

GLOSSARY OF TERMS

Account: Sometimes referred to as an Account Code, an account identifies the type of transaction activity. Within CFS an account is reflected as a 6-digit numeric “Account Code”, with a corresponding “Account Descr”. Examples include:

| <u>Account Code</u> | <u>Account Descr</u> |
|---------------------|----------------------|
| 101001 | General Cash |
| 501002 | Nonresident Tuition |
| 606001 | Travel In-State |

Actuals: Actual revenues and actual expenditures are recorded into the Common Financial System (CFS) or are reported by the auxiliary organization and represent current year transactions. Budgets are then compared to these actuals which help determine if we are on track with our campus plans. Actuals can also inform our ability to determine if a proposed budget in a subsequent year is reasonable relative to the actual revenues/expenditures that were incurred.

Allocation: A distribution of funds or an expenditure limit established for an organizational unit. Reflects additional money collected within the current fiscal year.

Appropriation: An authorization from a specific fund to accommodate expenditures/incur obligations for a specified purpose and period of time. These appropriation items are routinely limited to one year, unless otherwise specified.

Auxiliary Organization: An independent, self-supporting entity operated as a service for the benefit of the Humboldt State University (HSU) community. Humboldt State University has four active auxiliary organizations on its campus— Associated Students, Advancement Foundation, Sponsored Programs Foundation, and the University Center. These auxiliary organizations are essential functions of the University but are separate 501(c)3 designated, not-for-profit corporations with their own governing boards. These governing boards approve and monitor the budgets and policies for the corporation. The President approves the annual budget of each auxiliary and the respective Vice President also oversees their operations. The auxiliary organizations exist to support the principal mission of the University. This budget book includes information on these separate corporations to help the campus understand the magnitude of their support function. These expenditure budgets must remain with the unit and be used for the purpose intended. As a result, these funds are generally not available for use by another unit of HSU.

Base Budget: (also known as *Original Budget*) The base budget is the best initial financial plan of action for a list of proposed activities. The base budget is a permanent, recurring, department-level allocation, typically consisting of a salary budget, a benefits budget, and a supplies and services budget. Except for certain auxiliary organizations, this budget is loaded into the Common Financial System (CFS) to start each fiscal year. It is this permanent, recurring, base budget that the University Budget Committee (UBC) recommends to the President.

Benefits: Category of expenditures representing the employer's (state) costs for employees' benefits such as: retirement, OASDI, health and welfare benefits, Workers' Compensation, unemployment insurance, industrial disability leave benefits and non-industrial disability leave benefits.

Budget: A budget represents a proactive, initial plan of action for a list of proposed activities. A budget contains a list of proposed activities, each with their associated cost expressed in whole dollars. A budget helps to anticipate the revenue and associated cost of an operation. It is a means of tracking revenues and expenditures to assure that resources are being used effectively to meet the goals of the University. A budget also helps to assure a proposed activity is in compliance with the legislation for the state. A budget also helps to identify an appropriate level of funding for a cost center or function by making it possible to compare the operational units within other universities.

Budget Transfer: The movement or allocation of resources from one department to another. This includes transfers made after the Original Budget, plus any additional allocation(s) received by the University. Typically transfers represent a change to the year-to-date plan of financial operation for the fiscal year as modified by the University Budget Office.

Business Unit: This field represents separate HSU organizations within PeopleSoft. Examples: HMCMP (Campus), HMSPF (Sponsored Programs Foundation), HMADV (Advancement Foundation).

California Lottery: The California Lottery Fund is funded by allocations received from profits of the California State Lottery Commission. Funds received shall be used exclusively for the education of students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other non-instructional purpose.

Chartfield String: Humboldt State University uses a string of six fields within a defined Business Unit, called the Chartfield, to define specific transactions. While the Fund, Department and Account fields are required, additional values can be used to help categorize transactions, such as Program, Project and Class.



Class: Sometimes referred to as Class Code, a class is used for any special cost reporting needs a campus department or organizational unit may have that cannot be met by the other defined fields. Original budget is not allocated to the class level. A class is reflected as a 5-digit alphanumeric value called "Class Code", with a corresponding "Class Descr" within CFS. Examples include:

| <u>Class Code</u> | <u>Class Descr</u> |
|-------------------|-------------------------|
| C0356 | Health Services Clinic |
| C0374 | LiveScan Processing Fee |

Combo Code: A 24-digit code that identifies the funding source used for labor cost distribution in the Human Capital Management (HCM) System.

Concurrent Enrollment: The continuing education program provides the opportunity to students not currently admitted to HSU to enroll in courses offered by the University, for credit and professional development. It is self-supporting and derives its revenues primarily from student fee revenue and interest income. Funds are used for current operating expenses, maintenance and repair, and improvements to facilities. Available balances after payment of all operating expenses and required charges remain available for future program expenses and capital needs.

Cost Recovery: When a department provides goods and services, that department must be reimbursed for the costs incurred. This is achieved two basic ways:

- **Chargebacks:** Also referred to as Interdepartmental Recharges. Chargebacks are generated when one department charges another department for goods and services within the same fund. This will produce abatements for the department providing the service, decreasing the original expenses for the activity.
- **Cost Recovery Revenue (CRR):** CRR is generated when one department charges another department for goods and services between funds. This will produce revenue for the department providing the service.

Debt Service Coverage Ratio (DSCR): Also known as "debt coverage ratio," is the ratio of cash available for debt servicing to interest, principal and lease payments. The higher this ratio is, the easier it is to obtain a loan. Breaching a DSCR covenant can, in some circumstances, be an act of default.

Department: Sometimes referred to as DeptID, a department is located within a major budget unit and identifies the organizational area responsible for a transaction. A department is reflected as a 6-digit alphanumeric value called "Dept Code", with a corresponding "Dept Descr" within CFS. Examples include:

| <u>Dept Code</u> | <u>Dept Descr</u> |
|------------------|--------------------------|
| D10011 | University Budget Office |
| D20053 | Oceanography |
| D40070 | Veterans Affairs |

DeptID: See department.

Division: An organizational unit comprised of various departments. Humboldt State University is divided into six divisions. The General University Obligations is not a true division, but is a financial unit that budgets the centrally-managed University costs. The other five divisions are as follows:

| <u>Division</u> | <u>Division Head</u> |
|------------------------|----------------------|
| Academic Affairs | Provost |
| Administrative Affairs | Vice President |
| President's Division | President |
| Student Affairs | Vice President |
| University Advancement | Vice President |

Drilldown: The act of moving from the summarized to the specific. In Oracles Business Intelligence tool you may drilldown on any field that has a hyper-link.

Empl ID: A 10-digit employee identification code which appears on position management reports and uniquely identifies an employee.

Encumbrance: Represents the allocation of funds to cover unspent commitments. Typically this represents purchase orders or contracts.

Fiscal Year (FY): A twelve-month period to which a budget applies. The FY for HSU begins July 1 and ends June 30. For budget purposes, the first academic term of the year is summer. That is in 2011-12, summer 2011 is the first term of the fiscal year, then fall 2011 and spring 2012. Fiscal year is also referred to as FYE for Fiscal Year Ending.

FTES: Full-time Equivalent Student. An FTES is a way of categorizing enrollments. If an undergraduate student enrolls in 15 credit hours for two terms, that student counts as one FTES. To calculate HSU's FTES numbers, the total state supported credit hours (Extended Education enrollments are generally not state supported) for summer, fall and spring terms are added up, and then divided by the FTES factor. For undergraduate and teacher credential students, the factor is 30 hours. The factor for a Masters student is 24 hours. The masters student factor is smaller in recognition of the smaller class sizes and more intense work level required of masters students. HSU's annual FTES are also important because the CSU assigns each campus a resident FTES target each year. If a campus exceeds the FTES target and enrollment growth funding is available, that campus may receive an additional allocation.

Full-Time Equivalent employee: An employee FTE is a standard way to report employee counts. Two part-time employees, each working 20 hours a week, would count as one employee FTE. The employee FTE budgets noted in this budget book include the positions on which the University Budget Office tracks and reports. Additionally, University Budget Office calculates an employee FTE figure for the budgeted amounts in employee position pools. For example, a college may maintain a budget pool for adjunct faculty. For pooled budgets, the University Budget Office estimates the employee FTE using a standard faculty salary and benefits rate.

Fund: Sometimes referred to as Fund Code, a fund represents a certain type of dollar. It provides a means for track specific revenues and expenses, as well as specific activities or obligations in accordance with restrictions or limitations. Examples of these funds are the Operating Fund, Housing, Concurrent Enrollment, Parking, Parking Fines and Forfeitures, California Lottery, etc. Within CFS a fund is reflected as a 5-digit alphanumeric value called "Fund Code", with a corresponding "Fund Descr". Examples include:

| <u>Fund Code</u> | <u>Fund Descr</u> |
|------------------|---------------------------|
| HM500 | Operating Fund |
| TU005 | Lottery – Future Scholars |

General Fund: The General Fund, or Operating Fund, is the predominant fund for financing University operations. It consists of the General Fund state appropriation and student fee revenue. It may not be pledged toward capital programs and must be consistent with the mission of the CSU.

HEPI: The Higher Education Price Index (HEPI) is an inflation index designed specifically to track the main cost drivers in higher education. It is an essential planning tool for educational managers, helping schools to understand the future budget and funding increases required to maintain real purchasing power. HEPI is issued annually by Commonfund Institute and is distributed free of charge to educational institutions.

<http://www.commonfund.org/CommonfundInstitute/HEPI/Pages/default.aspx>

Housing Fund: The housing program provides on-campus housing primarily for students. It is a self-supporting program, deriving its revenues from fees collected for the use of the residence facilities. The housing operations funds are used for current operating expenses, maintenance and repair, improvements to facilities, and interest and principal payments on outstanding bonds. Available balances after payment of all operating expenses and required charges remain available for future program expense and capital needs. The housing maintenance and repair funds are used to pay for extraordinary maintenance expenses, improvements, replacements, or renovation of furniture and equipment for the campus housing program.

Job Code: A 4-digit code that identifies job classification and is used in position management.

Labor Cost Distribution (LCD): The process by which payroll expenditures are distributed monthly in the financial system.

MBU: Major Budget Unit. An MBU is located under a division and includes one or more departments. It allows for tracking and reporting at a more summarized level than the department level.

Mandatory enrollment fees: These are fees that a student must pay to enroll at HSU, including: State Tuition Fee (STF), nonresident tuition, Student Body Association Fee, Health Facilities Fee, Student Health Fee, Campus Union Fee, Instructionally Related Activities (IRA) Fee, Materials, Services and Facilities Fee (MSF) and the Graduate Business Professional Fee (MBA). The rates for the State Tuition Fee (STF), nonresident tuition and the MBA are determined by the CSU Board of Trustees, while the other fees are set by the HSU President with shared consultation with the campus, subject to approval by the Chancellor. In addition to the mandatory student fees, a student may be charged a miscellaneous course fee or field trip fee for enrolling in a particular course, or other charges such as a library fine, parking permit fee, residence hall rent, etc.

NACUBO FIRMS: National Association of College and University Business Officers Financial Information Record Management System - Typically in a higher education environment, the annual expenditure budget allocation is based on functional programs such as instruction, research, etc. Following are selected major functional categories used by higher education institutions. Also, more detailed information is available at the University Budget Office website.

NACUBO/FIRMS PROGRAMS

Program Code Program Name

| | |
|------|---|
| 0100 | Instruction |
| 0200 | Research |
| 0300 | Public Service |
| 0400 | Academic Support |
| 0500 | Student Services |
| 0600 | Institutional Support |
| 0700 | Operation and Maintenance of Plant |
| 0800 | Scholarships and Fellowships |
| 2000 | Auxiliary Enterprises (ie, Housing, Parking, Ext.Ed...) |

Additional details about the NACUBO/FIRMS Program codes can be found at:
http://www.calstate.edu/sfsr/standards_and_rules/New_and_Obsolete_Program_Codes.pdf

One-time budget: One-time, nonrecurring funds may be provided to a department to supplement their base budget. These one-time budget allocations may represent funds for expenditures that could not be foreseen in the base budget plan. One-time budgets are also allocated to cover encumbrances from the prior year. The one-time budget allocation process is also the way the unexpended budget balances (roll forward budgets) from the prior year are carried forward into the current year. One-time budgets are entered in the CFS system in separate scenarios like Roll-Forward, Encumbrance or Allocations.

Operating Budget: The State of California provides operating resources to the University through a legislative appropriation process. In addition, HSU has local authority to collect and retain the nonresident tuition and fees assessed to students. The operating budget section of this budget book includes expenditures for the support of the University, exclusive of capital outlay. Funds from the operating budget generally cannot supplement a capital budget. The capital budget is discussed in a separate section of this budget book.

Operating Fund: Also known as the General Fund, Operating Fund revenues are comprised primarily of state appropriations, student fees, and nonresident tuition.

Original Budget: Also known as Base Budget, A campus plan of financial operations for the fiscal year beginning July 1; organized by division and department. A separate scenario has been established within PeopleSoft to capture these transactions.

Other Miscellaneous Funds: In addition to Operating Fund, this book also discusses the budgets for the Other Miscellaneous Funds—Athletics, certain student fees, Health Service and Counseling, California Lottery, and other funds that are not a part of Operating Fund, Auxiliary Enterprises, or Auxiliary Organizations. These expenditure budgets must remain with the unit and be used for the purpose intended. As a result, these funds are generally not available for use by another unit of HSU.

Parking Fund: The parking program provides parking facilities. It is self-supporting and derives its revenues primarily from student fee revenue and interest income. The parking operations funds are used for construction, repair and maintenance, and interest and principal payments on outstanding bonds. Available balances after payment of all operating expenses and required charges remain available for future program expenses and capital needs.

Parking Fines and Forfeitures Fund: The Parking Fines and Forfeitures Fund derives its revenues primarily from the issuance of parking tickets. It can only be used for citation administration and alternate transportation projects for faculty, staff, and students.

Position: Uniquely identifies faculty, staff and administration and the departments they are assigned.

Position Number: An 8-digit code that is used in position management

Program: Sometimes referred to as Program Code, a program is used to track a set of financial activities based on reporting needs and/or campus policy. A program, unlike a project, does not have a strict start and end date. It is typically an ongoing effort. Within CFS a program is reflected as a 5-digit alphanumeric value called "Program Code", with a corresponding "Program Descr". Examples include:

| <u>Program Code</u> | <u>Program Descr</u> |
|---------------------|----------------------|
| P0223 | Smart Classrooms |
| RS064 | MSF Fee. |

Project: Sometimes referred to as Project Code, a project assists in tracking dollars associated with University projects which are defined as having a specific beginning and ending date. Activities associated with this field span multiple fiscal years. Within CFS a project is a 6-digit alphanumeric value called "Project Code", with a corresponding "Project Descr". Examples include:

| <u>Project Code</u> | <u>Project Descr</u> |
|---------------------|---------------------------|
| XEG609 | East Gym Interior Remodel |

Project-to-date (PTD): Budget scenario used to track capital projects across multiple fiscal years.

Reimbursements: Amount received as repayment for the cost of work, for service performed, or for other expenditures made on behalf of another governmental unit or department. Reimbursements represent the recovery of expenditures, such as Federal Work Study, and other financial aid.

Resident and Nonresident enrollments: The enrollments, both full-time equivalent students (FTES) and headcounts, reported in this budget book are based on each student's fee-paying status. That is, if a student paid resident fees only, that student is reported as a resident. If a student paid nonresident tuition, that student is reported as a nonresident. Resident and nonresident enrollments are used to forecast the resident and nonresident fee revenue that HSU expects to collect each year. Nonresident students also pay resident fees.

Revised budget: The revised budget is a term that is used to recognize changes to the initial financial plan. Revised budgets can be adjustments from one spending category to another within a department budget. They may also include changes, such as salary increase funding (which would become base budget in the subsequent year) or the addition of one-time, nonrecurring funds. A separate scenario has been created to help insure revised budget transactions don't increase the original appropriation.

RMP: Revenue Management Program eliminated the use of State Fund 498 and provided the authority to deposit fees in trust. The implementation of the CSU RMP provided an opportunity for the CSU to re-visit a significant portion of its current business processes and re-engineer them to achieve more efficient results.

Roll-Forward: Remaining budget balance available (bba) from the prior fiscal year is re-allocated in a separate current year "roll-forward" budget scenario.

Scenario: The University Budget Office uses scenarios to define the type of budget in each department for each fiscal year. Different types of budgets are placed into their corresponding scenario within the General Ledger. The types of scenarios are: original, revised, roll-forward, encumbrance, allocation, compensation, and project-to-date (PTD).

Student Headcount: Student headcounts (HC) are another way of categorizing enrollments. Each unique student is counted once, regardless of how many credit hours the student is taking. This gives a view of how many people are enrolled at HSU.

SWAT: Systemwide Allocation Transfer represents a cash allocation of funds from the Chancellors office or between campuses.

Trust Fund: Revenue trust funds are derived from dollars received that are not designated for General Fund activities. These funds are used for activities specified in the trust agreement at the time the trust was created.

UBC and Annual Operating Budget Process: The University's annual operating budget process and the University Budget Committee (UBC) recommendations focus on the Operating Fund budget. This fund includes the state appropriation and student fees, such as State Tuition Fee (STF), nonresident tuition, course fees, application fee, MSF fee, MBA fee, etc. While this budget book contains information on the miscellaneous other funds, auxiliary enterprises, auxiliary organizations and the capital projects budgets, these activities are not part of the University Budget Committee recommendations.