

Academic Affairs Budget and College Finance Review

Department Chair Leadership Academy

April 2021

Nidia Goitia

Director, Finance and Operations – College of Science and
Mathematics

Callie Juarez

Director of Academic Budget Management

Department Budget

What is one word or phrase when you think of your department's budget?

Agenda

1. Terminology
2. California and CSU Budgets
3. CSUN and Academic Affairs Budget
4. College Finances
5. Typical Funds in College
6. Questions from Chairs



Terminology

What is the difference between accounting, budgeting and finance?



General Accounting and Fund Accounting



General Accounting

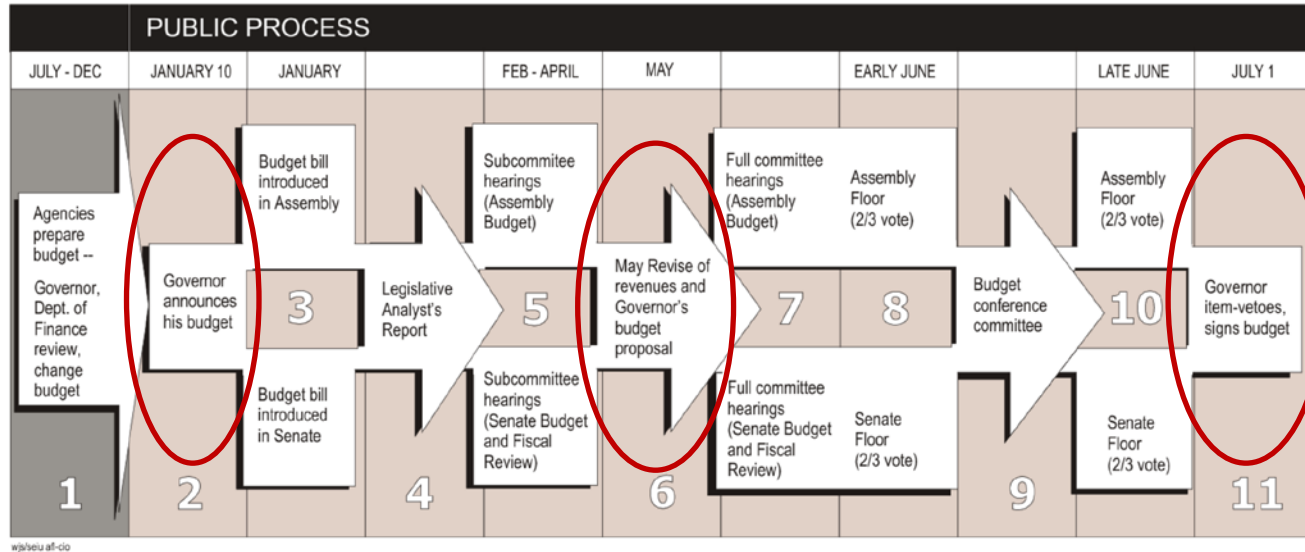
- An accounting system that emphasizes accountability rather than profitability

Fund Accounting

- Self-balancing set of accounts, with identified sources of income and segregated for specific uses in accordance with laws, regulations, or special restrictions or limitations

California and CSU Budgets

THE CALIFORNIA STATE BUDGET PROCESS



Source: Full Court Press Communication, <http://fcpccommunications.com/wp-content/uploads/2014/05/40698513-budget.png>, downloaded 03/18/19

ATTACHMENT B - Operating Budget Revenues (Sources)
2020-21 Final Budget Allocations

CSU Budget



	(1)	(2)	(3)	(4)
	2020-21 Gross Tuition	2020-21 Other Fees	2020-21 General Fund	2020-21 Gross Operating Revenues
	<i>(Attach. D, Col. 6)</i>	<i>(Coded Memo B 2019-02, Attach. D)</i>	<i>(Col. 4 - Cols. [1 + 2])</i>	<i>(Attach. A, Col. 5)</i>
Bakersfield	\$52,814,000	\$8,272,000	\$83,536,000	\$144,622,000
Channel Islands	37,598,000	3,369,000	85,534,000	126,501,000
Chico	92,269,000	16,200,000	131,838,000	240,307,000
Dominguez Hills	77,720,000	12,698,000	103,393,000	193,811,000
East Bay	84,987,000	22,152,000	101,656,000	208,795,000
Fresno	133,279,000	15,960,000	168,454,000	317,693,000
Fullerton	204,649,000	42,620,000	208,911,000	456,180,000
Humboldt	46,687,000	10,548,000	85,580,000	142,815,000
Long Beach	204,614,000	41,387,000	227,052,000	473,053,000
Los Angeles	125,752,000	27,109,000	180,509,000	333,370,000
Maritime	7,371,000	4,034,000	34,443,000	45,848,000
Monterey Bay	38,520,000	5,081,000	81,378,000	124,979,000
Northridge	191,721,000	36,936,000	232,422,000	461,079,000
Pomona	126,672,000	32,074,000	158,003,000	316,749,000
Sacramento	156,826,000	19,179,000	185,106,000	361,111,000
San Bernardino	101,215,000	22,108,000	129,724,000	253,047,000
San Diego	195,905,000	88,709,000	198,054,000	482,668,000
San Francisco	169,418,000	40,780,000	179,928,000	390,126,000
San Jose	168,749,000	64,179,000	173,637,000	406,565,000
San Luis Obispo	117,480,000	89,893,000	141,830,000	349,203,000
San Marcos	61,694,000	21,489,000	100,325,000	183,508,000
Sonoma	49,338,000	6,966,000	73,129,000	129,433,000
Stanislaus	52,148,000	7,341,000	76,815,000	136,304,000
Campus Total	\$2,497,426,000	\$639,084,000	\$3,141,257,000	\$6,277,767,000
Chancellor's Office & Systemwide Programs	2,948,000		148,299,000	151,247,000
Center for California Studies			4,663,000	4,663,000
Summer Arts	639,000		35,000	674,000
Systemwide Provisions			87,992,000	87,992,000
Systemwide Capital & Infrastructure			340,560,000	340,560,000
CSU System Total	\$2,501,013,000	\$639,084,000	\$3,722,806,000	\$6,862,903,000

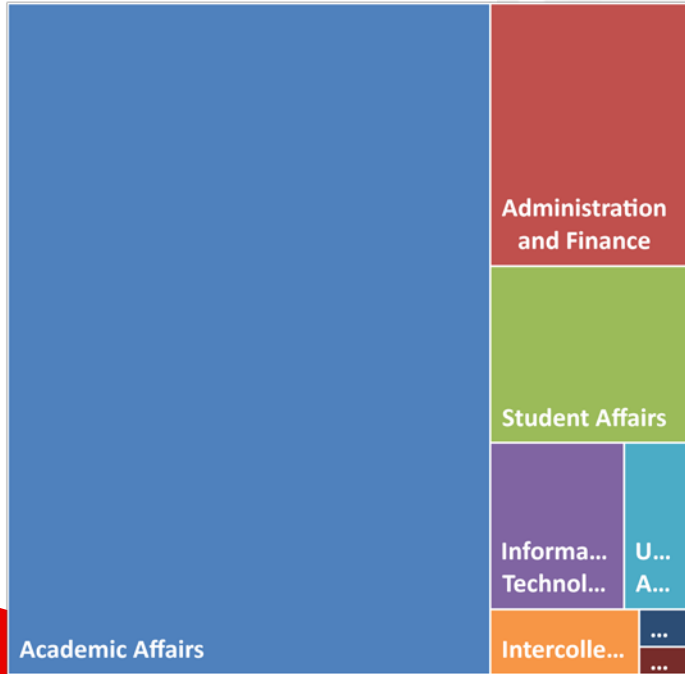
Northridge is 6.7% of Total CSU General Fund Budget

CSUN and Academic Affairs Budget

CSUN Budget

2020/21 Beginning General Fund Allocations by Division

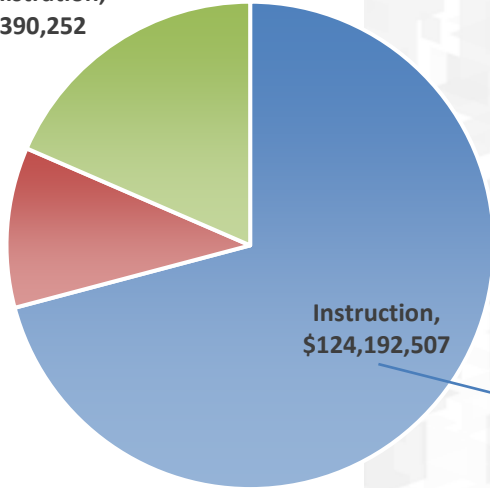
Academic Affairs Receives 70% of the Total General Fund Allocation of the University



Academic Affairs	175,225,866
Administration and Finance	28,594,793
Student Affairs	19,177,817
Information Technology	12,066,805
University Advancement	6,050,234
Intercollegiate Athletics	5,280,482
President's Administrative Unit	1,056,367
Diversity & Inclusion	779,074
TOTAL GENERAL FUND ALLOCATION TO DIVISIONS	248,231,438

Academic Affairs Budget 20/21 Beginning Base Budget

Academic Affairs
Administration,
\$32,390,252



Academic
Support
Services,
\$18,643,107

Instruction,
\$124,192,507

2020-21 Instruction Budget		
MCCAMC	\$	17,723,101
DNCBE	\$	15,123,697
MDECOE	\$	10,513,263
CECS	\$	10,183,494
CHHD	\$	16,766,133
COH	\$	16,475,923
CSM	\$	18,898,332
CSBS	\$	18,020,511
AFYE	\$	488,053
Total	\$	124,192,507

College Finances

Decentralized Model

- Communicating and Disclosing Operations
- Balancing Budgets
- Meeting FTES Targets
- Implementing Consistent Practices
- Accountability



Disclaimer: All Colleges manage their budgets differently

**This represents how the college receives funding from Academic Affairs
Please consult DFO for how it is allocation to departments**

CSUN Policy on Fiscal Responsibility

- Expenditures don't exceed available resources
- Funds are expended for intended purposes in the appropriate time period
- There are internal controls to protect from misuse
- Purchases comply with campus policies



Future Planning

- Generation of alternative funds
 - Extended Learning, fundraising, grants/IDC
 - Others?
- Planning
 - Equipment refresh
 - Wish lists (for windfalls, donors, etc.)
 - Contingencies



Reconciliation

- Regular (monthly) account reconciliation
 - Operating Expenses
 - Payroll
- Deadlines
 - University Year-end calendar
 - Internal College Deadlines



Typical Funds in Colleges

Funds in Colleges

- General
- Lottery
- Campus Quality Fee
 - Course Materials Awards
 - Student Support
 - Technology
- State Trust
 - Program Reinvestment
- Auxiliary
 - The University Corporation
 - The University Foundation

General Fund - 48501

- Allocated to Colleges by Academic Affairs
 - Salaries
 - Operating
- Balance at end of fiscal year can be carried forward
- Allocation is a **Historical/Incremental Budget Model**

General Fund - 48501

Historical/Incremental Budget Model

College of Dark Magic	19/20FY
	General Fund
BASE BUDGET ALLOCATION	\$25,000,000
PERMANENT ADJUSTMENTS TO BASE	
Permanent Base Reduction	(\$1,000,000)
Faculty Promotions	\$100,000
Faculty Retirements and Resignations	(\$200,000)
New Faculty Hires	\$100,000
General Staff Salary Increases	\$500,000
NEW BASE BUDGET	\$24,500,000
ONE TIME ADJUSTMENTS	
Headmaster One-Time Allocations	\$200,000
19/20 BUDGET	\$24,700,000

Lottery – 48101/48501 (instructional)

- Academic Affairs allocates to Colleges based on a **Formula**
- Funds are earmarked for Instructional and Replacement of Equipment
- Balances at end of fiscal year cannot be carried forward

Lottery – 48101/48501 (instructional)

Formula

- **25%** Inventory (Asset Management Equipment Inventory Report)
- **25%** IT Purchases across all funds
- **25%** Lab & Activity Section Counts
- **25%** Total FTES Target by College

Campus Quality Fee (CQF) Course Materials – 48520

- Allocation is a **Historical Formula**
 - Base allocation is based on lab fees collected in 11/12 (\$1,000,500 total)
 - Funds beyond \$1,000,500 allocated as: % of 3 year average of expenses in account code **660804**
- No Carry-Forward, funds must be expended by June 30
- Funds are earmarked as follows.....

CQF Course Materials – 48520

Appropriate Uses of Fund

- Expenses must be directly related to instruction; **AND**
- Expenses must be directly related to courses/labs
 1. No payroll transactions
 2. No faculty research-related expenses
 3. No administrative-related expenses
 4. No travel or field trip expenses
 5. No capital projects
 6. No furniture

CQF Award - 48521 Student Support and 48522 Technology

Grant Process

- Proposals for next academic year due mid-December
- Awarded in May/June
- Earmarked

Expenses

- Based on budget provided as part of the proposal
- Changes to budget must be approved by VPSA

Carry-forward

All funds must be expended by June 30th

- Student Assistants last day of work May 31st

State Trust Funds

- Established via ***State Trust Account Application*** to deposit funds collected from Non-State funding sources.
- Funds are deposited into the trust account for specific purposes related to the program.
- State Trust Account Applications must be updated every three years
- Balance at end of fiscal year can be carried forward
- There are multiple types of State Trust Fund Accounts.....

Types of State Trust Accounts

- Instructional Related Activities (IRA) awards
 - Budget approved by IRA Board
 - IRA accounts require an application to be filed annually
 - Funds are earmarked
 - Carry-Forward – all funds must be expended by June 30th
- Centers and Institutes
 - Revenue for services
- College specific revenue generating activities (Program Reinvestment via Tseng)

Program Reinvestment (State Trust Fund) - 444xx

- Revenue for: Degree programs, Open University, winter session and summer session courses allocated to College
- Revenue Split:
 - 70%-Program Reinvestment (444xx)
 - 30%-Cost Recovery (48540)
- Balance at end of fiscal year in 444xx can be carried forward

Program Reinvestment (State Trust Fund)

444xx

Allowable Expenditures

In accordance with Education Code section 89704 (Statutes of 1976), the following types of costs will be allowable expenses for expending PaCE funds:

- Salaries and Benefits – includes staff, administrative personnel, special pay, and student assistants
- Operating Costs
- Travel
- Research
- Grants and Awards
- Facilities acquisition/construction/improvement (in accordance with EC Section 89704 (d))

Auxiliary Funds (separate 501(c)(3) entities)

The University Corporation (TUC)


TUC provides commercial and administrative services to CSUN and also manages sponsored programs. Sponsored programs grantor is an agency of the local, state, or federal government.

CSUN Foundation

The CSUN Foundation is responsible for accepting, managing, investing and disbursing all CSUN related philanthropic funds.

- Scholarships and Restricted/unrestricted gifts

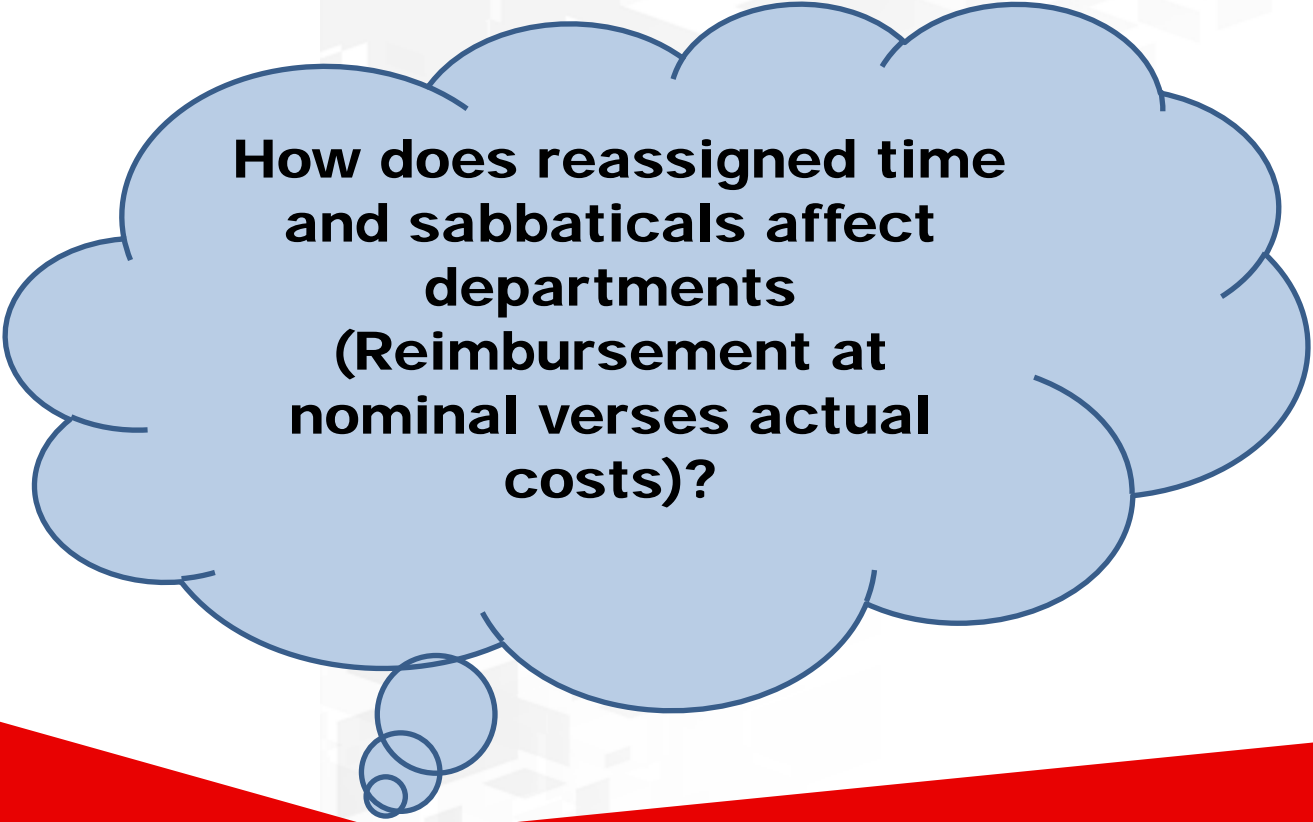
Questions from Chairs



What tools are available to help chairs plan budgets?

Answer

- **Part-time faculty is the largest expense in any department**
 - **To plan your schedule – the SOC worksheet is available for planning not only the schedule but expected part-time faculty costs**
- **Previous years financial statement**
- **Goals/Strategic Plan of college and department**



How does reassigned time
and sabbaticals affect
departments
(Reimbursement at
nominal versus actual
costs)?


Answer

Reassigned time creates additional department costs through hiring part-time faculty to teaching the reassigned course.

Funding for semester sabbaticals is provided to the college from Academic Affairs at the standard rate

Standard rate – assistant Professor minimum rate

2021 = \$2018 per unit

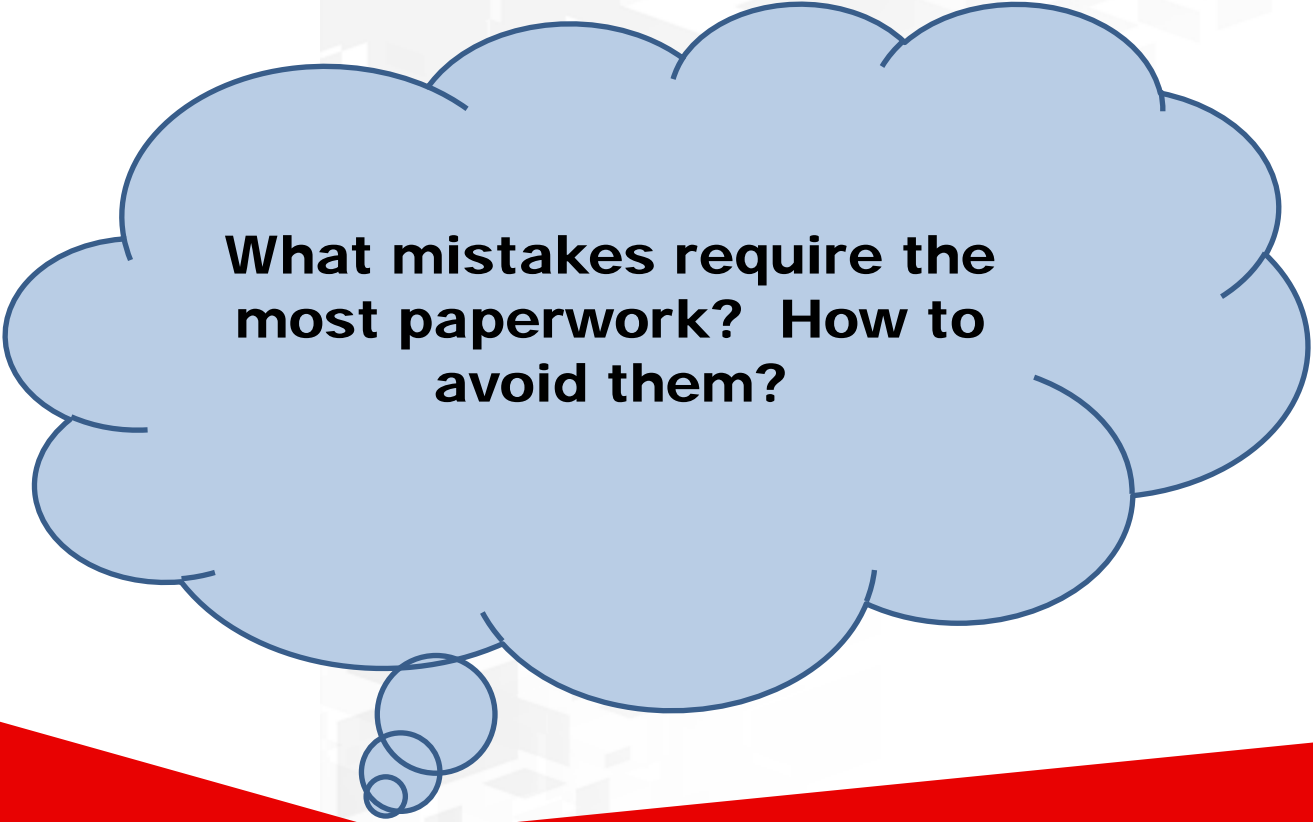


What part of the budget
can the Department Chair
control?

Answer

Depends on how your college allocates and manages department budgets.

- **Consult with your DFO**
- **Schedule of Classes**
- **Evaluating operational needs based on the current fiscal climate**



What mistakes require the most paperwork? How to avoid them?

Answer


Signature Authority on contract/agreements/MOU – ONLY Procurement Office has authority to sign documents

Faculty cannot spend any \$\$ without consulting Chair (permission) and Coordinator (process)

Allowable Purchasing Practices: CSUN procurement card, requisition/PO, Direct Pay or Reimbursements (pre-approved) – only allowable for under \$50 (TOTAL).

- Quotes, Vendor Data Information, Insurance all these items are required prior to a PO being issued
- PCARD expenses – waivers are required for many purchases. If multiple infractions are incurred, PCARD will be taken away

After-the-fact justification required for all of these mistakes



What happens when a department over spends its budget?

Answer

The college is required to remain positive

If a department is over budget, other areas in the college will be used to make the area whole

If the college is in the negative, practice has been to put the college on a multi-repayment plan

- *Currently on hold due to COVID*



Other Questions?

Other Questions?

nidia.goitia@csun.edu
callie.juarez@csun.edu

www.csun.edu/academic-resources-planning

