

UNCG Revised Financial Tables
Approach, Methodology, and Frequently Asked Questions
October 6, 2023 (Supersedes the version dated Sept 1, 2023)

Background Information

After the initial financial tables were released in September 2023, IREDM and the Provost's Office offered a series of workshops to familiarize campus with the data and methodology. Discussions in those sessions led to a significantly expanded set of tables that now present a great deal more information. For instance, the aggregated finance data used to create the tables are included in the new version (on the *Finance Data* tab), as are the fund numbers used to track expenditures for each department.

The revised tables offer what can be an overwhelming amount of information, but the *Full Report* tab serves as the entry point. There, viewers can see four years of direct data on student credit hours (SCH) and department-level expenditures as well as revenue generation attributed to departments, with some revenues attributed via a modeling process and others being direct revenue. (Additional information regarding the modeling process is provided in the following three sections of this document.)

Each of the tabs to the right of the *Full Report* tab contain detailed definitions, pointers, or instructions at the top of the page. Those who choose to explore the information presented in these tabs are encouraged to read this content carefully, as doing so will likely answer most questions.

Please note that:

1. These tables are meant to be used only as one component of a comprehensive program review that also includes the twenty-seven metrics set out by Academic Program Review Task Force. Those twenty-seven metrics can be explored in the [Program Review Rubric Data](#), as well as data presented on the [Academic Data Dashboard](#).
2. There is no expectation that all programs will generate net positive revenues, *i.e.* the 'Revenue Minus Cost' columns on the *Full Report* tab. However, the last four columns on the *Full Report* tab, the Absolute and Percent Change comparisons, indicate trends in expenditures relative to SCH production that bear careful consideration.

What is the goal of the financial data tables?

The financial data tables present the outcomes of a mathematical model through which we can understand academic unit **unrestricted** revenues and expenses based on student credit hour (SCH) trends. While the Academic Data Dashboard shows resource utilization across the academic portfolio and displays true SCHs, the financial data tables model department-level (and school-level within CVPA) revenues. A description of the model's methodology for assigning revenue to departments in total is provided in the *State Appropriations* tab, while the last five tabs colored UNCG gold provide a description of how revenues are assigned to a specific department chosen on the UNCG blue *Department Breakdown* tab.

It is not expected that every department/school will generate net revenue for the institution, but we can use this information to better understand how resources are being allocated in support of student and institutional success.

Do the financial data tables show how resources are actually allocated at UNCG?

No, the tables display the per-unit outputs of a financial model applied to UNCG data. In practice, revenues and/or budget reductions generally accrue centrally and are allocated to the academic units based on the previous year's base budget (a practice known as incremental budgeting), current institutional priorities, and the units' justifications of needs and opportunities. Exceptions to this practice include differential tuition and program-specific fee revenue, which are allocated directly to the units generating them. The expenses in the model accurately reflect the unrestricted expenses of academic units. The purpose of the modeling is to understand academic unit revenue and expenses relative to SCH production and other important outcomes.

What is the general methodology for these tables?

The tables consist of financial for the fiscal years 2020, 2021, 2022 and 2023.¹ However, SCH data are based on a full academic year of Fall, Spring, and trailing Summer. For example, "2022" indicates fiscal year 2022, but includes Fall 2021, Spring 2022, and all Summer 2022 SCHs. The financial tables are limited to revenues and expenses specifically related to academic departments/schools.

While further details are given below, a simplified explanation of the model's methodology is that expenditures are represented directly, but revenues are inferred. On average, 35-38% (across all years) of expenses at the University are attributed to academic departments (separated into 'Personnel' and 'Non-Personnel'). Therefore, in the model, 35-38% of revenues were attributed to academic departments. (Details can be found in the *State Appropriations* tab). Those revenues are split into 'Net Tuition and Fees' (columns M-P) and 'State Appropriations and Other Revenues' (columns U-X) on the *Full Report* tab, both of which have their own proportional splits to academic departments based on actual student credit hours.

The following are included in the model:

- Expenses: Unrestricted expenses directly charged to academic departments/schools.
- Revenue: Tuition, course and program fees, scholarships/waivers, and state appropriations are allocated to each department/school based on student credit hours.
- ICR revenues and expenditures are included, because they are not restricted and are attributable directly to departments.

For more details (and data), see the *What Could Be Included* tab.

The following are excluded from the model:

- Restricted, auxiliary, loan, endowment, agency, and physical plant funds.
- Unrestricted fund activity, such as academic administration and institutional administration, that is not directly assigned to academic departments.

More information on this can be found in the *What Else Is Excluded* tab, which includes details on what was excluded and why.

Why are restricted funds, like restricted research activity, excluded?

Restricted dollars, including research that is funded from grants or external sources, are excluded from both revenues and expenses. Those funds are given to units within UNCG to accomplish specific goals. Since these external funds are allocated to meet specific expenditures, the revenues

¹ Finance data sources: ODS Data Warehouse, cash basis

and expenses net to \$0 annually. Including the restricted expenses and revenues would artificially inflate the cost of operations for academic departments.

Data on external grant awards and submissions, F&A (facilities and administrative costs), faculty buy-outs, and research support for graduate and undergraduate students are provided by the Office of Research and Engagement and are posted [here](#).

What is the expense methodology?

The tables include all unrestricted spending within a finance organization that is identified as academic department/school supporting, with the following exceptions:

Included:

- Fund 112073-DNP Prog Tuition Differential is assigned to org 12801-Dean’s Office – NU, which is not an academic department. After discussion with the Dean, it was determined this should be included as a Nursing academic department expense, not a Dean’s expense.
- Expenses for the Joint School of Nanoscience & Nanoengineering includes org 13201-Dean’s Office – NN and 13202-Nanoscience. Unlike other schools/colleges, faculty are assigned to the Dean’s office org as their home department in HR data as well as charged there in finance data. 13202-Nanoscience contains mostly operational expenses.

Excluded:

- Differential tuition expense funds within the Bryan School. Per discussion with the Dean, they centralize most of those expenses and are not directly related to the instruction of their programs. Thus, these are not included in the analysis.

While expenses are aggregated in the *Financial Data* tab by fund, organization, account and program, the *Line-Item Data* tab contains instructions for using UNCGenie to access transaction-level details for all departments. Head/chairs and college/school business officers should be able to align actual expenditures with those in the tables to the dollar.

Why were academic and university administration expenses excluded from the model?

The goal of this model and these tables is to provide an understanding of revenues and expenses associated with the core functions of the academic departments/schools. Inclusion of expenses that occur outside of academic departments/schools would be appropriate if UNCG’s resource allocation model included a mechanism for charging the departments/schools an administrative overhead expense, as is done at institutions that employ a responsibility centered management budget model (where units are wholly responsible for generating their own revenue and covering all expenses), but this is not the case at UNCG. Academic departments/schools are not “taxed” or required to pay for the administrative functions of the University.

While academic and university administrative expenses are not in the model, they are in the *Finance Data* tab, presented at the same level of aggregation as all other expenditures.

How were tuition and fees (revenue) included in the model?

Tuition revenue is collected centrally by the institution. For purposes of the model, academic departments/schools are allocated revenue from tuition based on their portion of undergraduate and graduate student credit hours produced. Again, this is different from how funds are allocated in practice. Columns E-H in the *Full Report* tab present direct counts of SCHs, while columns U-X show

SCH (and other) appropriations from the state from SCHs via the funding model, which includes multipliers based on CIP code and course level.

Fees associated with specific activities in departments/schools (*i.e.*, lab fees) are assigned directly to those departments/schools.

If department/school headcount in the Academic Data Dashboard increases/decreases over time, why do Net Tuition and Fees not always move in the same direction?

Although Net Tuition and Fees (columns M-P in the *Full Report tab*) are generated by students enrolling at the University, and most students have a declared major, the money paid by students to the University is not directly allocated to the student's department/school. Instead, the total Net Tuition and Fees collected by the University are represented in this model based on the percentage of total SCHs (not headcount) generated by a department/school. Therefore, it is possible to have decreasing headcount in a department but increasing Net Tuition and Fees due to an increasing proportion of department SCHs, or vice versa.

How were state appropriations included in the model?

The UNC System's funding model provides revenue to institutions based on SCHs, with the amount of the appropriation determined by the CIP code and course level attached to each SCH. The appropriation from the System to UNCG is delivered centrally and not to specific to academic departments/schools. These revenues are designed to offset UNCG's educational expenses. The financial tables are modeled to ensure that the portion of revenue received by academic departments/schools as a whole matches the portion of total expenses they incur. For the years of analysis, direct department expenses range from 35%–38% of UNCG's total unrestricted expenses. Within the financial tables, for each department, revenues from tuition and fees and state revenues were made to equal 35%–38% of UNCG's total revenue. The financial tables use the System's FY2023 funding formula to allocate state revenue to academic departments/schools.

A full explanation, with budget details, of the modeling process can be found in the *State Appropriations* tab. The *Department Breakdown* tab offers a department-level view of the modeled revenue, as well as the expenditures, at the department level. The set of gold tabs to the right of the *Department Breakdown* tab provides further details on allocations based on credit hours.

How can a department's/school's State Appropriations and Other Revenues move opposite their SCH production over time?

While SCH production is a part of the total State Appropriations UNCG receives from the UNC System Office, the "Other Revenues" portion of this category, which accounts for non-SCH generated State Appropriations, vary from year to year. Therefore, when allocating the combination of SCH- and non-SCH-generated State Appropriations across departments/schools, the allocations each year may not simply follow the direction (increase/decrease) of SCH generation by the department/school.

Definitions

Student Credit Hours (SCH): The data source is the Student Data Mart End-of-Term Snapshot. Where appropriate, certain course subjects were mapped to departments to match revenue with expenses. For example, MBA courses were mapped to an appropriate academic department vs. their actual department, 'Dean's Office - BE'.

Net Tuition and Fees: All resident and non-resident tuition and academic fees (course/material fees) net of scholarships and discounts.

State Appropriation and Other Revenue: Funds received from the state plus other support service revenues generated by academic departments/schools.

Personnel Expenses: Employee (faculty, staff, and student) salaries/wages and benefits.

Non-Personnel Expenses: All other purchased goods, services, and/or non-compensation expenses.

More definitions and notes are available in the *Data Notes* tab.