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

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

Amendment submitted and approved by OPB
# Actual Revenues & Expenditures as of Second Quarter, FY 2018
(July 1 – December 31)

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

- **% of Change**
  - FY 2017 Final Budget: 50%
  - FY 2017 2nd Qtr. Actuals: 50%
  - FY 2018 Amended Budget: 50%
  - FY 2018 2nd Qtr. Actuals: 50%

- **% Change**
  - FY 2017 Final Budget: 50%
  - FY 2017 2nd Qtr. Actuals: 50%
  - FY 2018 Amended Budget: 50%
  - FY 2018 2nd Qtr. Actuals: 50%
### Actual Revenues & Expenditures as of Second Quarter, FY 2018
(July 1 – December 31)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 Final Budget</th>
<th>FY 2017 2nd Qtr. Actuals</th>
<th>FY 2018 Amended Budget</th>
<th>FY 2018 2nd Qtr. Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 9,307,515,059</td>
<td>$ 5,270,517,959</td>
<td>57%</td>
<td>$ 9,367,461,002</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>$ 5,003,280,410</td>
<td>$ 2,311,838,346</td>
<td>46%</td>
<td>$ 5,248,138,989</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$ 4,304,234,649</td>
<td>$ 1,525,635,335</td>
<td>35%</td>
<td>$ 4,119,322,013</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$ 9,307,515,059</td>
<td>$ 3,837,473,681</td>
<td>41%</td>
<td>$ 9,367,461,002</td>
</tr>
</tbody>
</table>

**Revenues in Excess of Expenditures**

|                  |                      | $ 1,433,044,279          | $                      | $ 1,498,694,246          |
## Key Financial Trends as of December 31

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

Revisions to Policy Manual Section 7 – Finance and Business
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** Tuition Agreements with Corporations, Organization, and Other Legal Entities  
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