Selected Definitions

**Funds:** An income source established for the purpose of carrying on specific activities or objectives, in accordance with special regulations, restrictions or limitations.

**Current Funds:** Those funds that are earned and expended in the current fiscal year. University discussions of the budget have focused on current funds, but there are also “non-current” funds such as carry-forward, loan, and plant funds, which support capital projects and one-time-only expenditures.

**Restricted Funds:** Funds whose use has been restricted by an external agency or individual. These funds are limited to support specific purposes and/or units. Examples of restricted funds include certain grant research awards as well as gifts received by the Ohio University Foundation.

**Unrestricted Funds:** Refers to funds that have no external limitations on their use, but generally support instruction, administrative, and physical plant expenditures. Examples of unrestricted funds include general funds and auxiliary funds.

**Auxiliary Funds:** These are designated by the University for a certain purpose. They exist to furnish goods or services to students, faculty, and/or staff and charge a fee directly related to the cost of the goods or services they provide. Ohio University Auxiliary Funds include residence halls, food services, Intercollegiate Athletics, the student union, campus recreation, and the airport.

**General Program:** Refers to General Funds that are collected centrally, pooled, and allocated by the budget process. The primary revenue sources in the General Program are instructional fees and unrestricted State support – the State Share of Instruction (SSI). This fund is often referred to as the General Fund given its existence prior to the establishment of the General Fee and Designated Funds in FY 2008 and FY 2009, respectively.

**General Fund** are unrestricted resources that are available for allocation in support of core instruction, instructional support and related general administrative and physical plant expenditures. General Funds are made up of General Programs, Departmental Income and General Fee.

**Designated Fund:** Consist of revenue earned from activities conducted within a single department or departmental income. It is available for unrestricted use by the department. Revenues from course or program-specific fees are deposited into the designated fund. A separate fund was established in FY 2009 to increase transparency of departmental income and its use.

**Departmental Income** consists of revenue earned from activities conducted within a single department. It is available for unrestricted use by that department.

**General Fee:** Student fees whose use is restricted by the State of Ohio for the funding of non-instructional student services. The fee is charged to every student who is enrolled in at least one class, and is used to promote the student’s emotional and physical well-being, as well as their cultural and social development outside of formal instructional programs, most specifically through student services and student activities. A separate fund was established in FY 2008 to increase transparency of the General Fee revenue and its use.
Budget: The annual plan for the expenditure of estimated resources to support the University’s priorities and operations.

Operating budget: Detailed projection of all estimated income and expenses based on forecasted revenue during a given period (usually one year) to support the operations of the university, including instruction, scholarships and financial aid and administrative activities.

Fiscal year: The University’s fiscal year begins on July 1 and ends on June 30 of the following calendar year.

Capital budget/plan: Financial plan for capital assets and infrastructure such as facilities, renovation, information technology and certain equipment. Appropriations from the state of Ohio are the primary funding source.

Revenue: Inflow of funds from sales, services, fees, gifts, or other external sources, including the state of Ohio and tuition.

Expenditure: The cost of goods delivered, or services rendered.

Base budget: A budget that represents those resources that are consistent and reasonably anticipated to continue from year-to-year. For example, salaries for permanent positions are expected to be base funded.

One-time resources: Resources that cannot be anticipated on a long-term or consistent basis. As part of wise fiscal management, one-time resources should not be allocated to support base or recurring expenses, however may be allocated to support pilot programs.

Carry-forward: Funds that are not expended during the course of a fiscal year are “carried forward” typically in the form of segregated accounts within each unit’s budget.

Internal Transfers: Represent financial activity between units within the university for services rendered.

State Tuition Cap: The Ohio General Assembly has authority to establish limits on increases to the combination of instructional and general fees that each institution of higher education may assess. Tuition caps are typically applied to the tuitions assessed to undergraduate residents, the constituents of the Ohio General Assembly. These caps are typically set in the State’s biennial (two-year) operating budget.

State Share of Instruction (SSI): The State Share of Instruction, or SSI, is the largest subsidy in support of Ohio’s public institutions of higher education. This unrestricted funding supports a portion of instructional and administrative costs incurred by campuses. Beginning in FY 2010, a new outcome-based funding model for universities is in place which rewards success in meeting the following outcomes: course and degree completion; recruitment and retention of financially disadvantaged students; promotion of fields of study including science, technology, engineering, mathematics and medicine (STEM2).

Transfers In: Represents resources transferred TO a fund of the university FROM another fund within the university. For example, the Athens campus budget reflects overhead payments from the College of Medicine as a Transfer In.

Transfers Out: Represents activity transferred FROM a fund of the university TO another fund within the university. For example, the Athens campus budget reflects General Fee support to auxiliary operations, such as Campus Recreation, as a Transfers Out.

Fund Balance: The fund balance is the beginning balance of the fund, net of current year aggregated revenues and expenditures.
**Budget Variance**: The difference between the actual amount expended or realized, and the corresponding budgeted figure.

**Structural Deficit**: The structural deficit is the difference between the aggregate budget authority of the university’s planning units and the actual available cash balance of the university.

**Tech Fee Buy-down**: The tech fee buy-down is centrally allocated tuition that is applied towards technology expenditures within the seven major academic units.

**Bridging**: The term "Bridging" is used to note when a budget reduction may need to occur over several years in order to effectuate the desired outcome of closing down an activity (for instance). The "base" budget savings are needed immediately, however, so one-time-only (or non-base operating funds) can be used to "bridge" the gap in savings that is expected to be realized.

*Current Funds Structure*. Below is an outline of the Current Funds used by Athens Campus, the College of Osteopathic Medicine (COM), and University Outreach and Regional Campuses (UORC).

1. **Athens**  
   a. Restricted funds  
   b. Auxiliaries  
   c. General Program  
      i. General Fund  
      ii. Designated Fund  
      iii. General Fee

2. **COM**  
   a. Restricted funds  
   b. General Fund

3. **UORC**  
   a. Restricted funds  
   b. General Fund
Functional Categories of Expenditures

**Instruction** includes expenditures for all activities that are part of the University’s instructional programs. This includes expenditures for department chairpersons when instruction is still an important role of the administrator, but it excludes expenditures for academic administration when the primary assignment is administration (academic deans).

**Research** includes expenditures for activities specifically organized to produce research outcomes, whether commissioned by an external agency or by the University. Matching funds applicable to the conditions set forth by the grant or contract from an external agency are included. Recovery of the indirect costs charged to external agencies is excluded from this category.

**Public Service** includes expenditures for activities that are established primarily to provide non-instructional services beneficial to individuals and groups external to the organization. These activities include community service programs and cooperative extension services.

**Academic Support** includes all funds expended for activities carried out primarily to provide support services that are an integral part of the operations of one of the three primary missions – instruction, research and public service. Included in this category are expenditures for academic administration (deans); the provision of services that directly assist the academic functions of the institution; media and technology, such as audiovisual services and computing support; the retention, preservation, and display of educational materials (libraries); and separately budgeted support for course and curriculum development.

**Student Services** includes expenditures for the offices of admission and registrar and those activities whose primary purpose is to contribute to the student’s emotional and physical well being and to his/her intellectual, cultural, and social development outside the context of the formal instruction program.

**Institutional Support** contains expenditures for operations that provide support services to the total University. Included in this category are Executive Management, Finance, Human Resources, Business & Administration and Communications & Development.

**Operations and Maintenance of Plant** includes expenditures of Current Funds for the operation and maintenance of physical plant and net of amounts charged to auxiliary operations. It does not include amounts charged to institutional plant fund accounts. It includes all expenditures for operations established to provide services and maintenance related to campus grounds and facilities.

**Student Aid** includes expenditures for outright grants to students, either for credit or non-credit. It includes aid to students in the form of tuition and fee remissions. However, if remissions of tuition and fees are granted as the result of employment conditions or family relationship to faculty or staff, the expenditure is recorded as an employee benefit.