

LONGWOOD

U N I V E R S I T Y



OPERATING BUDGET AND PLAN

FY 2010 - 2011

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BUDGET SUMMARY

This section provides an overview of the University's 2010-2011 operating budget. Detailed budget information is provided in the supporting tables. Highlights of the proposed plan are presented below.

- The budget is based on conservative assumptions related to enrollment projections, revenue calculations and expenditure estimates. Revenue calculations are based on enrollment figures for FY 2008-2009.
- E&G reserves totaling \$300,000 are included in the budget assumptions.
- The budget contributes approximately \$2.3 million to fund balances in the Auxiliary Service programs. This fund balance contribution continues a long range planning strategy for the use of these resources to accomplish future initiatives in the Auxiliary area. Additional reserves are provided within the budget to address potential variations in key planning assumptions.
- As approved by the Board of Visitors at its March 2010 board meeting, tuition for Virginia undergraduates was increased by \$585, a 12.23 percent increase over last year based on a thirty-credit-hour schedule. In compliance with guidance set forth by the Governor and the General Assembly, the auxiliary student fees, and room and board charges may be increased to cover changes in inflationary costs, debt service expenses, and costs associated with base salary increases and fringe benefits. Auxiliary fees increased by \$743. In total, allowing for the increase in tuition and the increases in fees, room and board, the cost for full-time Virginia undergraduates will increase by an average of \$1,328, a 7.98 percent increase.

Tuition rates for in-state graduate, out-of-state undergraduate and out-of-state graduate students were increased 10.0 percent to \$241, \$520 and \$670 per credit hour, respectively.

- The projected revenue budget for FY 2011 is \$98,326,690. The proposed expenditure budget for the total University is \$95,995,913. The budget reflects \$2,330,777 in planned contributions to auxiliary fund balances.
- The budget consists of two major components: the Educational and General Programs budget and the Auxiliary Services budget.
- The Educational and General Programs budget, which includes both general and nongeneral funding sources, is composed primarily of expenditures and revenues in the Instructional programs, as well as Student Financial Assistance and Sponsored Programs (grants and contracts). The total planned expenditures for FY 2011 are \$55,986,236

- The second major component of the University's total budget is Auxiliary Services, which includes activities such as student housing, dining services, parking and athletics. The proposed Auxiliary Services budget for 2010-2011 is \$40,009,677. A total of \$1,593,382 will be held in reserve for proposed debt service costs associated with the new student union facility and residence hall renovations.

2010-2011 ACTIONS OF THE GENERAL ASSEMBLY

The General Assembly adjourned its 2010 legislative session on March 14, 2010. As anticipated, given recent State revenue forecasts, little was approved in the way of new higher education funding initiatives. Major highlights of this budget are described below.

As a result of the final actions taken by the Governor and the General Assembly in the 2010 session, Longwood's total Educational and General (E&G) operating appropriation increased from \$50,003,711 (FY 2010 original appropriation) to \$52,331,783 -- \$23,855,610 GF and \$28,476,173 NGF.

Longwood's FY 2011 general fund operating base decreased by a net \$1,032,136 (4.15 percent) under FY 2010. This change was specifically related to (1) a \$836,798 budget reduction, (2) support for the Nursing program, and (3) central account adjustments. General fund support for student financial assistance remained unchanged. Nongeneral fund operating appropriation includes \$3,305,208 in American Recovery and Reinvestment Act (ARRA) funds. These changes will be reflected in the General Fund Appropriation received from the State on July 1, 2010.

Budget Reductions

Given recent economic conditions and the resulting decline in State revenues, agencies have experienced significant budget reductions over the past three fiscal years. Longwood's cuts have been:

FY 2008	\$1,669,511
FY 2009	\$1,356,876
FY 2010	\$3,584,147

Approximately 25% of Longwood's budget has been cut between 2008 and 2011. Proposed cuts for FY2012 are \$2,668,843, which will bring the total to 36%.

Nursing Program

Longwood received \$185,673 in general fund support for the Bachelor of Science in Nursing program.

Salary Increases

In October 2008, the Governor postponed the 2 percent pay raise scheduled for November 2008 for all state employees. Subsequent salary increases were eliminated. However, a onetime 3% bonus will be provided in December 2010, to employees who are

employed as of June 30, 2010, if the revenue for fiscal year 2010 exceeds the projection by \$82.2M. The University funded the furlough day at a cost of \$122,983.

Longwood will contribute \$23,500 to fund faculty promotions.

Base Adequacy Funding

The State's goal in providing base adequacy monies is to help fund the Commonwealth's restructuring goals and to keep tuition costs down. No base adequacy funding was allocated in FY 2011.

Higher Education Equipment Trust Fund

\$599,263 was appropriated to Longwood in FY 2011 relative to the Equipment Trust Fund program. This was decrease of \$62,083 in funding between FY 2010 and FY 2011 allocations. Funding for this program in FY2012 is dependent upon the State's ability to issue debt.

Out-of-State Capital Fee

Out-of-state students are required to pay 100 percent of the average cost of their education. In addition, non-resident students will pay \$19 per credit hour (up from \$13 last fiscal year) as a mandatory capital fee. The amount of capital fees that will be paid by the University to support state capital project debt service on bonds issued under the 21st Century Program increased \$42,200 in FY 2011 to \$118,410.

Capital Projects

In 2008, new legislation was enacted which established a new six-year capital outlay planning process for the Commonwealth and created a Six-Year Capital Outlay Plan Advisory Committee. Agencies submitted request by June 1, 2009, for all projects they wish to be considered for funding. The six-year capital requests were reviewed by the Advisory Committee who submitted to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees a proposed list of projects for the six year period. The final budget included excess bond funding to be used for seven capital projects across higher education and Longwood's Technology Center in the number two priority for the use of these funds. Equipment for the Bedford Renovation and Addition was included in the budget. Longwood's Maintenance Reserve funding for FY 2011 is \$895,916 – a decrease of \$485,084 under our FY 2010 appropriation. No appropriation was provided for FY2012; this too is dependent on the State's ability to issue debt.

American Recovery and Reinvestment Act (ARRA) Funds

The General Assembly's appropriated 2011 budget includes American Recovery and Reinvestment Act (ARRA) funds which are one-time funds made available as part of President Obama's stimulus package. Longwood's ARRA allocation is \$2,210,989 in 2010 and \$3,305,208 in 2011. One of the purposes of the State Fiscal Stabilization Fund program is to help mitigate the need for increases in tuition and fees that in-state students pay to attend public institutions of higher education. These funds are not included in this operating plan and will be used to cover initiatives as discussed during the March tuition and fee presentation.

2010-2011 EDUCATIONAL AND GENERAL PROGRAM PRIORITIES

The University's 2010-2011 Educational and General budget is based on priorities that support the strategic plan. After carefully examining the revenue projection for FY 2011, funds were allocated for strategic initiatives and fixed costs increases. The recommended expenditures include funds for the following:

2010-2011 AUXILIARY SERVICES PROGRAM PRIORITIES

The University's 2010-2011 Auxiliary Services budget is based on the program priorities listed below. The budget reflects a total addition of \$2.3 million to fund balances for the next fiscal year. These reserves are provided within the auxiliary budget to accomplish the program initiatives for 2010-2011, and to continue a long-range reserve balance plan. The Board approved rate and fee increases on March 26, 2010. These increases are primarily used to fund debt service requirements and athletic scholarship increases. Additional funds were not required for salary increases, as raises were eliminated in the 2010 and 2011 budgets. No State funds are received to support auxiliary service operations.

Auxiliary Indirect Cost Rate

The Auxiliary Services operations are charged an indirect cost recovery rate for services provided by educational and general operations (such as payroll processing, purchasing, billing services and facilities administration). The auxiliary cost study is submitted to SCHEV prior to the beginning of each biennium. The indirect cost rate for the 2010-2012 biennium is 15.98 percent. This is a .53 percent increase from the prior biennium.

Compensation

Due to the lack of raises from 2008 to 2011, Longwood funded the furlough day for its employees.

Housing

Housing revenue will continue to provide funds for maintenance reserve projects in the residence halls, and will provide a reserve of \$765,563 for future debt service for major repair and renovation to the facilities.

Dining

Funds are provided for a contribution to fund balances that will be used to accomplish future initiatives including maintenance and repairs on the dining hall facility. In FY 2011, the projected fund balance contribution is \$509,977.

Athletics

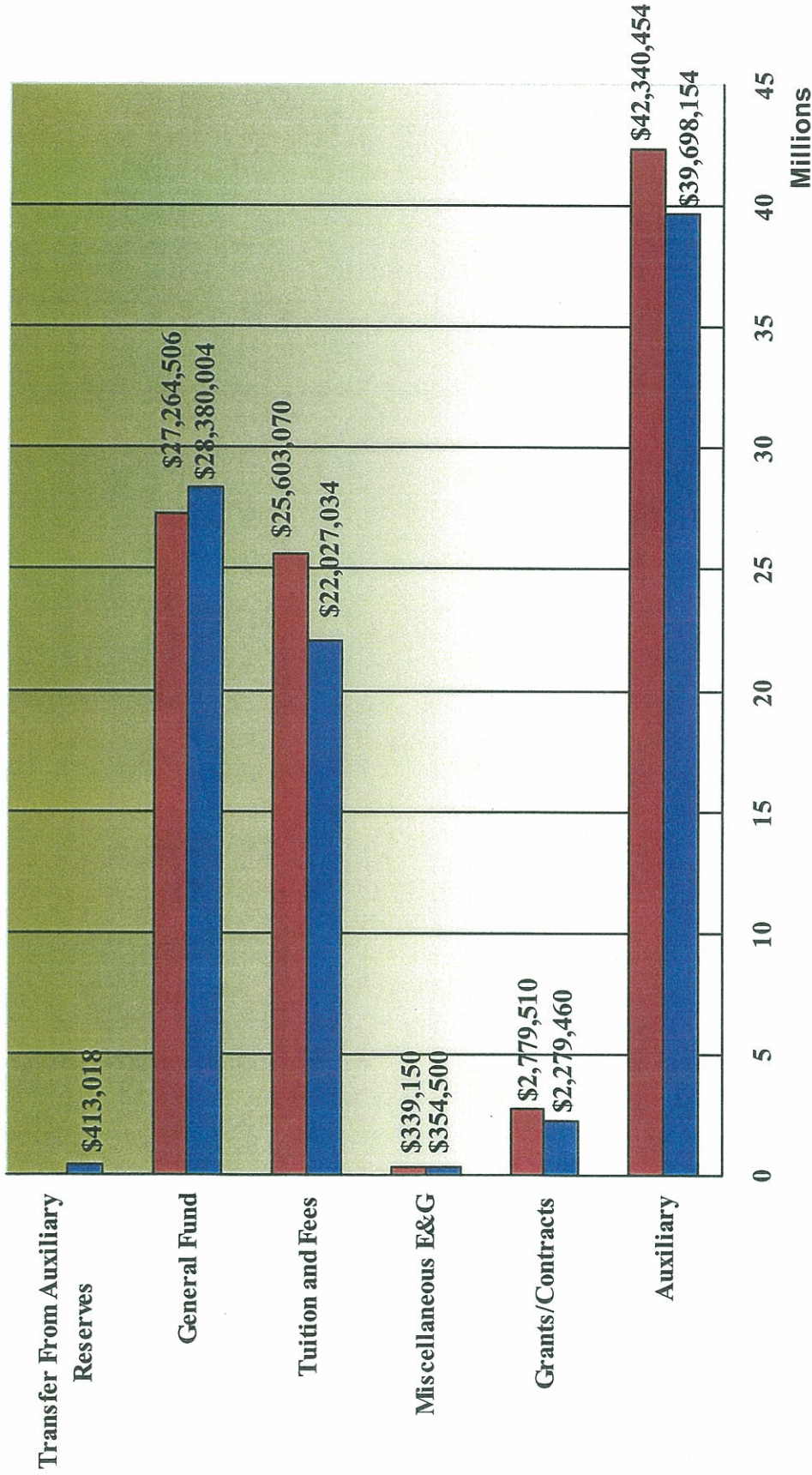
Additional funds are provided to increase scholarships by \$186,956.

Comprehensive Fee Budgets

The comprehensive fee is used to support many auxiliary programs and services, including: intercollegiate athletics, recreation and intramural programs, the student union, student health services, telecommunications services, the Visual Arts Center, debt service, and repair and maintenance on nongeneral fund supported facilities.

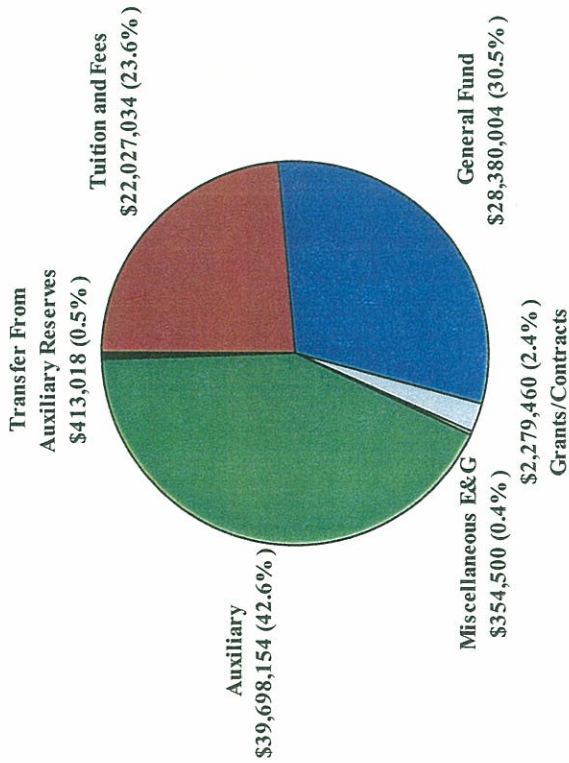
Comprehensive fee revenue will also provide funds for future debt service and contributions to fund balances that will be used to accomplish future initiatives. FY 2011 planned contributions total \$903,212. These reserves include \$827,819 for debt service and operating costs associated with the new university center/student union facility.

Total Revenue

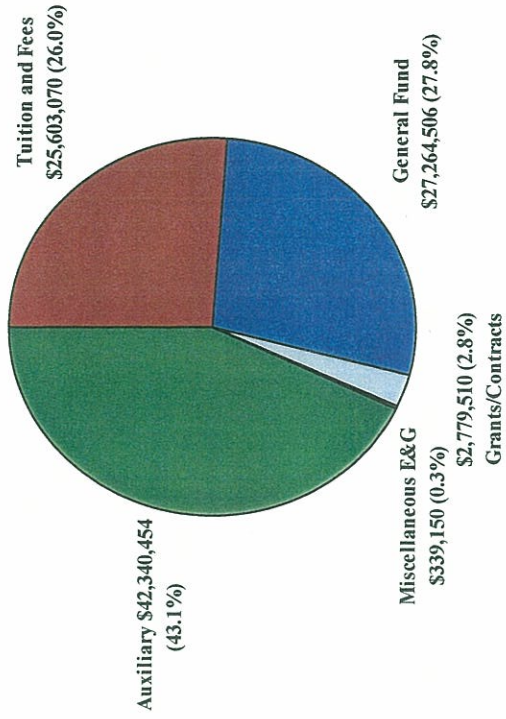


■ 2010-11 Revenue: \$98,326,690
■ 2009-10 Revenue: \$93,152,170

Total Revenue Comparison By Category

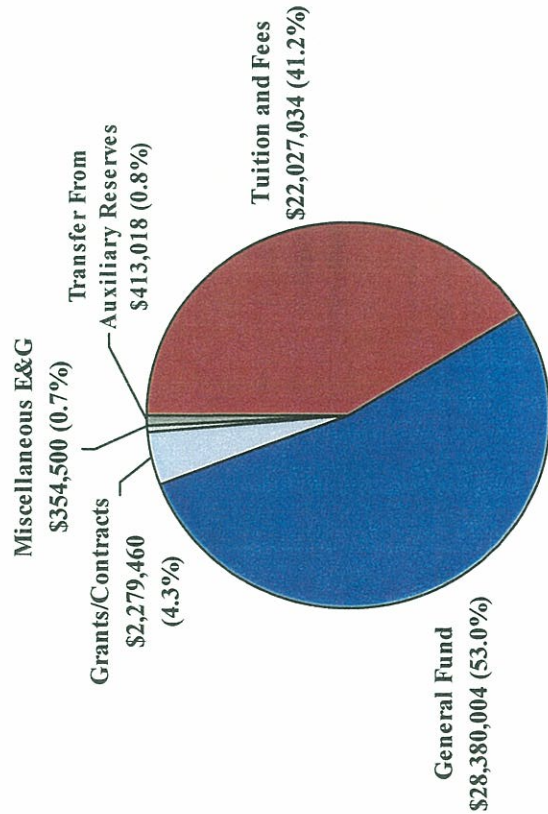


2009-10 Total Revenue: \$93,152,170

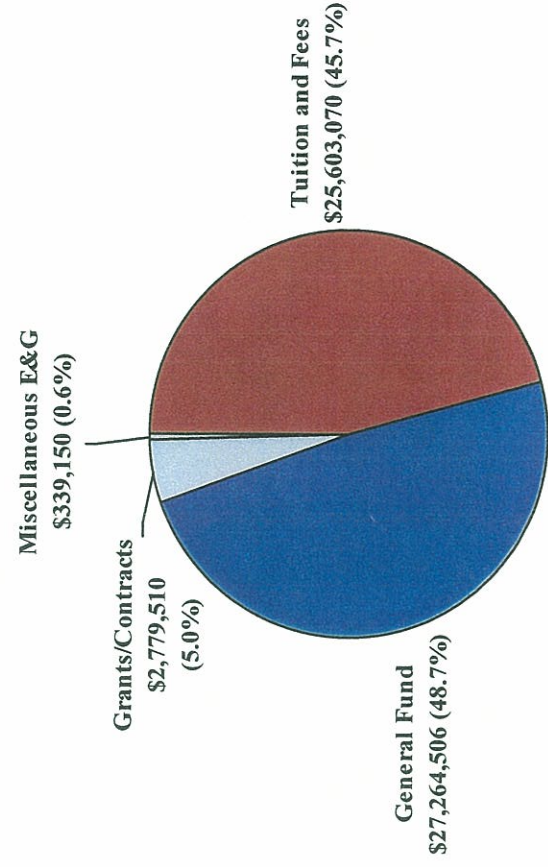


2010-11 Total Revenue \$98,326,690

E&G Revenue Comparison By Category

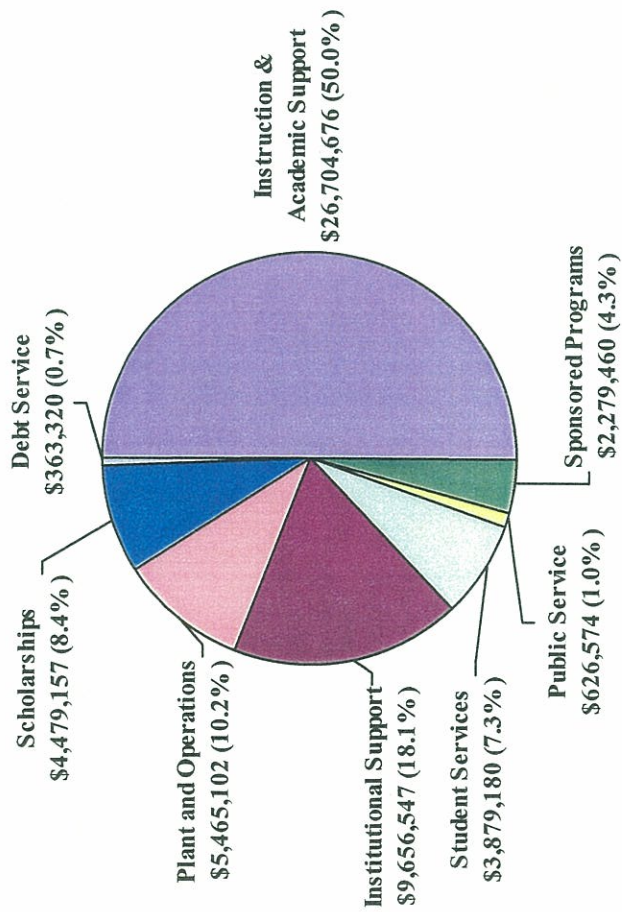


2009-10 E&G Revenue: \$53,454,016

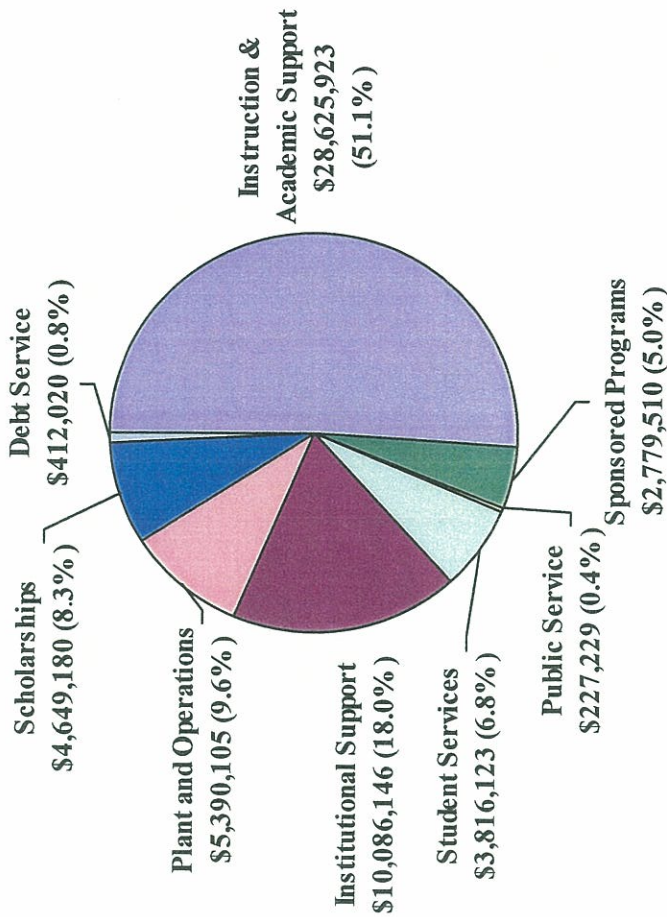


2010-11 E&G Revenue: \$55,986,236

E&G Expenditure Comparison By Category

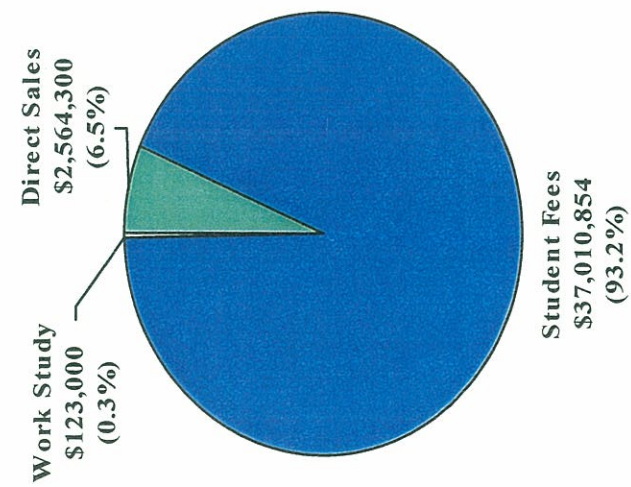


2009-10 E&G Expenditures: \$53,454,016

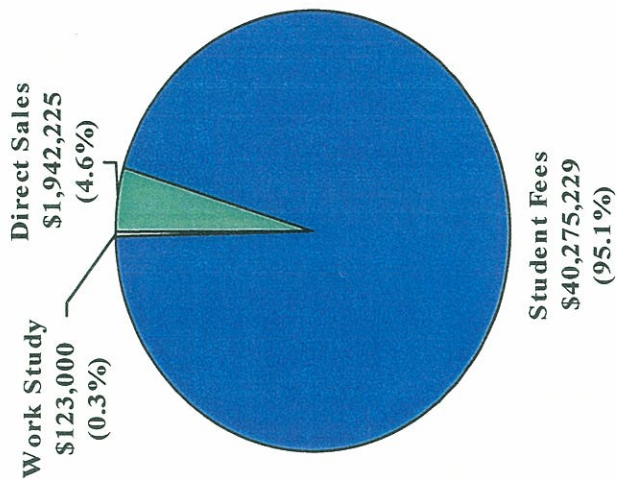


2010-11 E&G Expenditures: \$55,986,236

Auxiliary Services Revenue Comparison By Category

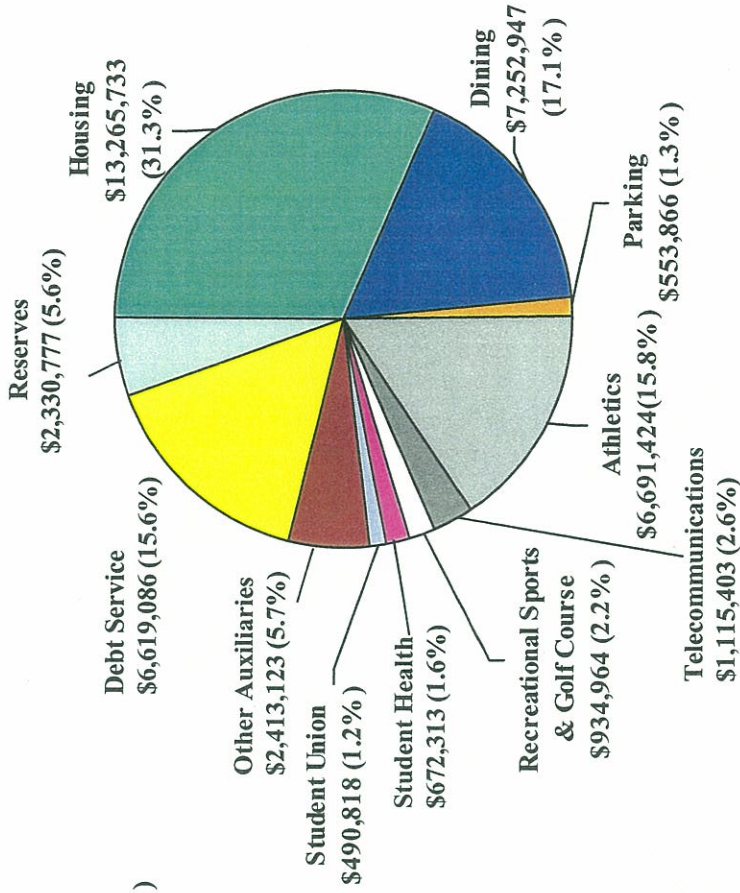


2009-10 Auxiliary Revenue: \$39,698,154

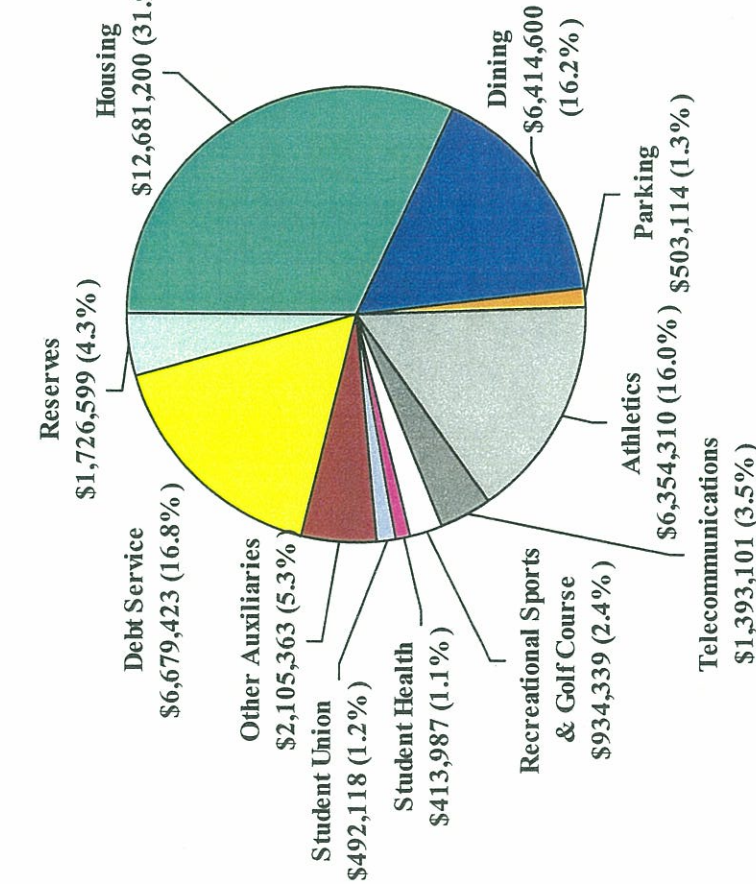


2010-11 Auxiliary Revenue: \$42,340,454

Auxiliary Services Expenditure Comparison By Category



2009-10 Auxiliary Expenditures: \$39,698,154



2010-11 Auxiliary Expenditures: \$42,340,454

**TABLE 1
REVENUE SUMMARY**

	Operating Data	
	Budget 2009-2010	Proposed 2010-11
<u>EDUCATIONAL AND GENERAL</u>		
Tuition and Fees	22,027,034	25,603,070
Commonwealth Appropriations *	28,380,004	27,264,506
Federal Grants and Contracts	898,248	1,908,618
State/Local/Private Grants and Contracts	1,381,212	870,892
Other Sources	354,500	339,150
Transfer from Auxiliary Reserves	413,018	0
Total Educational and General	53,454,016	55,986,236
<u>AUXILIARY ENTERPRISES</u>		
Total Auxiliary Enterprises	39,698,154	42,340,454
Institution Total	93,152,170	98,326,690

* FY 2011 State Appropriation includes Higher Education Student Financial Assistance of \$3,523,147. Appropriation reflects estimated Central Fund adjustments.

TABLE 2
EXPENDITURE SUMMARY

Expenditure Categories	Budget 2009-10	Proposed 2010-11
<u>Educational and General</u>		
Instruction	20,815,888	22,921,976
Sponsored Programs	2,279,460	2,779,510
Public Service	626,574	227,229
Academic Support	5,888,788	5,703,947
Student Services	3,879,180	3,816,123
Institutional Support	9,656,547	10,086,146
Plant Operation & Maintenance	5,465,102	5,390,105
Scholarships & Fellowships	4,479,157	4,649,180
Transfers		
Debt Service (Mandatory)	363,320	412,020
Non-Mandatory		
Total Planned E&G Expenditures	53,454,016	55,986,236
<u>Auxiliary Enterprises</u>		
Expenditures	31,292,132	33,390,591
Transfers		
Debt Service (Mandatory)	6,679,423	6,619,086
Non-Mandatory		
Total Auxiliary Enterprises	37,971,555	40,009,677
Total Expenditures & Transfers	91,425,571	95,995,913

TABLE 3
SUMMARY OF AUXILIARY SERVICES, INCOME
AND EXPENDITURES

	Budget 2009-10	Proposed 2010-11
RESIDENCE HALLS		
Direct Income	80,500	80,500
Income (Room Fees)	14,960,561	16,147,372
Expense	12,681,200	13,265,733
Debt Service (Mandatory)	2,238,281	2,196,576
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	121,580	765,563
FOOD SERVICES		
Direct Sales	153,000	128,000
Income (Meal Plans)	7,373,433	8,339,493
Expense	6,414,600	7,252,947
Debt Service (Mandatory)	693,544	704,569
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	418,289	509,977
ATHLETICS		
Income (Direct Sales and Services)	97,003	244,003
Student Fees	7,340,520	7,513,678
Expense	6,354,310	6,691,424
Debt Service (Mandatory)	1,083,213	1,066,257
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	0	0
PARKING AND TRANSPORTATION		
Income (Direct Sales and Services)	601,202	644,177
Student Fees	328,890	322,776
Expense	503,114	553,866
Debt Service (Mandatory)	341,896	337,694
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	85,082	75,393
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TABLE 3
SUMMARY OF AUXILIARY SERVICES, INCOME
AND EXPENDITURES

	Budget 2009-10	Proposed 2010-11
TELECOM SYSTEMS		
Income (Direct Sales and Services)	303,045	18,045
Student Fees	1,090,056	1,097,358
Expense	1,393,101	1,115,403
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>0</u>	<u>0</u>
STUDENT HEALTH		
Income (Direct Sales and Services)	5,901	5,901
Student Fees	408,086	666,412
Expense	413,987	672,313
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>0</u>	<u>0</u>
STUDENT UNION		
Income (Direct Sales and Services)	7,647	6,647
Student Fees	484,471	484,171
Expense	492,118	490,818
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>0</u>	<u>0</u>
RECREATION AND INTRAMURALS		
Income (Direct Sales and Services)	425	10,425
Student Fees	717,049	678,752
Expense	717,474	689,177
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>0</u>	<u>0</u>
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TABLE 3
SUMMARY OF AUXILIARY SERVICES, INCOME
AND EXPENDITURES

	Budget 2009-10	Proposed 2010-11
GOLF COURSE		
Income (Direct Sales and Services)	120,000	120,000
Student Fees	96,865	125,787
Expense	216,865	245,787
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	0	0
CONFERENCES		
Income (Direct Sales and Services)	349,300	420,000
Student Fees	0	0
Expense	292,471	267,975
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	56,829	152,025
OTHER AUXILIARY		
Income (Direct Sales and Services)	969,277	387,527
Student Fees	4,210,923	4,899,430
Expense	1,812,892	2,145,148
Debt Service (Mandatory)	2,322,489	2,313,990
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	1,044,819	827,819
TOTAL AUXILIARY ENTERPRISES		
Income (Direct Sales and Services)	2,687,300	2,065,225
Student Fees	37,010,854	40,275,229
Expense	31,292,132	33,390,591
Debt Service (Mandatory)	6,679,423	6,619,086
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	1,726,599	2,330,777

Significance of Ratio

This ratio reflects the amount of expenditures, by function, as a percentage of total educational and general expenditures and mandatory transfers.

Major shifts in the various percentages may reflect a change in funding priorities.

Longwood University's Current Status

The allocation ratios for Longwood University show minor shifts over the last four years. The following contributed to changes in expenditure budgets:

- ❖ Instruction and Academic Support budgets increased as \$600,000 in funding was restored to Academic Affairs. Reclassification of the Teaching Through Technology program resulted in a \$418,600 increase. The nursing program received an additional \$287,414 in funding. Student Scholarship support increased \$170,000. The establishment of new offerings at Fort Lee and Emporia required \$139,000.
- ❖ Public Service decreased due to the reclassification of Teaching Through Technology program to Instruction.
- ❖ Student Services funding was reduced due to budget reductions.
- ❖ Fixed costs associated with repair, maintenance and insurance contributed to increases in Operation and Maintenance of Plant.

Budget Allocation Ratio

Fiscal Year	2008	2009	2010	2011
Instruction and Academic Support	49.36%	49.81%	49.96%	51.13%
Public Service	1.01%	1.21%	1.17%	.40%
Student Services	5.33%	5.97%	7.26%	6.82%
Institutional Support	22.45%	20.23%	18.07%	18.02%
Operation and Maintenance of Plant	9.25%	9.73%	10.22%	9.63%
Student Aid	7.47%	7.76%	8.38%	8.30%
Debt Service	0.68%	0.66%	0.68%	.74%
Sponsored Programs	4.43%	4.63%	4.26%	4.96%

Formula $\frac{\text{Expenditure Budget (by function)}}{\text{Total Educational \& General Expenditure Budget}}$

Significance of Indicator

This indicator reflects the amount of funds expended for Instruction and Academic Support per each full-time equivalent student.

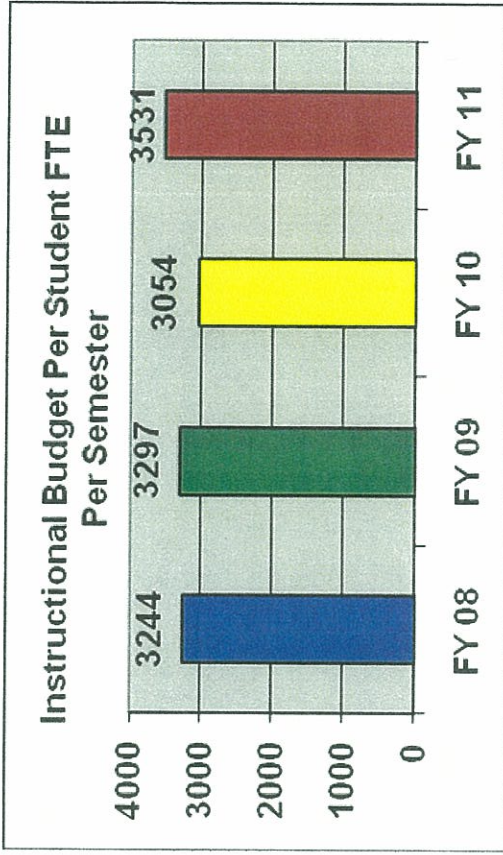
A dramatic change in the ratio signals a shift in the funding priorities of the institution. A significant change also can accompany an enrollment increase or decline.

Longwood University's Current Status

In FY 2010, the amount allocated by the University for instructional costs per Student FTE decreased \$243 to approximately \$3,054 per student FTE for instructional and academic support costs. This decrease can be attributed to budget reductions.

In FY 2011, it increased \$477 primarily due to restoration of \$600,000 in funding to Academic Affairs. Fort Lee and Emporia program start-ups and the reclassification of Teaching Through Technology to Instruction.

The total annual Educational and General budget per in-state student FTE is \$12,720. This excludes the amount budgeted for Sponsored Programs.



Source: SCHEV 2B Enrollment Projections – Fall and Spring Semesters (On and Off Campus)

Formula: Instruction and Academic Support Budgets
Fall and Spring Enrollment Projections

Debt Burden Ratio

Significance of Ratio

The debt burden ratio examines the University's dependence upon borrowed funds as a means of financing its mission. It compares the level of debt service with the institution's budgeted expenditures.

Formula:
$$\frac{\text{Debt Service}}{\text{Total Expenditure Budget}}$$

A level trend or a decreasing ratio over time indicates that debt service has sufficient coverage without impinging further on other functional areas. The standard for higher education is a maximum of 7 percent, meaning that current principal and interest expense should not be greater than 7 percent of the total budget.

Although the 7 percent level is an acceptable threshold, this percentage can range between 5 percent and 10 percent. The actual percentage will vary based upon the financial strength of the institution. Institutions with greater flexibility in allocating funds will be able to take on additional debt. Longwood participates in the State bond program which is based on fixed rates. Debt is not increased without budgeting an increase in funds available to pay the financial obligations.

In March 2007, the Board of Visitors approved an increase in the debt ratio to 9 percent to facilitate the completion of nongeneral fund projects approved by the General Assembly.

Longwood University's Current Status

Longwood's Debt Service to Total Budgeted Expenditures is 7.32 percent for FY 2011. This calculation is based on actual debt payments, including BANNER, for FY 2011 and total budgeted expenditures less reserves.

When the debt service for BANNER is taken out of the calculation, the ratio is 6.90 percent. Debt service for BANNER was included in Longwood's general fund appropriation for the 2008-2010 biennium to cover the third and fourth year of a projected five year loan term.

Longwood's actual FY 2009 debt burden ratio was 6.74 percent per unaudited financial statement data.

Glossary

Academic Support: This includes activities conducted to provide support services to the institution's three primary programs: instruction, research, and public service. It includes the retention, preservation, and display of materials, and the provision of services that directly assist the academic functions of the institution. This program also includes the media and technology (e.g., computing support) employed by the three primary programs, as well as the administrative support operations that function within the various academic units, including the development of future instructional activities. Examples are: Libraries, Academic Computing Support, and Office of the Academic Deans.

Appropriation: An expenditure authorization with specific limitations as to amount, purpose, and time; a formal advance approval of an expenditure from designated resources available or estimated to be available.

Auxiliary Services: Activities within the University that furnish a service directly or indirectly to students and faculty. These activities charge fees directly related to, but not necessarily equal to, the cost of the service. The public may also be served incidentally by some auxiliary services. These services are essential support elements of the institution's program and are considered self-supporting.

Banner: An enterprise information system that is replacing Longwood's major administrative systems known as FRS and SIS. The Banner implementation is referred to as Project BLISS (Banner: Longwood's Implementation Strategy for Success) and took place in phases over a three-year period. The implementation of Banner Finance, Student and Human Resources modules, has resulted in a single integrated University system.

Current Funds: Resources to be expended in the near term and used for operating purposes.

Full-Time Equivalent (FTE): A means for expressing part-time students or faculty as a full-time unit. The formula is generally based on credit hours. Example: An institution may define full-time as being twelve credit hours, so a student (or faculty member) taking (or teaching) three credit hours would then equal .25 FTE.

General Funds: Revenue deposited with the State from the collection of fees, taxes, and other charges.

Governmental Grants and Contracts: Governmental grants and contracts include revenues from governmental agencies that are received or made available for specific projects or programs. It is assumed that in the case of a grant or contract, the legislative body makes appropriations to a governmental agency, which in turn enters into contracts with, or makes grants to, individual institutions. Examples are: research projects, training programs, and similar activities for which amounts are received or expenditures are reimbursable under the terms of a governmental grant or contract.

Indirect Costs: Fee charged to grants or contracts to pay for the use of University facilities, i.e., overhead.

Institutional Support: Activities whose primary purpose is to provide operational support for the day-to-day functioning of the institutions excluding physical plant operations. Examples are: finance, logistical services, public relations, development and executive management.

Instruction: Includes all activities that are a part of the institution's instructional program. Departmental research that is not separately budgeted is included in Instruction. This program excludes academic administration where the primary assignment is administration (e.g., academic deans). However, department and division chairmen should be included in this program. Examples are: general academic, off-campus, campus academic, community education, and summer session.

Mandatory Transfers: Transfers arising out of (1) binding legal agreements related to the financing of the educational plant, such as amount for debt retirement, interest and required provisions for renewals and replacements of plant, not financed from other sources, and (2) grant agreements with agencies of the federal government, donors, and other organizations to match gifts and grants to loan funds and other funds.

Miscellaneous (E & G Funds): Includes revenue from private gifts and contracts, federal government, sales and services of educational activities and public service fees.

Non-General Funds: Tuition, fees, and all other funds not received from the State. This includes donations, gifts, grants, and contracts.

Non-mandatory Transfers: These transfers serve a variety of objectives such as moving monies generated in auxiliary enterprise fund groups to a scholarship fund group for use in providing scholarships or to a capital outlay fund group for use in providing project funding.

Operations and Maintenance of Plant: This category includes the operation and maintenance of the physical plant. It includes all operations established to provide services and maintenance related to campus ground and facilities. It also includes utilities, property insurance, and similar terms. Examples are: custodial service, building repairs and maintenance, property and general liability insurance, heating plant operations and grounds maintenance.

Private Grants and Contracts: These include amounts from individuals or non-governmental organizations. The funds included in this revenue source are of two types: (1) private grants, and (2) private contracts. Private grants include money received from private donors for whom no legal consideration is involved, i.e., no specific goods or services must be provided to the donor in return for the monies. Private contracts include money for which specific goods and services must be provided to the funder as a condition for receipt of the funds. This category includes all unrestricted grants and bequests as well as all restricted grants and contracts to the extent that revenues received are expended in the year received. Unspent restricted funds are to be shown as deferred revenue and included in current funds revenue in the year in which they are spent. Only those revenues derived from the provisions of goods and services directly related to instruction, research, or public service are included in the category of Private Grants and Contracts. Revenues derived from the sale of goods and services incidental to the conduct of instruction, research, or public service should be shown under Sales and Services of Educational Activities.

Public Service: Includes all activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. Such activities can include seminars, projects, and various organizational entities established to provide services to particular sectors of the community. Example: community services.

Research: Includes activities specifically organized to provide research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution. This program does not contain sponsored research only, since internally supported research programs that are separately budgeted should also be included in this program. Examples are: individual or project research.

Restricted Funds: Funds limited to a specific use by outside agencies or persons, as distinguished from funds over which the institution has complete control and freedom as to use.

Restructuring: Legislation that allows institutions of higher education varying levels of decentralization in the areas of procurement, personnel and capital outlay while establishing commitments and performance measures for the institutions.

Revenue: An increase in current financial resources that does not come from inter-fund transfers or debt issue proceeds.

Sales and Services of Educational Activities: Sales and services of educational activities include revenues derived from the sales of goods or services that are incidental to the conduct of instruction, research, or public service. This category may include the income from programs that provide support to the instruction, research, and public service areas. Examples are: film rentals and scientific literary publications, testing services, university presses, laboratory schools, and teaching clinics.

Student Services: Those activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instruction program. Examples are: counseling and career guidance, student admissions and records and financial aid administration.

Tuition and Fees: This includes all tuition and fees (net of refunds) assessed against students, for current operating purposes. Prescribed fees that must be paid by the student to (1) apply for admissions, (2) enroll in the institution, (3) enroll in specific courses, or (4) graduate from the institution, are included.

Unrestricted Funds: Resources provided to the institution with no restrictions on their use.

