



**BUDGET MODEL USER GUIDE**

**AUXILIARY UNITS**

**JULY 2020**

**University of South Carolina**  
**Budget Model User Guide**  
**Auxiliary Units**

## I. Budget Model Overview

### A. Introduction

The new budget model is "live" July 2020 (FY2021). Fundamentally, the budget model is a data-informed approach to resource allocation, with the aim of adding increased incentives for entrepreneurship and efficiency, while also improving transparency.



### B. Unit Categorization

A key aspect of the budget model methodology is unit categorization. According to the budget model methodology, each Columbia operating unit is grouped into one of four categories according to its ability to serve as a driver of revenue-generating activities. Primary units (Academic and Auxiliary) have the ability to influence revenue generation, while central support units have limited-to-no ability to influence revenue. See the chart below for further details.

Unit Categories	Units Included
Auxiliaries	Athletics, Housing, Parking, Student Health
Academic Units	All areas with Deans are considered academic units except for Libraries, Honors College and Graduate School
Pass-Through Units	Units supported with state appropriations and self-generated funds
Support Units	All other Columbia campus areas not classified above (primarily administrative units)

Within the Support Unit category (which contains areas such as HR, Finance, Facilities, IT, etc.), units are further grouped into cost pools based upon similarities of activity. An allocation metric is chosen to act as a proxy of the costs associated with the use of services provided by the support units within each cost pool. Only academic units are eligible to receive these expense allocations. See the chart below for detail of support unit cost pools and associated allocation metrics.

Cost Pool	Support Units Included	Allocation Metrics
Central Services & Administration	Admin & Finance, Business Affairs, HR, Development, Communications, etc.	Total Employee FTE
Facilities	Facility Services, Utilities, Facilities Projects	Net Assignable Square Footage
Enrollment & Scholarships	Enrollment Management and Scholarships	UG Student FTE
Information Technology	University Technology Services (DoIT), OneCarolina	Total Headcount
Libraries	University Libraries	Student FTE + Faculty FTE (less Law)

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**B. Unit Categorization (continued)**

<b>Cost Pool</b>	<b>Support Units Included</b>	<b>Allocation Metrics</b>
Academic Affairs	Provost, Faculty Senate, Graduate School, International Programs	Student FTE + Tenured/Tenure-Track FTE
Research	Office of Research/ Research Administration	Contract & Grant Revenue
Academic Access & Degree Completion	On Your Time, Palmetto College Administration, Distributed Learning	Student FTE
Executive Affairs	Board of Trustees, President, Legal, Economic Engagement	Total Direct Expenses
Academic Support & Student Services	University 101, Residential Learning Centers, Student Affairs, Academic Support Services	UG Student FTE
Honors College	Honors College	UG Student FTE
Strategic Excellence/Efficiency	Strategic Excellence & Efficiency Initiatives	Direct / Total Direct Expenses

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**II. Unit Budgeting Guide FAQ**



**Question: As an auxiliary unit, is my budget and/or budget process impacted by the change in budget model?**

Answer:

No. Since auxiliary units are self-supporting and also already pay for “overhead” provided by the Columbia campus central administration (i.e. direct charges, strategic transfers), there is no impact as a result of the change in budget model.

**Question: Explain budgets loaded to non-"A" funds. What balancing rules exist for these fund types? Can I record budget entries to non-"A" funds?**

Answer:

- Budgets have been loaded to non-"A" funds using the web based budget system source detail.
- If budgets were not allocated from BUD000-%9999 during budget development, then they will be loaded at the unit (not department) level.
- Non-"A" unrestricted funds are allowed to be budgeted with a change to fund balance.
- Budget entries can be made to non-"A" unrestricted budgets; however, budgeted 3XXXX's will still only relate to "A" funds.
- Non-"A" unrestricted funds must balance at the unit (not department) level, but can include the 31000 (change in fund balance) account to balance.
- Budget entries can not be made to unit-level restricted funds. Note that grant fund budgets are managed at the project level.

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### **Auxiliary Units**



### **III. Governance**

The new budget model governance structure is built to provide increased transparency and collaboration in decision making to engage multiple levels of the University. The operational support teams provide foundational work related to populating the model, reviewing and developing policy, and training. Their work informs advisory committees related to support unit costs, curricular decisions and space. Ultimately, advisory committees then make recommendations to executive groups such as the Advisory Committee on Finance & Budget (ACFAB) and ultimately the President and Board of Trustees. It is important to note that the governance structure is designed to include Deans, faculty and faculty senate as integral voices in the process. See the graphic that follows:

