	Overhead Receipts	Restricted Trust Funds	Total
Revenues	State Appropriation, Tuition, & Fees					$ -
	Sales & Services					$ -
	Patient Services					$ -
	Contracts & Grants					$ -
	Gifts & Investments					$ -
	Other Revenues					$ -
Revenues Total		$ -	$ -	$ -	$ -	$ -
Expenses	Salaries and Wages					$ -
	Staff Benefits					$ -
	Supplies, Materials, & Equipment					$ -
	Services					$ -
	Scholarships & Fellowships					$ -
	Debt Service					$ -
	Utilities					$ -
	Other Expenses					$ -
Expenses Total		$ -	$ -	$ -	$ -	$ -
Transfers	Transfers In					$ -
	Transfers Out					$ -
Net Transfers		$ -	$ -	$ -	$ -	$ -

Fund Type #1: General Fund

General Fund:

a. Budget Codes 16030, 16031 and 16032
b. Includes state appropriated receipts and federal appropriations

Budgets were developed by starting with the continuing budget in Peoplesoft and incorporating:

a. Changes in the State Budget
   i. LI/ARP
   ii. Benefits Adjustments
   iii. Building Reserves
   iv. Enrollment Funding
b. CITI requested increases approved by BOT
c. Allocation of personnel benefits pool for 16030 (excluding summer on-campus and appropriated receipts)

Fund Type #2: Auxiliary & Other Trust Funds

Auxiliary & Other Trust Funds:

a. Auxiliaries (Class 32)
b. Discretionary Trust Funds (Class 33)
c. Service Centers (Classes 3410, 3420)
d. Miscellaneous Sales and Service (Class 38)

Budgets were projected by:

a. Applying the rate of change between FY18 and FY20 to FY20 actuals to project the FY22 All-Funds Budget.
b. FY23 is projected by applying the rate of change to the FY22 projection.
c. FY21 was excluded due to significant disruptions from COVID.
d. If the projections obviously misstated a budget, manual adjustments were made.
e. Salary increases of 2.5% in FY22 and additional 2.5% in FY23 were included. (5% total over 2 fiscal years)

Fund Type #3: Overhead Receipts (F&A):

Overhead Receipts:

a. F&A Receipts (Classes 261, 262)

Budgets were projected by:

a. F&A budgets in Peoplesoft include carryforwards which may materially over-state annual spending. The intent of the All-Funds Budget is to reflect future projected annual spending.

b. The FY22 and FY23 budgets were developed using the same Calculated Projection methodology used for Auxiliary and Other Trusts.

c. An additional increase factor applied to reflect projected F&A revenue of $63M in FY22 and $66M in FY23 at the university level.

d. Salary increases of 2.5% in FY22 and an additional 2.5% in FY23 were included.

Fund Type #4: Restricted Trust Funds

Restricted Trust Funds:

a. Student Fee Accounts (Class 35)
b. Vet School Accounts - Practice Plan (Class 36)
c. Centennial Campus (Class 37)
d. Education & Technology Fee (Class 39)
e. Contracts and Grants (Classes 501-504, 511-513, 551-553, 562, 563)
f. Gifts (Classes 73, 79)
g. Debt Service Fees (Class 8330)

Budgets were projected using same methodology as Auxiliary and Other Trusts

One exception: Contracts and Grants used FY19-FY21 as the three-year rate of change used to project budgets.)

Crosswalk Document

- Crosswalk between Chartfield categories and the All Funds Budget units, fund types, and account groupings.
- There are three (3) types of Unit Categories: Academic Unit, Administrative Unit and Auxiliary Unit are discreetly presented.
  - Note: The sum of the specific units, will not equal the sum of the university total
  - Refer to this document to locate how your unit is mapped

All Funds Budget - Department to Unit Category Mapping

Type of Unit Category	Unit Category	NCSU Depts that Map to Unit Category
Academic Unit	College of Agriculture and Life Sciences	11
Academic Unit	College of Design	12
Academic Unit	College of Education	13
Academic Unit	College of Engineering	14
Academic Unit	College of Natural Resources	15
Academic Unit	College of Humanities and Social Science:	16
Academic Unit	College of Sciences	17
Academic Unit	College of Textiles	18
Academic Unit	College of Veterinary Medicine	19
Academic Unit	College of Management	20

NC State University All Funds Budget

| All-Funds Budget		FY 2022					FY 2023				
		General Fund	Auxiliary & Other Trust Funds	Overhead Receipts	Restricted Trust Funds	Total	General Fund	Auxiliary & Other Trust Funds	Overhead Receipts	Restricted Trust Funds	Total
Revenues	State Appropriation					-					-
	Tuition & Fees					-					-
	Sales & Services					-					-
	Patient Services					-					-
	Contracts & Grants					-					-
	Gifts & Investments					-					-
	Other Revenues					-					-
Revenues Total		-	-	-	-	-	-	-	-	-	-
Expenses	Salaries and Wages					-					-
	Staff Benefits					-					-
	Supplies, Materials, & Equip					-					-
	Services					-					-
	Scholarships & Fellowships					-					-
	Debt Service					-					-
	Utilities					-					-
	Other Expenses					-					-
Expenses Total		-	-	-	-	-	-	-	-	-	-
Transfers	Transfers In					-					-
	Transfers Out					-					-
Net Transfers		-	-	-	-	-	-	-	-	-	-

Evaluating Your Unit

Units are asked to:

- Validate that the FY22 and FY23 All-Fund Budget amounts do not *materially misstate* your proposed spending and revenue.
- Communicate your recommended corrections/adjustments to the All-Funds Budget Workgroup.
- Help provide context and explanations for transfers in your budget.
- Help explain substantial differences between previous year actual expenditures and revenues, FY22, and FY23 budgets.
- Highlight any significant reallocations of resources proposed in your budgets.
- **All-Funds Budget Guidance Document** provides additional details to assist you with your review.

All Funds Budget Query Guide:

- Step by step instructions on how to run the various PeopleSoft queries that have been developed for your specific use. ***Currently available in PeopleSoft!***

The queries are located in the MyPack Portal under the Queries and Reports Tile (Financial System Homepage) under the All Funds Budget folder.
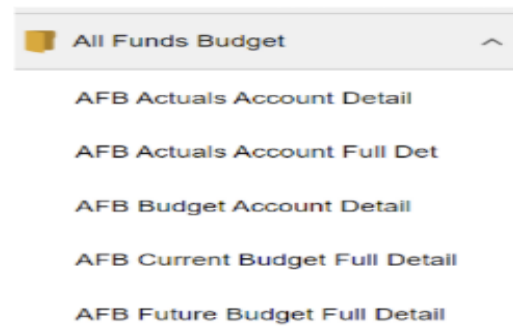
Submission Process

- **_QUESTIONS:_** The University Budget Office and the Office of the Provost are available for assistance in reviewing templates, for **_direct questions_**, please submit a request via this [FORM](). Please select "Question" in the first data entry field.
  - *Following these procedures will ensure quick responses from our offices.

- **_BUDGET SUBMISSION:_** To submit the final version of your budget, complete this [FORM](), and select **_"Budget Submission"_**

Timeline for Feedback and Next Steps

December 22   * Deadline to submit feedback on your college/unit All-Funds Budget.

Early January   * All-Funds Budget Workgroup reviews feedback from colleges and units.

Mid-January   * Final draft of the All-Funds Budget shared with colleges and units.

                   * Chancellor and Executive Officers review final draft of All-Funds Budget.

January 21   * All-Funds Budget materials due to Chancellor for BOT meeting.

February 4   * All-Funds Budget provided to NC State BOT.

Questions?