



RHODE ISLAND COLLEGE

Budget 101 & Budget Development Process



Rhode Island College Budget Office

Last Updated: 11/23/2022



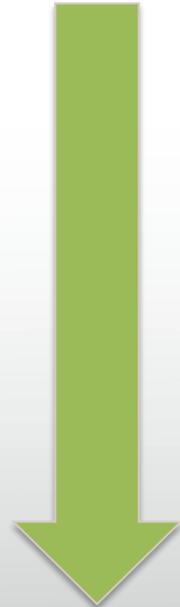
Overview

- Rhode Island College (RIC) is a component unit of the State of RI and under the aegis of the RI Council on Postsecondary Education and the RI Board of Education
- The college's fiscal year runs July 1st through June 30th. The title of the fiscal year (FY) is based on the June calendar year (i.e. FY 2023 is the fiscal year that runs July 1, 2022 through June 30, 2023)
- The college has a centralized budget management system with the Budget Office annually allocating budgets to departments, which are then managed by their respective department managers
 - (i.e. Chairs, Deans, Directors, Assistant Vice Presidents, Vice Presidents, etc.)
- Departments submit budget requests annually every spring to their respective Dean, Assistant Vice President, and Vice President. This process includes a meeting with the Budget Office to review current year issues and potential requests for the coming year(s)
- Vice Presidents review these requests, which may be submitted to the President for review. The President reviews and approves/rejects with input from the Cabinet to be included in the college's request submitted to the RI Council on Postsecondary Education in August or September



Overview of Budget Development Process

| Order | Governing Body | Capital Improvement Plan (5-Year Plan) | Annual Operating Budget |
|-------|--|--|--|
| 1 | Rhode Island College (RIC) | May-June RIC Submits Request to Council | August-September (Approx.) RIC Submits Request to Council |
| 2 | RI Council on Postsecondary Education | October Council Recommends to Board | |
| 3 | RI Board of Education | November Board Recommends to Governor | |
| 4 | Governor of RI | January Governor Recommends to General Assembly | |
| 5 | RI General Assembly | June Enacts Annual Appropriations Bill (Capital & Operating Budget) | |
| 6 | Governor of RI | July Signs Annual Appropriations Bill into Law for Fiscal Year Beginning July 1st | |





Operating Budget vs. Capital Budget

- Annual Operating Budget: general operations of the college funded by tuition and fee revenues and State of Rhode Island general revenues
 - This includes academic departments and administrative support
 - Based on Government Auditing Standards from GASB (Government Accounting Standards Board) funds cannot carry-forward to following fiscal year
- Capital Improvement Plan (or known as the Capital Budget): large construction, renovation, and asset protection-type projects over \$50,000 (as defined by the State of RI)
 - Funded by bonds, RICAP (RI Capital Funds from State of RI), and auxiliary enterprise funds
 - Funds can only be used for capital projects, but can carry-forward to following fiscal year



Biology Department
(Annual Operating Budget)



Gaige Hall Renovation
(Capital Budget)



Operating Budget Terms

| Operating Budget Term | Explanation |
|------------------------------|--|
| General Education Fund | Also known as the "General Fund," which supports the general academic mission of the college and is funded through tuition and fee revenue and State of RI General Revenue |
| Tuition and Fee Revenue | Funds raised through assessment of tuition and fees on enrolled students that support the cost of education and general education fund |
| State of RI General Revenue | Funds appropriated to RIC by the State of RI on annual basis that support the general education fund. These funds are generated by RI taxpayers |
| Appropriation | An annual allocation of funds by the State of RI enacted by the General Assembly and Governor |
| Auxiliary Enterprise Fund(s) | Auxiliary operations to academic mission, which includes Residential Life, Dining, and Student Union. These operations are self-sufficient with revenues generated by student fees |

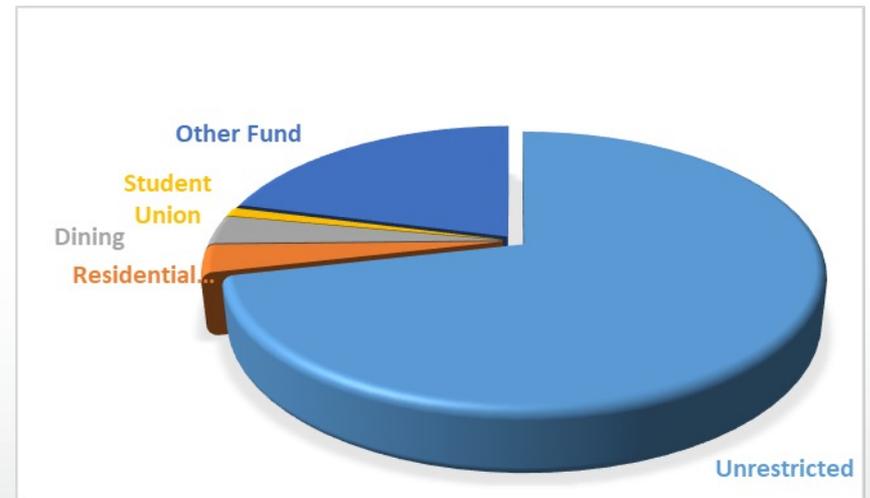
| Operating Budget Term | Explanation |
|----------------------------|--|
| Sponsored & Research Funds | Funds raised through grants and programming by outside third-party organizations, which could include other state agencies or the federal government |
| FTE | "Full-Time Equivalent" position |
| FTE Authorization | RI General Assembly limits the number of FTE positions that each state agency can have on its payroll at any given time. This authorization is annually approved as part of the budget process |
| PeopleSoft (PS) | PeopleSoft - Shared Financial System, the RIC accounting system |
| Agency Account | A separate account created for the purposes of holding funds for programs related to college operations, but not part of ongoing operations; funds not allowed to carry-forward |



FY 2023 Operating Budget

FY23 Budget Distribution by Fund

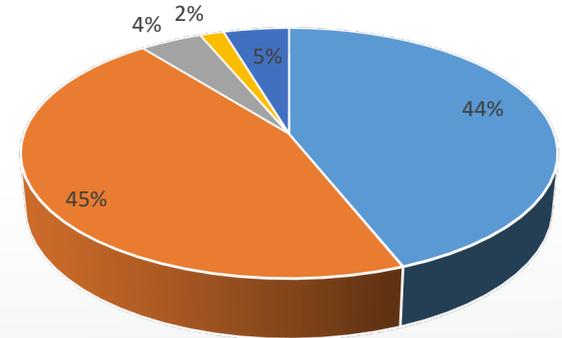
| Fund | Amount | % of Total |
|-------------------------------|-----------------------|-------------|
| General Education Fund | | |
| Unrestricted | \$ 137,402,950 | 71% |
| Auxiliaries | | |
| Residential Life | \$ 6,359,682 | 3% |
| Donovan Dining | \$ 6,535,373 | 3% |
| Student Union | \$ 1,962,428 | 1% |
| Other Funds | | |
| Research & Sponsored | \$ 11,841,704 | 6% |
| External Student Aid | \$ 13,960,167 | 7% |
| RICAP | \$ 14,518,000 | 8% |
| Total | \$ 192,580,304 | 100% |





FY 2023 Operating Budget – General Education Fund

| Sources of Revenue | | |
|--|------------------------|-------------|
| General Education Fund | FY 2023 Revised Budget | % of Total |
| Revenue | | |
| Tuition and Fees | \$ 60,473,794 | 44% |
| State Appropriation | \$ 62,341,287 | 45% |
| State GO Bond Appropriation | \$ 6,002,565 | 4% |
| Indirect Recovery (Auxiliary & Grants) | \$ 2,291,551 | 2% |
| Sales, Service, Miscellaneous & Others | \$ 6,293,753 | 5% |
| Total - Revenues | \$ 137,402,950 | 100% |





Capital Budget Terms

| Capital Budget Term | Explanation |
|------------------------------------|--|
| RICAP | Rhode Island Capital Plan Fund (RICAP) funding is directed towards improvements & renovations to buildings. |
| RICAP Asset Protection | ASSET PROTECTION involves major renovations or improvements to existing facilities that will extend the useful life and/or add value to the asset by at least ten years; generally, at a total cost in excess of \$50,000. |
| RICAP Infrastructure Modernization | The Infrastructure Modernization project is addressing campus-wide issues relating to basic heat, lighting, cooling, and delivery of critical utility systems. |
| General Obligation Bond | G.O. Bond - General obligation bonds issued by states are generally based upon appropriations made by the state legislature for the purposes specified secured by a pledge of the issuer's ad valorem taxing power. |



FY 2024 – FY 2028 Capital Improvement Plan

| <i>Rhode Island Capital Fund</i> | FY 2023 Revised |
|---|-----------------|
| Infrastructure Modernization | \$ 4,900,000 |
| Asset Protection | \$ 9,618,000 |
| RI Capital Fund Total: This is included in Operating Budget | \$ 14,518,000 |
| <i>Other Capital Funds</i> | Multiple FYs |
| 2018 General Obligation Bond: Horace Mann Renovation | \$ 25,000,000 |
| 2020 General Obligation Bond: Clarke Science Modernization | \$ 53,000,000 |
| <u>New ARPA Funding 2022</u> | |
| Phase IV: Student Services One-Stop | \$ 35,000,000 |
| <u>New GO Bond Request</u> | |
| 2024 General Obligation Bond: Forgarty Life Science Building Modernization | \$ 70,000,000 |
| 2026 General Obligation Bond: Whipple Hall & Strem Plant Modernization | \$ 38,000,000 |
| 2028 General Obligation Bond: Adam Library / Student Learning & Success Center | \$ 80,000,000 |

RIC Infrastructure Modernization – This project addresses campus-wide issues relating to basic heat, lighting, cooling, and delivery of critical utility systems such as the modernization and replacement of Steam System Distribution Lines, Sewer Systems Lines, Drainage Improvements, IT Fiber Network improvement, security camera replacement, upgrade of IT systems, Roadway and parking lot improvements, Power-plant upgrade, Electric, gas, water system improvement.

RICAP Asset Protection – This project is the principal means by which Rhode Island College completes renovations and improvements to existing facilities and assets. This project includes, building roof replacement program, HVAC system improvement, IT Data Centers Asset protection / improvement, Campus-wide ADA improvement, building mechanical, electrical and plumbing improvements, window replacement schedule, Lab and Student facilities upgrades via match from Champlin Foundation Grants.

RIC Horace Mann Hall Renovations – 2018 GO Bond Referendum to finance the renovation of Horace Mann Hall.

RIC Clark Science Modernization – 2020 GO Bond Referendum to finance the renovation of Clark Science Hall.

New Request –

2022 ARPA* Funding to finance the building of Student Service One Stop, this will consolidate student services offices-Bursar, Financial Aid, Records, student customer services functions, and or academic advising and support into one convenient location on campus.

2024 GO Bond Referendum to finance the renovation of Forgarty Life Science Building Modernization.

2026 GO Bond Referendum to finance the renovation of Whipple Hall & Steam Plant Modernization.

2028 GO Bond Referendum to finance the renovation of Adams Library/Student Learning & Success Center.



Department Budget Manager Training

- The Budget Office conducts a budget training or refresher for new manager(s), anyone involve in or responsible for department funds.

This training can be conducted individual or for group.

A request for this training can be send to the

Budgetoffice@ric.edu or ookele@ric.edu

once the trainee has been granted access to the budget.

Manual to the Budget Manager Training can be obtained:

<https://www.ric.edu/department-directory/budget-office>

- *To request access to the department budget, the responsible dean or assistant vice president or vice president will send an email to the Director of Budget xxxxxx@ric.edu*



Budget Transfer Process

A budget transfer form is required to be submitted to the Budget office when there is insufficient fund balance in any account code.

Any transfer request under \$10,000 can be mailed to Budget Office.

Budgetoffice@ric.edu or ookele@ric.edu

Link to Budget Transfer Form: <https://www.ric.edu/department-directory/budget-office>

- Budget transfers cannot transfer funds between different funding sources (i.e. auxiliary enterprise budgets cannot be transferred to a department in the general education fund, and vice versa).
- Budget transfers cannot transfer funds from personnel and benefit accounts to operating accounts.
 - Account code 60260 -60269 is consider operating accounts.



Budget Transfer Process

Once the budget transfer request form has been approved and processed in PeopleSoft by the Budget Office, the department budget manager and responsible dean and/or assistant vice president will be notified via email based on the funds transferred. If the budget transfer is greater than \$25,000, the responsible vice president will also be notified that the budget transfer has been processed.

In addition, the following departments will be notified if the budget transfer was requested based of a transaction that was rejected in the Commitment Control module:

- o Requisitions and Purchase Orders: Purchasing staff
- o Voucher: Accounts Payable staff
- o Journal Entries: Accounting staff.