

University of Florida
University Budget Model Manual
Last Updated: 11/3/2022

Introduction

Welcome to the University of Florida's University Budget Model Manual. This manual provides information covering aspects of budgeting and financial management at the University.

The University of Florida recently completed a comprehensive evaluation of its model for the first time since 2016. This evaluation and corresponding outcomes allow the budget model to continue to serve as a critical tool for the University to allocate resources in alignment with strategic priorities.

This document provides information on:

1. Background
2. Treatment of Units in Model
3. Tuition Allocation
4. State Funding Allocation (General Funds Supplement)
5. Other Revenue Allocation
6. Overhead Assumptions
7. Overhead Allocation Methodology by Unit Type
8. Cost Pool Composition
9. Cost Pool Activity Drivers
10. Overhead Calculation Exemptions
11. Budget Process and Timeline
12. Resources

We hope you find this manual informative and useful. Please contact our office with any questions, comments, or improvements.

University of Florida
 University Budget Model Manual
 Last Updated: 11/3/2022

Background

Not only can the University of Florida’s budget optimization efforts help support and elevate the institution’s financial and operational performance, but also, these budget enhancements:

- Increase transparency of sources and uses of funds across the University
- Establish a consistent, accurate depiction of the financial profile of all University units
- Create a rational mechanism to allocate revenues and expenses to units
- Promote UF-wide understanding of linkages between decisions and impacts
- Provide leaders a data driven mechanism to direct resources to strategic priorities
- Ensure UF is consistently aligning operations to industry best practice

Treatment of Units in Model

The table below illustrates the units included in the University’s budget model. Units are classified as one of the following three categories: Academic Units, Centers & Institutes, or Support Units.

For more detail, please view the department crosswalk found on the [Budget Office SharePoint](#).

Academic Units
Business Administration
Center for Latin American Studies
Dentistry
Design, Construction and Planning
Education
Engineering
Health and Human Performance
IFAS
Journalism and Communication
Law
Liberal Arts and Sciences
Medicine - GNV
Medicine - JAX
Nursing
Pharmacy
PHP-Medicine
Public Health and Health Professions
Veterinary Medicine

University of Florida
 University Budget Model Manual
 Last Updated: 11/3/2022

Centers & Institutes
BEBR
Digital Worlds
Florida Museum of Natural History
Harn Museum
Institute for Child Health Policy
McKnight Brain Institute
Phillips Center for the Performing Arts
Research
UF Cancer Center
University Press of Florida
Whitney Labs
Support Units
Chief Diversity Office
Graduate School
Institutional Activities
Office of Internal Audit
President
SVP and Chief Financial Officer
SVP for Academic Affairs and Provost
SVP for Administration
SVP for Health Affairs
Teaching and Technology
University Libraries
University of Florida International Center
VP and Chief Information Officer
VP and General Counsel
VP for Advancement
VP for Business Affairs
VP for Enrollment Management
VP for Government Relations
VP for Human Resources
VP for Research
VP for Strat. Comm. & Marketing
VP for Student Affairs

Tuition Allocation

Under the current budget model, the collected tuition is allocated directly to the colleges, 70% by teaching and 30% by enrollment. The collected tuition is in net of all waivers. If a college grants Graduate Assistants (GA) waivers in any of the terms when the tuition is collected, its

University of Florida
University Budget Model Manual
Last Updated: 11/3/2022

tuition allocation will be reduced by the same amount. Other waivers such as university waivers and statutory mandated waivers are also impacting the collected tuition amount.

As mentioned earlier, the undergraduate out-of-state fee is allocated separately to create a strategic pool for the Provost. However, the lion share of this fee is returned to colleges when the budget model was revised in FY17. The incremental amount since then all contributes to the strategic pool. Tuitions from several programs are handled differently, including:

- Innovation Academy
- UFOnline
- UF Quest
- Flexible Learning
- Exchange Program
- Military Sciences

The university launched the Innovation Academy program in 2012. Students in this program are enrolled in the spring-summer academic year and have fall semester off-campus. This program is focused on innovation, creativity, entrepreneurship, ethics, and leadership. The first cohort of enrolled students started in the spring term of 2013. All tuition from this program is allocated to the department of Innovation Academy. UFOnline tuition is handled similarly – directly goes to UF Online department.

UF Quest is part of the general education curriculum. Quest courses examine questions about the human condition that are difficult to answer and hard to ignore. The tuition revenue is allocated 100% to the Provost's Office. The Provost's Office then allocates the funding to the colleges based on agreed upon percentages and amounts.

Flexible Learning courses (or Correspondence Study courses) are also collaboratively developed by Teaching and Technology (TNT) and many other colleges. The 70% revenue by teaching is allocated to TNT and the 30% of the revenue is allocated to the college that helped in creating the courses.

For the exchange program, UF Students who study abroad registers for course IDS4956 which is under College of Liberal Arts and Sciences. Therefore, 70% of the revenue by teaching this

University of Florida
University Budget Model Manual
Last Updated: 11/3/2022

course would be allocated to College of Liberal Arts and Sciences even though no teaching is conducted in this college. We manually changed the teaching college to the colleges where the students identify their majors. Therefore, the revenue generated by this course, flow to those colleges.

Tuition collected from ROTC courses was allocated to colleges through General Funds Supplement (GFS) in FY17 when the budget model was revised. The increases/decreases since then are eliminated from the tuition allocation process.

Some components of the tuition are required by law to be distributed for specific purpose. In 2007, the Florida legislature passed a bill that allowed UF to raise undergraduate tuition up to 15% per year. The 15% includes a legislatively established increase in base tuition and a remainder tuition differentia set by the University of Florida Board of Trustees. The remainder of the increase is what we call Undergraduate Differential Tuition. 30% of the differential tuition goes to student financial aid. We pull this out before distributing the tuition to colleges.

Another component of the tuition that we pull out is 2005 flex. The legislature approved a tuition increase effective fall 2005 and 20% of the increase is required to go towards need-based financial aid.

The tuition data set is derived from Enrollment Revenue reports. It is under Enterprise Analytics → Team Content → Financial Information → Budget → Enrollment Revenue Reports folder. The data for a term starts as preliminary data and is updated daily. When a term is completed, the data will be set to final. Final data is used in the tuition allocation process.

State Funding Allocation (General Funds Supplement)

Colleges will continue to receive state appropriations through the General Funds Supplement (GFS) and other special line-item allocations as they have historically received.

Initially, the General Funds Supplement was created to keep funding levels the same for colleges. Colleges should not expect GFS to be reduced going forward unless the university incurs budget cuts from the state or any other unforeseen situation occurs. These resources should help colleges fund operations. Going forward, University leadership, including the President, Provost, and Senior VPs, will make strategic decisions that align with institutional

University of Florida
 University Budget Model Manual
 Last Updated: 11/3/2022

priorities when allocating any additional increases or decreases in state appropriations, which in turn, may impact the college’s GFS amount.

Special line items are part of the state appropriation that are allocated for specific program or purpose. Such line items including Dean’s startup, program support, legislative specials etc.

Other Revenue Allocation

All other revenue such as Contracts & Grants, clinical practice, auxiliary, etc. go directly to the revenue generating units.

Overhead Assumptions

The new overhead methodology is based on departmental hierarchy, not fund code. This means all activity drivers within department’s eligible for overhead assessments serve as the base for calculating a department’s share of activity drivers and corresponding overhead allocation.

Overhead Allocation Methodology by Unit Type

In the budget model, each unit type – academic, auxiliary, and centers & institutes – will be assessed overhead using a method specific to their position and function within the institution. Listed below are descriptions of the units being assessed overhead and the two overhead allocation methodologies.

Unit Descriptions

- **Academic Units:** Any school or college that supports the academic mission of the institution is considered an academic unit.
- **Academic Centers and Institutes:** Any center or institute with a large research focus is treated similarly to traditional academic units. A list of academic centers and institutes can be found below.
 - Bureau of Economic & Business Research (BEBR)
 - Digital Worlds
 - Institutes of Child Health Policy
 - McKnight Brain Institute
 - Research

University of Florida
 University Budget Model Manual
 Last Updated: 11/3/2022

- UF Cancer Center
- Whitney Labs
- **Auxiliary Centers and Institutes:** Any center or institute with a more service-focused mission is treated similarly to traditional auxiliary units. A list of auxiliary centers and institutes can be found below.
 - Florida Museum of Natural History
 - Harn Museum
 - Phillips Center for the Performing Arts
 - Women’s Athletics
 - University Florida Press
- **Auxiliaries:** Any stand-alone, centrally managed unit that provides services and generates a significant amount of fee for service type revenue from external activities is classified as an auxiliary unit. A list of auxiliaries can be found below.
 - Baby Gator
 - Business Services
 - Housing
 - Parking and Transportation
 - Reitz Union
- **Support Units:** Any administrative unit whose primary purpose is to provide operational support for the University.

Methodology

A **cost allocation methodology** uses institutional data (expenditures, employee headcounts, SQFT, etc.) to proportional allocate operational expenses to each college or unit based on usage. Additional details on the cost pool activity drivers can be found in following sections. Academic units and academic centers and institutes will be assessed overhead using the cost allocation methodology.

A **flat % tax methodology** is a rate of 10% on prior year expenses, regardless of state or non-state funds. Auxiliaries and auxiliary centers and institutes will be assessed overhead using the flat % tax methodology.

University of Florida
 University Budget Model Manual
 Last Updated: 11/3/2022

These overhead allocation structures account for unit differences while holding all areas accountable for consumption of university provided support services.

Cost Pool Composition

Newly defined cost pools are composed of support units, which are administrative units whose primary purpose is to provide operational support for the University. These six cost pools are: General Administration, Information Technology, Facilities, Student Administration, Health Science Center and Sponsored Project Administration. The tables below illustrate the makeup of those six cost pools.

General Administration	Information Technology
Chief Diversity Office	VP and Chief Information Officer
Office of Internal Audit	Facilities
President	VP for Business Affairs
SVP and Chief Financial Officer	Student Administration
SVP for Academic Affairs and Provost	Graduate School
SVP for Administration	VP for Student Affairs
Teaching and Technology	Health Science Center
University Libraries	SVP for Health Affairs
University of Florida International Center	Sponsored Project Administration
VP and General Counsel	VP for Research
VP for Advancement	
VP for Enrollment Management	
VP for Government Relations	
VP for Human Resources	
VP for Strat. Comm. & Marketing	

Cost Pool Activity Drivers

The following allocation drivers will be used to determine a proportional share of activity for each academic unit (college or center and institute) to be allocated support unit costs. Additionally, the General Admin and IT cost pool allocation drivers have some exemptions that are listed below.

University of Florida
 University Budget Model Manual
 Last Updated: 11/3/2022

Cost Pool	Allocation Driver	Rationale
General Admin	Direct Expenses	Direct expenses are seen as a proxy for unit size and complexity – the higher a unit’s expenses the more likely they will need increased admin support (finance, HR, etc.)
IT	Employee Headcount	IT must provide basic services (internet, email, HR systems) regardless of an employee’s FTE status
HSC	Direct Expenses	Direct expenses are seen as a proxy for unit size and complexity – the higher a unit’s expenses the more likely they will need increased HSC admin support
Student Admin	Student Headcount	Students, regardless of FTE status, require basic support structures to support their student experience
SPA	Recovered IDC	No change
Facilities	Weighted Square Foot	No change from current practice – SQFT is the industry standard practice for allocating space costs

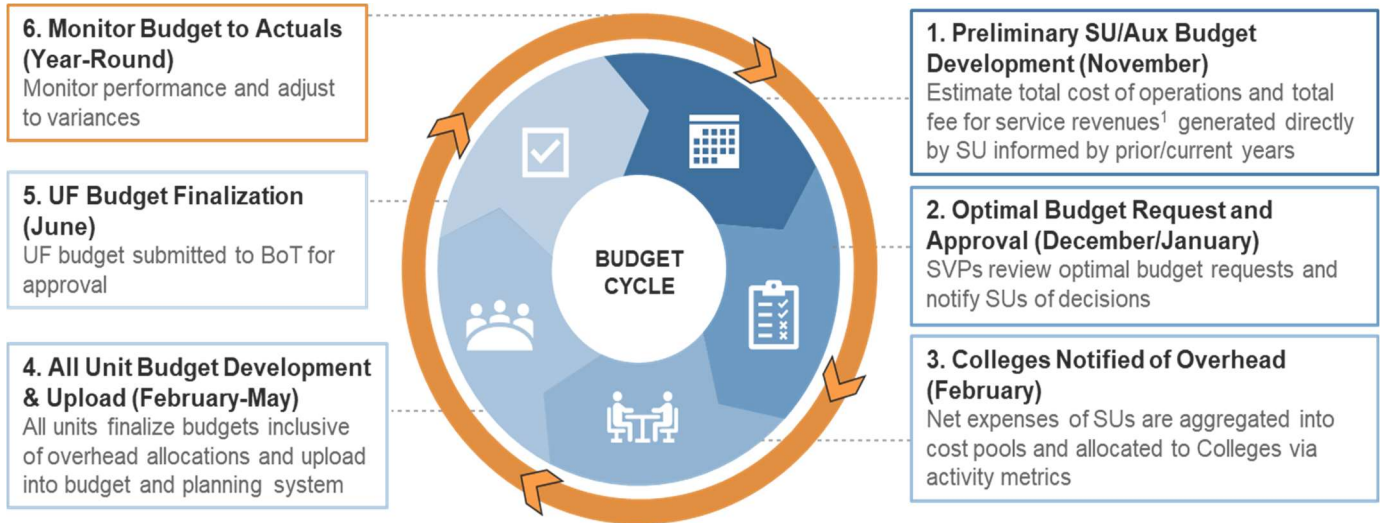
Overhead Calculation Exemptions

Cost Pool	Exemptions
General Admin	<ul style="list-style-type: none"> • Excludes Foundation Expenses (Source of Funds “FXXXXXX”) • Excludes Expenses against Funds: <ul style="list-style-type: none"> ○ 899 ○ 901 ○ 920 ○ 991 • Include only Operating Expense and Non-Operating Expense Account numbers (not transfers)
IT	<ul style="list-style-type: none"> • HCT excludes employment groups: <ul style="list-style-type: none"> ○ Graduate Assistants ○ Student Gov’t/Residents/Student Asst. ○ Post-Doctoral Associates (Clinical/Non) • Federal Work Study Program

University of Florida
 University Budget Model Manual
 Last Updated: 11/3/2022

Budget Process and Timeline

Below is an illustration of the new budget development cycle. Support Units and Auxiliary Units must develop budgets prior to Colleges and Centers so that overhead assessment levels can be incorporated into College and Center budgets.



1. Examples: Housing fees, tech fees, direct service charges to campus units, direct service fees charged to external constituencies

Resources

University Budget Office:

George Kolb, Assistant Vice President, gkolb@ufl.edu

Julie Wang, Director, University Budgets, wangj@ufl.edu

Office phone: 352-392-2402

Website: <https://cfo.ufl.edu/administrative-units/financial-analysis-and-budget/>

Budget Office SharePoint: https://uflorida.sharepoint.com/:f:/s/CFO-UB/EqX118KczP5Dip-Oqy0ye_wBoX_MtosfkJZOrd39plpEUA?e=b8BLmp