INSTITUTIONAL FINANCE

Key Questions and Data Points
Key Areas of Oversight/Approval

- State budget process
- Annual Operating Budget
- Capital Budget
- Six Year Plans
- Financial Statements/Annual Audit
- Financial Policies
  - Cash management and investments
  - Debt policy
Key Question: Revenues?

- What are the major sources of revenues?
  - State General Fund 15%
  - Tuition and E&G Fees 40%
  - Grants & Contracts 9%
  - Private Funds 16%
  - Auxiliary Revenues 20%

- What are the key drivers?
  - State
  - Students
  - Research
  - Philanthropy
Key Question: Expenses?

Expenses by Program Area

- Instruction & Academic Support: 35%
- Research and Sponsored Programs: 13%
- Student Services: 2%
- Physical Plant: 5%
- Institutional Support: 9%
- Auxiliary Enterprises: 22%
- Financial Aid: 14%

Includes expenditures of private funds.
Key Questions: Personnel Costs?

Personnel as a Percentage of Total Costs

Personnel, 57%
Non-Personnel, 43%

Personnel Costs in E&G

Personnel, 67.82%
Non-Personnel, 32.18%

Personnel Costs in Auxiliary Programs

Personnel, 23.80%
Non-Personnel, 76.20%
Key Questions: What does the workforce look like?

<table>
<thead>
<tr>
<th>Full-time &amp; Part-time Regular Employees</th>
<th>#</th>
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<tbody>
<tr>
<td>Faculty</td>
<td>947</td>
</tr>
<tr>
<td>Staff</td>
<td>1,917</td>
</tr>
<tr>
<td>Grand Total</td>
<td>2,864</td>
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Percentage of Tenure Track Faculty:
- Tenured, 58%
- Tenure Eligible, 16%
- Non-Tenure Eligible, 24%
- Other, 2%

Full-time employees = 2,479
Part-time employees = 385
Key Question: Variable v. Fixed Costs?

Cost structure often requires multi-year view

- Personnel: 57%
- Variable Costs: 6%
- Fixed Costs and Contractual Obligations: 37%
Key Question: Financial Strength?

- Financial statements provide important context
- Assess auxiliary and other reserves;
  - Must be self-supporting, restrictions around intercollegiate athletics
- Be aware of financial ratios and how best to use them
- Watch data trends
Key Takeaways

◦ “Answers” differ by institution -> Institutional mission/priorities should be taken into account

◦ Terminology is important -> If you don’t know, ask

◦ “Not all money is green” -> Recognizing fund restrictions is critical

◦ Process often drives results -> Understand both state and institutional processes

◦ Board policies help set expectations/guardrails -> Sufficient administrative flexibility is a necessity