



Chair Training

Finances 101

September 9, 2009

WHY DO I CARE ABOUT FINANCES?

- The Chair is responsible for the orderly administration of the department, the quality of its educational program, and high standards in teaching and scholarship on the part of its faculty. To achieve these ends, the chair...prepares and administers the departmental budget.

Faculty Handbook, Section 2.7

4 KINDS OF FUNDS

- **Current Unrestricted Fund –CUF (11001):**
 - Budget allocated from the University annually.
- **Designated Funds/Retained Income (21xxx):**
 - Excellence funds that hold cash.
- **Restricted Funds (41xxx or 46xxx):**
 - Endowments or gifts.
- **Grants: (13001 or 14015):**
 - External or internal.

CURRENT UNRESTRICTED FUND - CUF - 11001

- This is the primary fund to pay bills.
- This disappears on June 30 each year.
- The 4 types of budgets in the 11001 (faculty salary, staff salary, student wages, operating) are NEVER interchangeable.

4 TYPES of BUDGETS in CUF (11001)

■ Faculty Salary Budget:

- Set by Provost.
- Managed by the Dean.
- Chair may not approve extra \$\$\$ or a change in faculty load to faculty without Dean approval.

■ Staff Salary Budget:

- Set by the Provost.
- Managed by the Dean.
- Chair may not approve extra \$\$\$ to staff without Dean approval -overtime

■ Student Wage Budget:

- Set by the Dean.
- Managed by the Chair.

■ Discretionary or Operating Budget:

- Set by the Dean.
- Managed by the Chair.

COLLEGE OF ARTS AND SCIENCES CUF BUDGETS

- **Faculty Salary budget:** (FY10) = \$25.4 million (\$5.9 million for AYLs and QPTs)
- **Staff budget:** (FY09) = \$2.69 million
- **Benefits budget:** (FY09) = \$8.82 million (up 1.6 million in 2 years)
- **Student Wage budget :** (FY10) = \$326,000 (includes writing center)
- **Discretionary/Operational budget:** (FY10) = \$1.69 million. Includes lab allocation.

IMPORTANT FACTS FOR STUDENT WAGES & DISCRETIONARY/OPERATING

- The Dean only cares about whether you exceed your total budget in student wages and discretionary budgets— not the isolated parts (i.e., phone, travel).
- The activities BOB or GENL are for daily operating costs to run the department & office.
- The activity “LABS” is for course or lab-related expenses only



"Room, board, books, and tuition—I draw the line at corkage fees."



CUF REBATE PROGRAM **(for discretionary \$\$)**

- If under-budget by more than \$500 on June 30, dean will contribute to your department your surplus, up to a maximum of \$3,000.
- If over-budget (in deficit) by more than \$500 on June 30, dean will take the deficit from your excellence fund -no limit on amount.

DESIGNATED FUNDS: EXCELLENCE FUNDS (21xxx)

- Traditionally cash came from Summer rebates, departmental returns or indirects.
- Surplus carries over from year to year.
- You establish what you want to spend that fiscal year & it is moved to your 11001.)
- Deficits must be covered on June 30.
- In 09-10, \$\$\$ will be moved to gift fund.

RESTRICTED FUNDS: GIFTS/ENDOWMENTS

■ Gift Funds: (46xxx)

- From outside donations.
- May have restricted uses.
- You set annual budget. That amount will be moved to your 11001 at the end of the year to extent it is needed.
- Balance varies depending on gifts.

Endowment Funds: (41xxx)

- Department gets allocation from University.
- Allocation will be put into your 11001 unless indicated.
- Unspent portion rolls back into the endowment principle.



PROCEDURE FOR GIFTS

- If you receive any gift or donation for your department or project, it must go through the Development Office.
- Follow the procedure on the green sheet.
- If you have any questions, contact Marie Brancati, ext. 2301.

GRANTS: INTERNAL OR EXTERNAL

- External grants: (13001)
 - work with SPO.
 - Departmental share of indirects on federal grants (6.75%) will be distributed this year to dean's grants
- Internal Grants (14xxx - university or college grants):
 - You will get letter listing separate fund distribution.
 - Department handles faculty reimbursement, not dean.
 - Faculty will spend from there, not your CUF.
 - Faculty responsible for staying within budget
 - If faculty exceeds grant, excess will be taken from department.



MANAGEMENT IDEAS

- Meet with Kathleen & admin to discuss budget at the beginning of the year.
- Work with Admin to find the monthly report that work for you... summaries vs. details.
- You approve all expenses by your faculty/staff & must approve the monthly credit card statement (online training available-Ed Merryman).

Management Ideas

- Establish dept. procedure so that you aren't surprised by departmental expenses – especially at the end of the year.
- Excellence funds can be used for anything: faculty or travel, to supplement grants, or for student wages.
- Dean will often look at your excellence fund for matching funds before giving internal grant money to faculty.



IMPORTANT FINANCIAL DETAILS

- Chair may not authorize additional payments to faculty for “services rendered.” Only the dean can do this. Dean will submit paperwork to HR for supplemental pay. Taxed at the supplemental tax rate of 40% or so.
- Chairs may not change the teaching load of faculty. Only the dean can do this.
- Chair may not sign to reimburse her/himself (send to dean’s office for signature)

Purchasing Cards/VIP Cards/Petty Cash/American Express cards

- Only American Express cards
 - Cover travel & food costs.
 - Are in the name of the chair.
- Purchasing cards:
 - NEW!!!
 - Limited things are covered. No alcohol, food, travel or entertainment.
 - Online reconciliation of monthly statement by admin & chair.
- VIP Cards:
 - Like the old access cards.
 - Only 1 card per person,
 - Max of \$250 on the card.
 - The college contributes \$200 to your card. Detailed audit trail required.
- Petty cash: for small day-to-day expenses. Audit trail is required.