



FLORIDA STATE UNIVERSITY
BUDGET OFFICE

**Introduction to
Auxiliary & Designated Funds**

BTBUD2

What will we cover?

- Introduction to university governance
- Sources of university funds
- Auxiliary/designated classifications
- Tuition & fees and other university funds
- Process to establish an auxiliary/designated department
- Managing your auxiliary's budget (budget checking/budget transfers)
- Internal Billing/Transact
- Calendar of important dates
- Frequently asked questions
- Applicable statutes, regulations and policies
- Resources

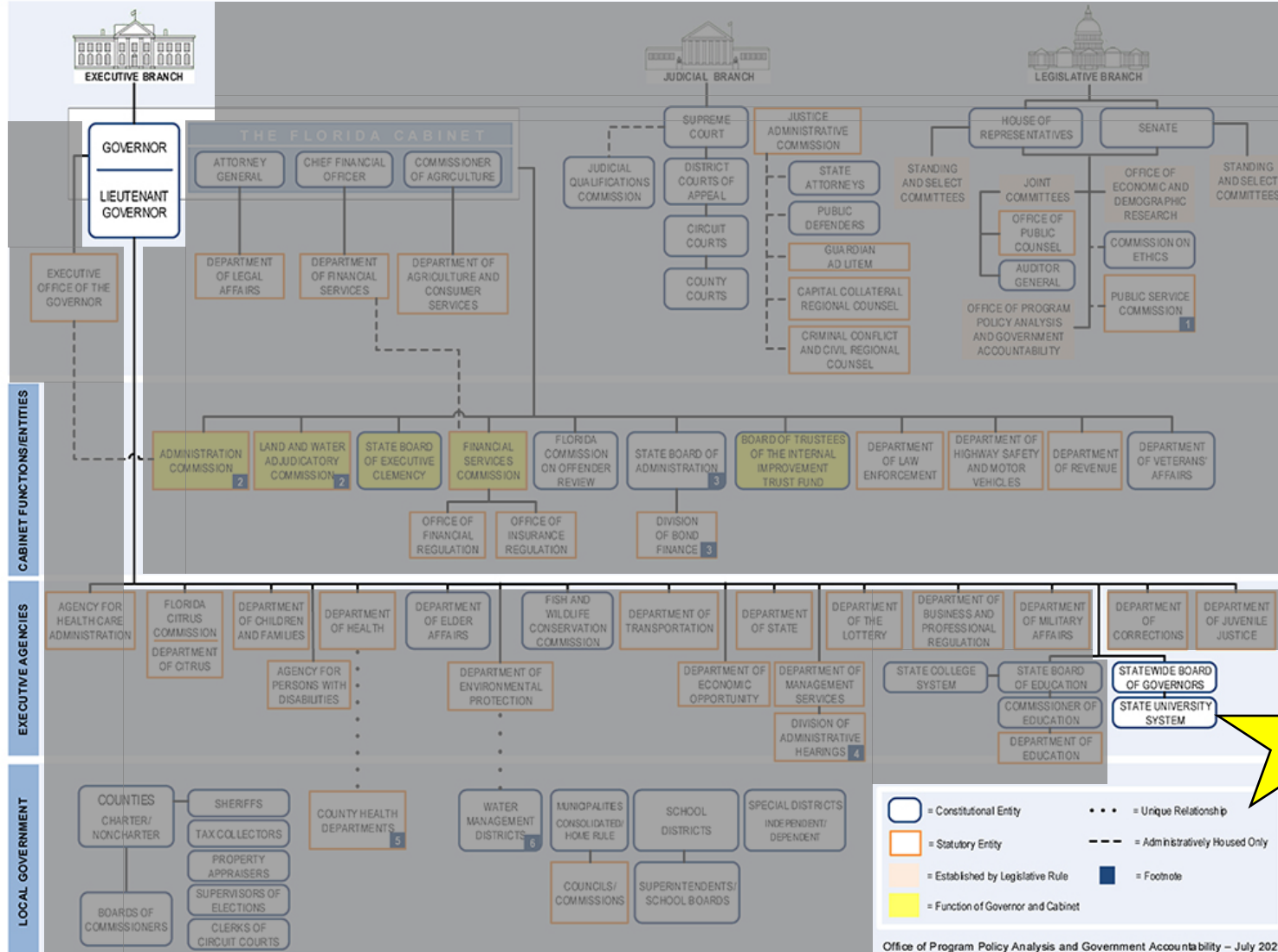


Note: see the 'Comment' icon in the top left corner of each slide, or open the 'Comment' tool for more details and/or additional references





THE FLORIDA ELECTORATE



State of Florida Organizational Chart





FLORIDA STATE UNIVERSITY



Boards

Article IX, Section 7 of the Florida Constitution

- There shall be a single state university system comprised of all public universities. A board of trustees shall administer each public university and a board of governors shall govern the state university system

Florida Board of Governors (BOG)

- The board shall operate, regulate, control, and be fully responsible for the management of the whole university system
- The Board of Governors of the State University System shall oversee the performance of state university boards of trustees in the enforcement of laws, rules, and regulations.

University Board of Trustees (BOT)

- State university boards of trustees shall be primarily responsible for compliance with laws and Board of Governors' rules and regulations.
- Sets policies for the university
- Responsible for the financial management of the university



Sources of Funding – E&G

Education and General

- Funds appropriated by the State Legislature used primarily to support instruction, research, administration, student services, and physical plant management. This includes funding sourced from:
 - General Revenue (primarily Florida's sales tax)
 - The Education Enhancement Trust Fund (Lottery)
 - Student Tuition and certain fees
- Spending must result in a direct, specific benefit to the university.
- OMNI Funds 110-241
- Includes Carryforward funds (unspent E&G)



Sources of Funding – Restricted/C&G

Restricted/Contracts and Grants

- Resources whose use is limited by an external agency or donor to a specific manner, purpose, and/or timeframe. This includes:

Funds	Description
510-515	Developmental Resource School (DRS)
520-570	Contracts and Grants (C&G)
599	FSU Foundation
660-680	Restricted Scholarships



Sources of Funding - Non-E&G

Auxiliary

- §1011.47 F.S. - Auxiliary enterprises
 - Auxiliary enterprises includes activities that directly or indirectly provide a product and/or service to a university or external users and for which a charge is made.
- BOG Regulation 9.013 - Auxiliary Operations
 - Auxiliary services are **integral activities** of a university that furnish to its faculty, staff and students goods and/or services that are **necessary** or desirable **but not readily available elsewhere** in terms of costs, quality, quantity, timeliness, convenience, or other similar considerations.
 - These activities shall support the educational endeavor of the institution and enhance its functioning; therefore, they **shall not detract or distract from this basic endeavor** in any way, financially or otherwise.

Designated

- Revenues collected or set aside for a specific purpose, including funds administered by central offices or administrative departments, along with certain student fees.



Internal vs. External Customers

FSU Policy [4-OP-D-1 Omni Departments](#)

Internal

- Education & General departments, auxiliaries, sponsored research projects, Foundation/Research Foundation Projects and any other University department that has a six-digit DeptID

External

- Faculty, staff, students, DSOs, other state agencies, and any other individuals or organizations that are not University departments, and therefore do not have a six-digit DeptID



Classifications

Enterprise (ENTR)

- **Mission:** These auxiliaries exist to provide goods or services primarily to University students, faculty, and staff (external users)
- **Revenues:** may realize revenues in excess of costs on both external and internal users but never on internal sponsored users
- **Fund balances:** Should be maintained at a level consistent with each department's mission and operating plan.
- **OHA:** Full
- **Auxiliary Only**



Classifications

Enterprise Examples:



FSU BOOKSTORE
SEMINOLE SPORTSHOP
The official stores of FLORIDA STATE UNIVERSITY



UNIVERSITY HEALTH SERVICES

Classifications

Sales & Service of Educational Activities (SSED)

- **Mission:** These auxiliaries exist to support the mission of the University both within and outside the classroom, helping to demonstrate classroom or related educational techniques to University students, faculty, staff, or other external users. Any goods or services provided are incidental to the basic instructional laboratory experience of the user
- **Revenues:** may realize revenues in excess of costs on external users but should only charge at cost to internal users
- **Fund balances:** Average month-end fund balance should not exceed 15% of annual operating expenditures
- **OHA**
 - 0% - if 51% or more of revenue comes from internal users,
 - 1% - if 51% or more of revenue comes from external users
- Auxiliary or Designated



Classifications

Sales & Service of Educational Activities Examples:



CENTER FOR Academic & Professional Development

INTERNATIONAL PROGRAMS



Center for PREVENTION & EARLY INTERVENTION Policy

Classifications

Sales & Service of Non-Educational Activities (SSNE)

- **Mission:** These auxiliaries exist to provide goods and services primarily to University departments, though they also provide goods and services to University students, faculty, and staff
- **Revenues:** may realize revenues in excess of costs on external users but should only charge at cost to internal users
- **Fund balances:** Average month-end fund balance should not exceed 15% of annual operating expenditures
- **OHA**
 - 0% - if 51% or more of revenue comes from internal users
 - 1% - if 51% or more of revenue comes from external users
- Auxiliary or Designated



Classifications

Sales & Service of Non-Educational Examples:



Florida State University

**NEW STUDENT
& FAMILY PROGRAMS**

DEPARTMENT OF STUDENT
SUPPORT & TRANSITIONS



FRATERNITY & SORORITY LIFE

Classifications

Materials & Supplies Fee (MASF)

- **§1009.24 (14)(i):** Each university board of trustees is authorized to assess Material and Supply Fees not to exceed the amount necessary to offset the cost of materials or supply items which are consumed in the course of the student's instructional activities
- **Mission:** Revenue is used to purchase consumable supplies used in labs associated with student credit or non-credit courses
- **Revenues and Fund balances:** Fee revenue should cover exactly the cost of consumable supplies used during the semester, so there should be no revenues in excess of costs.
- **OHA:** 0%
- **Designated Only**
- This fee must first be approved by the Office of the Provost and the Board of Trustees
- Fund 301



Classifications

Other (OTHR)

- **Mission:** These auxiliaries exist to furnish goods and services to the University community, but do not fit into any of the above classifications. They are maintained by the Budget Office and the Controller's Office, and are managed by the ASB
- **Revenues & Fund Balances:** There are no billing rates for these auxiliaries. Fund balances should be maintained at a level consistent with each department's mission and operating plan.
- **OHA:** assessments vary between 0% and the Full rate depending on the type of activity
- Auxiliary or Designated
- Examples: Construction departments, ASB Loans, Overhead Salary



Other Notable Mentions

- §1011.47 F.S. states that vending (fund 620) and athletics (Funds 630-638) **shall** be auxiliaries
- Some areas have both E&G and Non-E&G operations such as auxiliary and designated departments.

SEMINOLE
ATHLETICS



FLORIDA STATE UNIVERSITY
STUDENT UNION



Tuition & Fees

Consists of E&G and Non-E&G portions (auxiliary and designated)

Fee Category	Undergraduate Courses	Graduate Courses
State Fees (per credit hour)		
Matriculation Fee	\$105.07	\$403.51
Student Financial Aid	\$5.25	\$20.17
Capital Improvement Fee	\$4.76	\$4.76
Subtotal of State Fees	\$115.08	\$428.44
Local Fees (per credit hour)		
Athletics Fee	\$7.90	\$7.90
Activities and Services Fee	\$12.86	\$12.86
Student Health Fee	\$13.97	\$13.97
Subtotal Local Fees	\$34.73	\$34.73
Other Fees (per credit hour)		
Transportation Fee	\$8.90	\$8.90
Tuition Differential Fee	\$49.59	\$0.00
Student Facilities Use Fee	\$2.00	\$2.00
Technology Fee	\$5.25	\$5.25
Subtotal University Fees	\$65.74	\$16.15
Total In-State (per credit hour)	\$215.55	\$479.32
Out-of-State Fees (per credit hour)		
Out-of-State Fee	\$481.48	\$601.34
Out-of-State Financial Aid Fee	\$24.07	\$30.06
Total Out-of-State (per credit hour)	\$721.10	\$1,110.72
Term-based Flat Fees		
Per-Semester Facilities Use Fee (all terms)	\$20.00	\$20.00
FSUCard Term Fee (Fall & Spring only)	\$5.00	\$5.00



Tuition & Fees

E&G

Auxiliary

Designated

Additional fees in fund 301:

- Materials and Supplies (M&S) (Previously “Lab Fees”)
- Equipment/Facilities fees
- Distance Learning Fees

Fund:	Fee Category	Undergraduate Courses	Graduate Courses
120	State Fees (per credit hour)		
650	Matriculation Fee	\$105.07	\$403.51
8xx	Student Financial Aid	\$5.25	\$20.17
	Capital Improvement Fee	\$4.76	\$4.76
	Subtotal of State Fees	\$115.08	\$428.44
	Local Fees (per credit hour)		
630	Athletics Fee	\$7.90	\$7.90
610	Activities and Services Fee	\$12.86	\$12.86
390	Student Health Fee	\$13.97	\$13.97
	Subtotal Local Fees	\$34.73	\$34.73
	Other Fees (per credit hour)		
360	Transportation Fee	\$8.90	\$8.90
121	Tuition Differential Fee	\$49.59	\$0.00
301	Student Facilities Use Fee	\$2.00	\$2.00
615	Technology Fee	\$5.25	\$5.25
	Subtotal University Fees	\$65.74	\$16.15
	Total In-State (per credit hour)	\$215.55	\$479.32
	Out-of-State Fees (per credit hour)		
120	Out-of-State Fee	\$481.48	\$601.34
	Out-of-State Financial Aid Fee	\$24.07	\$30.06
	Total Out-of-State (per credit hour)	\$721.10	\$1,110.72
	Term-based Flat Fees		
301	Per-Semester Facilities Use Fee (all terms)	\$20.00	\$20.00
320	FSUCard Term Fee (Fall & Spring only)	\$5.00	\$5.00



OMNI Funds – Examples

Education & General (E&G)	Designated	Auxiliary	Restricted
110 – E&G GR	301 – Student Fees	310 – Working Capital	510 – Florida State University Schools
120 – E&G Student & Other Fees	330 – Auxiliary Overhead	320 – Auxiliary Enterprise	520-570 – Sponsored Research
140 – E&G GR Carryforward	335 – Central Ops & Svcs	321 – Medical Practice Plan	599 – FSU Foundation Dept Funds
121 – Tuition Differential	610 – Activity & Svc Fee	345 – Civic Center	660-665 – Restricted Scholarships
126 – Tuition Differential Carryforward	615 – Technology Fee	350 – NWRDC	680 – Scholarship Agency Funds
210 – Medicine GR	620 – Concessions (Vending)	360 – Parking & Transportation	
240 – Medicine GR Carryforward	650 – Unrestricted Scholarship	370 – Housing Operations	
211 – Engineering GR		390 – Wellness Ctr & Health Fees	
241 – Engineering GR Carryforward		630 - 638 – Athletics	



Establishing an Auxiliary Department

Requirements

- Clearly support the University's mission of teaching, research, and public service
- Must be an ongoing activity
- Generate revenues exceeding \$5,000 annually
- A new auxiliary will not be established when an existing entity is available to account for the good or service, or in cases where the activity should be administered by the Office of Research or a DSO.

If Cash, Checks or Credit Cards are collected:

- Approved as a Cash Collection Point (FSU policy [4-OP-D-2-B Cash Management](#))
- <https://controller.vpfa.fsu.edu/services/merchant-services>
- Work with the Controller's Office in use of Transact

To Establish an Auxiliary

- Fill out *Request to Establish an Auxiliary Operation* & the *Establish a New Department ID* forms
- Document Rate Methodology
- Obtain Dean/Director/Dept Head/Chair's approval
- Send to Budget Office to obtain remaining approvals at least 6 weeks in advance



Establishing a Designated Department

Requirements

- Clearly support the University's mission
- Must be ongoing activity
- Generate revenues exceeding \$5,000 annually (certain fees are excluded from this requirement)

To Establish a Designated Department

- Fill out Request to Establish a Designated Department & the form to Establish a New Department ID
- Provide documentation to show approval of the fee and a Rate Methodology if applicable
- Obtain Dean/Director/Dept Head/Chair's approval



Rate Methodology

Direct + Indirect Costs = Total Costs



- Rates for External / Internal / Internal Sponsored Projects Users
- Doing business with Sponsored Projects: [Florida State University Policy 7A-25 - Unallowable Costs](#)
 - Includes Funds 520, 521, 523 & 524
- [Template Link](#)



Rate Methodology



Usage Base

150 burgers per hour

10 hour days x 150 = 1,500 burgers per day

1,500 x 248 working days per year

= 372,000 burgers per year



Rate Methodology



Direct Costs

		Per Item	Per Year
Buns	\$10/package -10 buns =	\$1.00	\$372,000
Meat	\$20/package -10 patties =	\$2.00	\$744,000
Labor, grill (2)	\$10/hour @ 75 patties =	\$0.13	\$49,600
Labor, dress (3)	\$10/hour @ 50 burgers =	\$0.20	\$74,400
		<hr/>	<hr/>
		\$3.33	\$1,240,000

Indirect Costs

		Per Item	Per Year
Insurance	\$600/month ÷ 31,000 burgers =	\$0.02	\$7,200
Manager	\$15/hour ÷ 150 burgers/hour =	\$0.10	\$37,200
		<hr/>	<hr/>
		\$0.12	\$44,400



Rate Methodology



Direct + Indirect = Total Cost

Per Item: $\$3.33 + \$0.12 = \$3.45$

Per Year: $\$1,240,000 + \$44,400 = \$1,284,400$

$\$1,284,400 \div 372,000 \text{ burgers} = \underline{\$3.45}$

Charge Internal Users: \$3.45

Charge External Users: \$3.62



Rate Methodology



Build under/over collected costs into rate:

Total Costs + Under collected amount

Total Costs – Over collected amount

Under collected \$5,000 last year

$$\$1,284,400 + \$5,000 = \$1,289,400$$

$$\$1,289,400 \div 372,000 \text{ burgers} = \underline{\underline{\$3.47}}$$



Managing Your Auxiliary's Budget

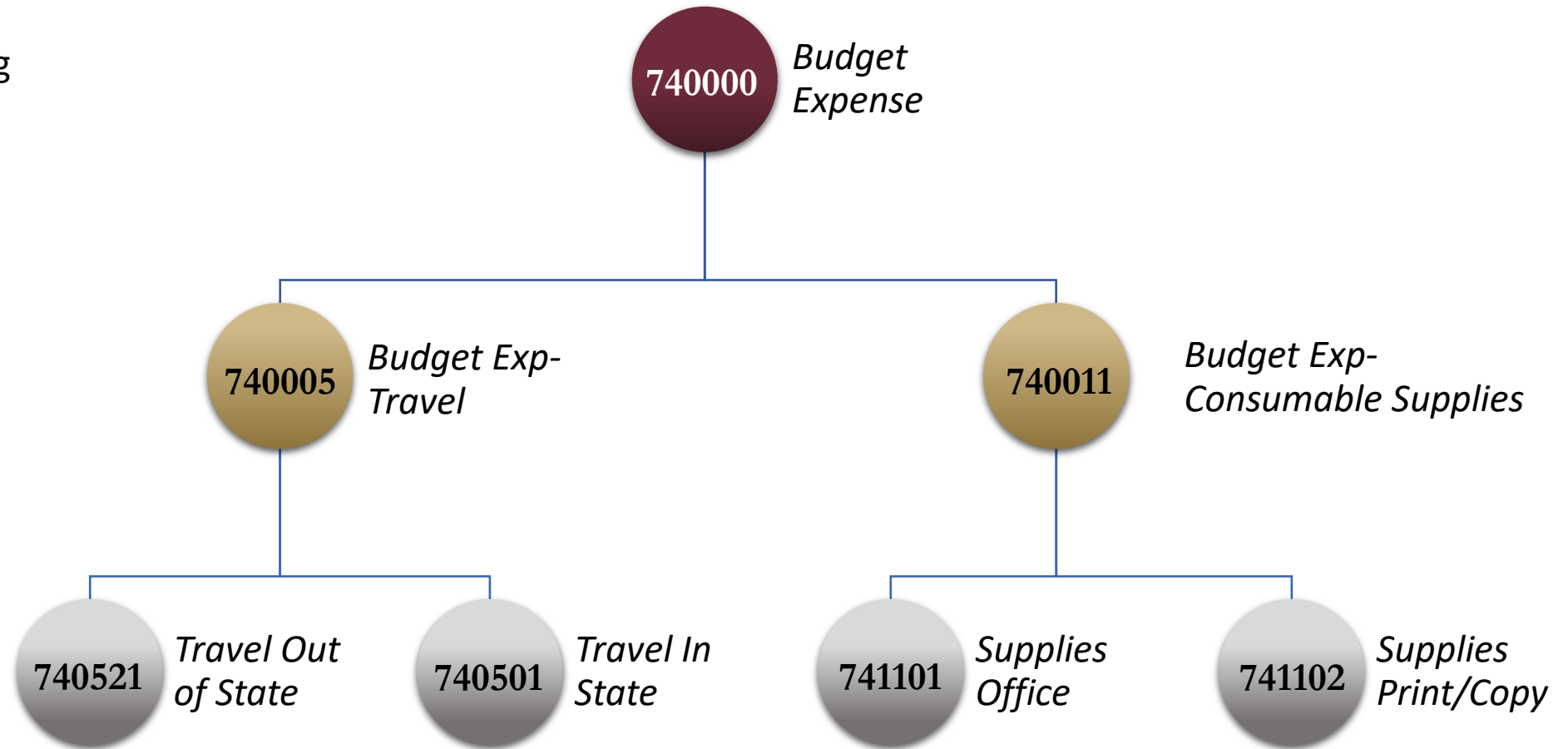


Budgetary and Sub-Budgetary Accounts

Budget Checking
In OMNI

Budget Entry
in ADP

Spending on
the GL



Spending Constraints

- Auxiliaries & Designated must follow all general FSU Policies & Procedures, including payroll, travel, purchasing and accounts payable.
- OMNI will budget check Available Balance at the department-fund-account level and will prevent certain transactions* from being processed without sufficient available balance.
 - OMNI will also check available Project balances for Foundation (599) projects.
- Department staff must manually check Fund Balance.

Fund Type	<i>OMNI</i> Departmental Available Balance	<i>Manual</i> Departmental Fund Balance	<i>OMNI</i> Project Available Balance
E&G	X		
Non-E&G	X	X	
Foundation (599)	X		X



Spending Constraints – Available Balance

- Available Balance = Budget - Encumbrances - Expenses
- To view Available Balance use any of the following:
 - Budgets Overview
 - Budget Details
 - Queries:
 - FSU_BUD_AVAIL_BAL - View Budget, Encumbrance, Expense, and Available Balance by department-fund-account
 - FSU_BUD_AVAIL_BAL_DIM - View Division, School Area, DDDHC, Budget Manager, Budget, Encumbrance, Expense, and Available Balance by department-fund-account
 - FSU_BUD_FSUF_AVAIL_BAL – Specifically for Foundation Projects on fund 599, view Budget, Encumbrance, Expense, and Available Balance by department-fund-project-account
 - BI Dashboards:
 - Financial Reports – Available Balance
 - Financial Reports – Budget and Transaction



Spending Constraints – Fund Balance

- Fund Balance = Assets - Liabilities(excluding capital asset accounts)
- Fund Balance 15% of annual expenditures
- To check Fund Balance use query FSU_DPT_TRIAL_BALANCE.
 - Do not forget to consider outstanding encumbrances, which are not included in the query.

In this example, cash is \$311,301.15 and Fund Balance is \$315,304.36 (Cash + AR + AP)

	Account	Account_Description	Sum Total Amt
1	112000	Cash in Bank	311301.150
2	151100	AR - Fees	4161.160
3	311017	AP - Payroll St Retire Not ORP	-157.950



Budget Transfers and Adjustments



- Budget Transfer role requested through eORR
 - Must list out each department & corresponding fund in justification field
- Budget booked only on Budgetary Accounts
- Transfers may be made within a department or between departments within the same fund
- Adjustments to revenue budgets must be posted by the Budget Office



Budget Transfer

Transfer within a department

Dept ID	Fund	Budgetary Account	Current	Transfer	New
999999	320	710300	48,000		48,000
999999	320	710399	16,800		16,800
999999	320	720000	20,000	-5,000	15,000
999999	320	740000	25,200	5,000	30,200
			110,000	0	110,000

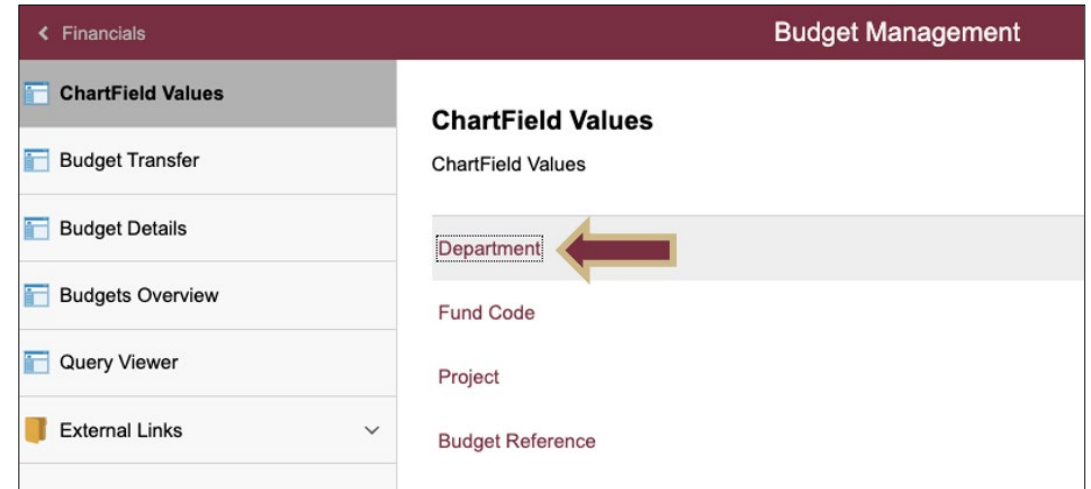
Transfer between departments within the same fund

Dept ID	Fund	Budgetary Account	Current	Transfer	New
999998	320	720000	30,000	-5,000	25,000
999998	320	740000	20,000	-5,000	15,000
			50,000	-10,000	40,000
999999	320	710300	48,000		48,000
999999	320	710399	16,800		16,800
999999	320	720000	20,000	5,000	25,000
999999	320	740000	25,200	5,000	30,200
			110,000	10,000	120,000
			Net 160,000	0	160,000



Budget Manager Responsibilities

- Found in ChartField Values
- Official Contact
- Reconcile Expenditures
- Check Available Balance and Fund Balance
- Submit Rate Methodologies
- [Budget Manager Responsibilities](#)



The screenshot displays the 'Budget Management' interface. On the left is a navigation menu with the following items: 'ChartField Values' (selected), 'Budget Transfer', 'Budget Details', 'Budgets Overview', 'Query Viewer', and 'External Links'. The main content area is titled 'ChartField Values' and contains a list of fields: 'Department', 'Fund Code', 'Project', and 'Budget Reference'. A red arrow points to the 'Department' field, which is highlighted with a grey background.



Auxiliary Accounting/Internal Billing

BTUIB1 - Understanding Internal Billing

Internal Purchase Orders

- Created in OMNI, not SpearMart
- Required to originate charges and encumbrances for all interdepartmental billing when the selling department is using AR/Billing functionality in OMNI; no exceptions.
- Applies correct accounting information to the expense
- Allows for encumbrances to be created which affects your available balance
- The Purchase Order is simply a charge mechanism and **does not** replace the Sales Order. Contact the selling auxiliary to make request.
- No payment/receipting necessary
- Questions? See the [Auxiliary Services](#) website or contact CTL-AuxiliaryAccounting@fsu.edu



TRANSACT

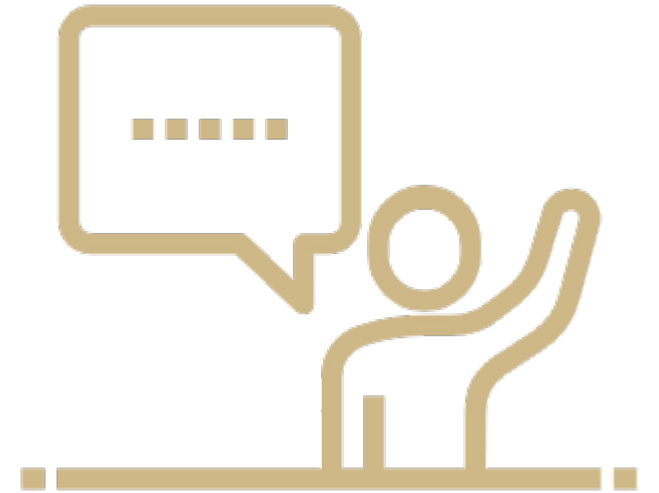
- Replaces PayPoint
- Third-party application that provides ecommerce-related services
- Allows departments to operate online storefronts (eMarkets) to create custom online spaces to sell materials and supplies, physical products, rented space, memberships, etc.
- Provides cashiering point of sale and accepts payments for charges in the Auxiliary Accounts Receivable system in OMNI Financials
- Payments from **external customers.**
- <https://controller.vpfa.fsu.edu/transact-departments>



Frequently Asked Questions...

What happens if...

- Our auxiliary activities/mission changes?
- We go into a deficit?
- We change our rates?
- We have too much excess cash?
- We don't have enough budget to purchase an OCO item over \$5,000?
- We have activity in the Foundation to move over?
- We no longer need to use the auxiliary?



In Summary

- Rates charged to internal/sponsored users **must** be approved by the Budget Office
- Know who your customers are
- Evaluate your rate often
- If you don't know, reach out!



Governing Laws, Regulations, & Policies

- Title XLVIII, Florida Statutes
 - Chapter 1009 – Educational Scholarships, Fees, and Financial Assistance
 - 1009.24 – State university student fees
 - Chapter 1011 – Planning and Budgeting
 - 1011.90 – State university funding
 - Chapter 1013 – Educational Facilities
- Board of Governors Regulations
 - Chapter 7 – Tuition and Fees
 - Chapter 9 – Property and Finance
 - Chapter 14 – Construction Program
- Board of Governors [Glossary of Budget and Finance Terms](#)
- University Regulations
 - Chapter 2 – Administrative Matters
 - 2.024 – Tuition and Fees
- University Policies
 - 4-OP-D-1 OMNI Departments
 - 4-OP-D-1-B Education & General Salary & Rate



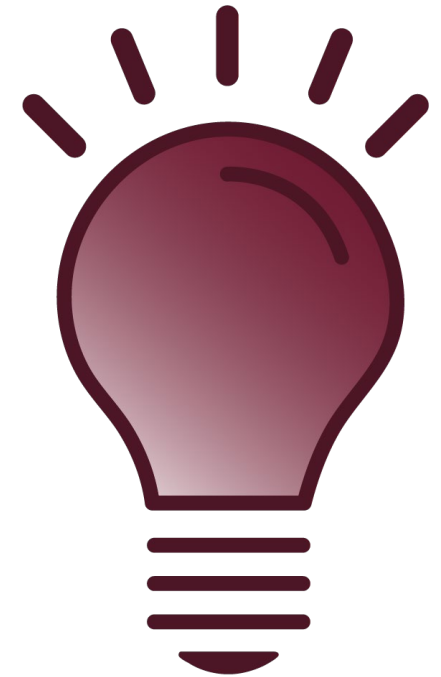
Resources

- Budget Office website (budget.fsu.edu)
 - Training & Resources, Positions & Rate, Auxiliary & Designated, Policies, Forms
 - “New” Canvas site
- Controller’s Website: <https://controller.vpfa.fsu.edu/>
 - Forms, Useful Queries, Policies, Payables & Disbursements
 - Expenditure Guidelines (controller.vpfa.fsu.edu/services/accounts-payable)



Helpful Reports & Training

- OMNI
 - ChartField Values: OMNI Financials → Budget Management → Define ChartField Value
 - Department Info Query: FSU_CF_DEPT_ATTRIB2
 - Department Designations: FSU_CF_DEPT_ALL_DESIGNATIONS
 - Trial Balance Query: FSU_DPT_TRIAL_BALANCE
 - Cash Balance Query: FSU_DPT_CASH_BALANCE
 - Available Balance Query: FSU_BUD_AVAIL_BAL_DIM
- BI Reports:
 - Department Ledger Review
 - Budget & Transaction
 - HR - GL Detail
- Other Helpful Training
 - Budgeting – BTAC05
 - General Ledger Classes – BTAC01 & BTAC10 (New Online Version!), BTAC02, BTAC03, BTAC04,



Questions?

Email: budget@fsu.edu

Website: budget.fsu.edu

Auxiliary Questions

Mary Alice Bullard

Ben Spivey

Salary Questions:

Gail Friedrich

Christopher Brown

Phuong Van

All Other Budget Questions:

Katie Perkins

Angela Crosby

Anne Hudgens

