INSTITUTIONAL FINANCE

Key Questions and Data Points
Key Areas of Oversight/Approval

- State Budget Process
- Annual Operating budget
- Capital Budget
- Six Year Plans
- Financial Statements/Annual Audit
- Financial Policies
  - Cash management and investments
  - Debt policy
Key Question: Revenues?

- What are the major sources of revenues?
  - State
  - Students
  - Research
  - Philanthropy

- What are the key drivers?
  - State
  - Students
  - Research
  - Philanthropy
Key Question: Expenses?

Expenses by Program Area

- Instruction & Academic Support: 35%
- Research and Sponsored Programs: 13%
- Auxiliary Enterprises: 22%
- Financial Aid: 14%
- Physical Plant: 5%
- Institutional Support: 9%
- Student Services: 2%

Includes expenditures of private funds.
Key Questions: Personnel Costs?

Personnel as a Percentage of Total Costs

Personnel, 57%
Non-Personnel, 43%

Personnel Costs in E&G

Personnel, 67.82%
Non-Personnel, 32.18%

Personnel Costs in Auxiliary Programs

Personnel, 23.80%
Non-Personnel, 76.20%
Key Questions: What does the workforce look like?

<table>
<thead>
<tr>
<th>Full-time &amp; Part-time Regular Employees</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>947</td>
</tr>
<tr>
<td>Staff</td>
<td>1,917</td>
</tr>
<tr>
<td>Grand Total</td>
<td>2,864</td>
</tr>
</tbody>
</table>

Full-time employees = 2,479
Part-time employees = 385

Percentage of Tenure Track Faculty

- Tenured: 58%
- Tenure Eligible: 16%
- Non-Tenure Eligible: 24%
- Other: 2%
Key Question: Variable v. Fixed Costs?

Cost structure often requires a multi-year view.

- Personnel: 57%
- Fixed Costs and Contractual Obligations: 37%
- Variable Costs: 6%
Key Question: Financial Strength?

- Financial statements provide important context
- Assess auxiliary and other reserves;
  - Must be self-supporting, restrictions around intercollegiate athletics
- Be aware of financial ratios and how best to use them
- Watch data trends
Key Takeaways

- “Answers” differ by institution
  - Institutional mission/priorities should be taken into account

- Terminology is important
  - If you don’t know, ask

- “Not all money is green”
  - Recognizing fund restrictions is critical

- Process often drives results
  - Understand both state and institutional processes

- Board policies help set expectations/guardrails
  - Sufficient administrative flexibility is a necessity