CIERSITY



Clemson University Budget Fiscal Year 2019-2020



Introduction

Clemson University continues to be a national leader among public universities in academics, research and athletics. This past year was another exemplary year for Clemson in admissions, enrollment, graduation and retention rates, research funding, private fundraising, athletics performance (both on the field and in the classroom) and facilities development. Clemson continues to make progress under our Clemson*Forward* strategic plan, and our success has been enabled by our continued focus on quality, efficiency and relevance.

Clemson continues to be recognized for our outstanding academic quality, again ranking among the Top-25 public universities and as a Research 1 University. Clemson's continues to create strong student outcomes with an 83 percent 6-year graduation rate that far exceeds the national average of 59 percent. The relevance of a Clemson degree is evident in the fact that over 91 percent of surveyed graduates are employed full-time, enrolling in graduate school, or participating in service/military organizations within six months of graduation.

Clemson is able to achieve these strong outcomes efficiently with a cost per student that is the lowest among Top-25 public universities and is 38 percent below the average of this elite group. Clemson's efficiency is borne out in the fact that Clemson spends \$7 on instruction for every \$1 spent on administrative expenses, which is higher than the top-25 average. Additionally, the average out-of-pocket costs for in-state students are a fraction of the posted "sticker price" and 54 percent of Clemson students graduate with no debt, compared to 35 percent nationally. These strong outcomes and affordability metrics demonstrate Clemson's very strong value proposition, ranking in the top 6 percent of PayScale's Best Value Colleges ROI Report for 2018.

<u>Budget Highlights</u>

The University's FY20 budget reflects a commitment to these values and continues the University's progress implementing its ambitious strategic plan. This year's 1 percent increase for general in-state mandatory tuition and fees was the lowest increase over 20 years and was adopted almost two months earlier than in previous years. This achievement demonstrates the University's dedication to an affordable education for South Carolinians and timely information for families planning for the investment in college education.

For FY20, the total budget is \$1.4 billion, which represents an approximately 8.0 percent (\$100 million) increase, which is down slightly from last year. Large drivers of this growth include a \$17.3 million increase in inflationary life-safety and state-mandated costs; \$17.3 million increase in self-supporting auxiliary expenses; \$16 million to fund a compensation plan (including a state-mandated cost-of-living adjustment); \$10.9 million increase in externally funded research; and \$6.3 million for other expenses funded by non-recurring State Appropriations.

Other than these expenses, most of which are either mandatory or self-funded, Clemson's budget grew \$32.3M or 2.6 percent. This additional funding will allow the University to accommodate modest (~2 percent) enrollment growth while making necessary investments to continue providing a world-class education to our students and fulfilling our land-grant mission. With these investments, Clemson is poised to continue transforming lives and serving as an economic engine for the citizens of South Carolina.

Anthony E. Wagner, Executive Vice President for Finance and Operations



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Executive Summary

Introduction

The Clemson University FY 2019-20 Operating Budget reflects a continued commitment to a Top 20 vision as outlined in the ClemsonForward Plan with strategic investments in the University's highest priorities, while providing a focus on enhancing revenue sources and aggressive management of costs with strategic divestments and reallocations. This document presents Clemson University's proposed FY 2019-20 Operating Budget and the Academic Fee Schedule for Fall 2019. The proposed balanced budget is an estimate of the anticipated sources and uses of funds in FY 2019-20. It reflects the University's financial plan for the coming year and serves as a management tool to drive accountability by providing a reference point for measuring actual financial performance. Multiple views of the proposed operating budget are presented in the Budget Section to promote a consistent, transparent basis for reporting financial performance to the Board throughout FY 2019-20. The Supplemental Section offers an alternative view of the budget that is comparable to the Statement of Revenues, Expenses and Changes in Net Position (SRECNP), which is based on Generally Accepted Accounting Principles (GAAP). This section describes the differences between an operating budget perspective and the financial statement or Comprehensive Annual Financial Report (CAFR) perspective, and provides a view reconciling the two perspectives.

Unrestricted and Restricted Operating revenues are projected to increase by \$89.8M or 7.9%. Correspondingly, operating uses (expenditures, transfers, and other designations) are projected to increase by \$89.8M or 7.9%. The University is proposing a \$3.0M growth in noncash "resources" and "expenditures" budget, an increase of 4.7%, partially due to actual growth exceeding prior year budget. Finally, the University is projecting to utilize \$59.0M of prior years' fund balance resources to support strategic one-time investments.

In total, the increase in the University's projected resources and expenditures is \$100.1M, or 8.0%. This is inclusive of unrestricted and restricted operating activities, State Appropriations, noncash entries, as well as recurring activities supported by prior years' fund balances. When excluding noncash items and fund balance resources, the University's operating sources and uses are projected to increase by \$89.8M or 7.9%.

Operating Resources Budget (thousands of dollars)

Revenue Source	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Budget Change	Percent Change
Unrestricted Revenue				
State Appropriations	\$154,100	\$136,728	\$17,372	12.7%
Federal Appropriations	13,500	13,500	-	0.0%
Student Fees	478,687	447,032	31,655	7.1%
Facilities and Administrative Cost Recoveries	19,286	18,180	1,106	6.1%
Sales and Services	242,617	220,944	21,673	9.8%
Other University Generated	80,139	77,102	3,037	3.9%
Total Unrestricted Revenue	\$988,329	\$913,486	\$74,843	8.2%
Restricted Revenue				
State Higher Education Grants	\$67,238	\$62,582	\$4,656	7.4%
Financial Aid - Non-State Higher Education Grants	33,915	33,797	118	0.3%
Grants and Contracts	129,828	120,973	8,855	7.3%
Other Restricted Revenue	3,660	2,323	1,337	57.6%
Total Restricted Revenue	\$234,641	\$219,675	\$14,966	6.8%
Total Annual Operating Revenue	\$1,222,970	\$1,133,161	\$89,809	7.9%
Unrestricted Use of Fund Balance Resources	59,016	51,664	7,352	14.2%
Total Unrestricted Resources (includes Fund Balance)	\$1,047,345	\$965,150	\$82,195	8.5%
Total Restricted Resources	234,641	219,675	14,966	6.8%
Total Revenue and Fund Balance	\$1,281,986	\$1,184,825	\$97,161	8.2%
Noncash Waivers	65,683	62,722	2,961	4.7%
Total Operating Revenues and Resources	\$1,347,669	\$1,247,547	100,122	8.0%

Total Operating Resources Summary

Unrestricted revenues are projected to increase by \$74.8M or 8.2%. Additionally, Restricted revenues are projected to increase by 6.8% or \$15.0M largely as a result of an increase in sponsored programs. The University is also proposing a \$3.0M increase in the noncash waivers budget, an increase of 4.7%, which supports the University's recruitment and retention of quality students. The University anticipates an increase of \$7.4M in the use of fund balance resources, which are utilized for strategic one-time costs. In summary, the growth in the total FY 2019-20 Clemson University operating resources budget is \$100.1M, an increase of 8.0%.

Components of the \$100.1M increase in operating resources include:

- Student Fee revenues \$31.7M increase
- Primary factors include enrollment growth, a modest tuition and fee increase (the lowest in-state increase in more than 22 years) for undergraduate students, and significant growth in professional, graduate, online and distance education programs. The budget includes revenues from a second class of academic program fees previously approved by the Board. The budget also accounts for actual revenues that exceeded projections in the prior year due to increased enrollment.
- Sales and Services revenues \$21.7M increase
 - Auxiliary enterprises are responsible for the majority of this growth as a result of Athletic conference distribution, corporate sponsorships, bowl revenues, ticket sales and licensing; CCIT external contracts and Computer Store counter sales; and a modest increase from housing and dining fees revenues.
- State Appropriation revenues \$17.4M increase
- Growth includes recurring investments from the State of South Carolina in Tuition Mitigation for In-State Students (\$5.7M), Comprehensive Statewide Extension Programs (\$1.0M), Livestock-Poultry Health and Regulatory Programs (\$750K), Critical Agriculture and Natural Resources Research (\$250K), and estimated partial funding for state-mandated cost increases for cost-of-living, retirement and health insurance (\$3.0M). Revenue growth also includes nonrecurring investments from the State for Safety and Security Infrastructure and Enhancements (\$5.9M), Center for Advanced Manufacturing (\$4.0M), Health Innovation Extension Programming (\$2.1M), and partial funding for state-mandated bonuses (\$150K), net of a budget reduction from the impact of nonrecurring funding received from the State in FY 2018-19 for Advanced Materials and STEM equipment (\$5.3M).
- Other University Generated revenues \$3.0M increase
 - Increased support for Athletics through IPTAY donations and gifts as well as entrepreneurial activities across the University account for the majority of the growth in this category.

- Restricted Grants and Contracts revenues \$10.1M increase
 - Primary factors include substantial actual growth in federally sponsored program expenditures exceeding the prior year budget and anticipated additional growth from current and new research grants and awards, as well as growth in other restricted funds for various endowments and endowed chairs.
- Restricted Scholarships \$4.7M increase
- The growth in restricted scholarships is mainly due to growth in state-funded scholarships (Palmetto Fellows and LIFE).
- Facilities and Administrative Cost Recoveries \$1.1M increase
- Use of Fund Balance resources \$7.4M increase
- Noncash Waivers \$3.0M increase

W Total Operating Uses Summary

The University's spending plan is developed to support the vision of the University's highest priorities with available and anticipated resources. The budget demonstrates the University's strategic management of costs and commitment to fund the University's priorities through new revenue generation, modest increases in fees, and strategic internal reallocations.

Investment priorities were guided by the following principles:

- Ensure compliance with all applicable laws, regulations, and mandates, including mandatory cost increases for state health insurance and retirement, and environmental and business compliance.
- Reinforce the quality education that the University has provided as a top tier public university.
- Protect "The Clemson Experience" with focus on small class sizes, student to faculty ratios, and engagement outside the classroom.
- Place a high value on accessibility by enrolling and educating the largest number of South Carolina students in the history of Clemson.
- Focus on retention and graduation by adding sections and faculty in high enrollment, high pressure areas.
- Continue to ensure affordability by keeping out-of-pocket costs low.
- Protect University facilities and infrastructure through renovation, preventative and annual maintenance, and replacement.
- Ensure that Clemson continues to make prudent and cost effective financial decisions to ensure stability for students, faculty, and staff.
- Further enhance safety and security in the learning and living environment by upgrading building security, Police, Fire, EMS infrastructure, and staffing.

The FY 2019-20 budget includes the reallocation of existing academic financial resources to fund approximately \$9.6M in ClemsonForward investments including

utilizing \$4.7M of prior years' fund balance resources to fund one-time strategic investments, \$3.0M in merit-based compensation planning within the colleges and divisions, as well as a \$1.9M reallocation of University resources.

Key components of the FY 2019-20 budget include the following:

- Provide core academic and living investments to ensure quality education, programming, student engagement, and leadership - \$19.7M
 - Investment in the Center for Advanced Manufacturing with one-time resources provided by the State - \$4.0M
 - Provide for Health Innovation Extension Programming with one-time resources provided by the State \$2.1M
- Compensation plan for state-mandated cost-of-living and merit-based salary increases - \$16.0M
 - Cost-of-living compensation increases for all full-time equivalent (FTE) classified and unclassified employees earning less than \$100,000 per year
 - Merit-based compensation increases and faculty tenure promotions
 - One-time, lump-sum \$600 bonus for all regular, full-time equivalent employees earning less than \$70,000 per year
- Manage increased mandatory, inflationary, compliance, and other earmarked costs - \$11.4M
 - State-mandated retirement and health insurance cost increases \$5.0M
 - The State of South Carolina passed a pension reform plan that calls for significant retirement cost increases between FY2017-18 and FY2022-23 in order to ensure that the retirement system has adequate funding for future retirees. The plan included an increase of two points (2% of salary costs) to the employer contribution rate in FY 2017-18 and a growth of 1% to the employer contribution rate each year between FY2018-19 and FY2022-23.
 - Regulatory, compliance, and legal costs \$2.0M
 - Rising space, utility, and administrative systems costs \$2.0M
 - Development fundraising plan \$1.0M
 - Earmarked facility improvements \$1.4M
- Enhance safety and security with investments in Police, Fire, EMS infrastructure, and staffing and building control and monitoring systems to ensure a safe learning campus environment with one-time resources provided by the State \$5.9M
- Protect Clemson's physical assets with a strategic capital plan, maintenance and stewardship of facilities, safety enhancements, and preventative maintenance -\$3.7M
- Support research and engagement investments to recruit and retain top researchers, grow externally funded research, and build a world-class research environment -\$2.2M
- Provide for modest growth in nonacademic areas to ensure adequate systems and staffing levels in order to provide support to academics and student services - \$1.1M

- Provide for Auxiliary Enterprises' growth \$17.3M
 - Athletics growth in capital investment, scholarships, and general operations
 - Housing and Dining capital investments, as well as utility, insurance, and contractual costs
- Provide Restricted Funds authorization for projected expenditure growth primarily in federally sponsored programs based on actual growth exceeding prior year budget and anticipated additional growth from current and new research grants and awards, as well as growth in other restricted funds for various endowments and endowed chairs - \$10.1M
- Provide for investments in academic programs in world-class educators; student success, retention and graduation; and student engagement - \$3.8M
- Secure restricted state, federal, and private scholarship opportunities for students
 Net \$4.7M
- PSA Comprehensive Statewide Extension Programs, Critical Agriculture and natural Resources Research, and Livestock-Poultry Health and Regulatory Programs - \$2.0M
- Noncash waivers \$3.0M

Program	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Budget Change	Percent Change
Instruction	\$270,783	\$250,631	\$20,152	8.0%
Research	213,658	205,328	8,330	4.1%
Public Service	83,897	79,322	4,575	5.8%
Academic Support	74,107	70,355	3,752	5.3%
Institutional Support	53,600	45,980	7,620	16.6%
Student Services	54,618	50,710	3,908	7.7%
Auxiliary Enterprises	200,642	183,362	17,280	9.4%
Scholarships and Fellowships	130,189	123,434	6,755	5.5%
Operations and Maintenance	50,293	41,996	8,297	19.8%
Net Transfers	91,183	82,043	9,140	11.1%
Total Current Expense	\$1,222,970	\$1,133,161	\$89,809	7.9%
Fund Balance Resources	59,016	51,664	7,352	14.2%
Total Restricted & Unrestricted Expenses	\$1,281,986	\$1,184,825	\$97,161	8.2%
Noncash Waivers	65,683	62,722	2,961	4.7%
Total Operating Uses by Program	\$1,347,669	\$1,247,547	\$100,122	8.0%

Proposed FY 2020 Operating Budget (In 000's)

The total proposed operating budget for FY 2019-20 is \$1.4B, 8.0% above the FY 2018-19 revised initial budget. It is comprised of three major components - Unrestricted Operating Funds, Restricted Operating Funds and Noncash Items. The total budgets for these components are summarized in **Figure 1**.

Operating Resources	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Percent of Total FY 2019-20 Budget	Budget Change	Percent Change
Unrestricted	\$1,047,345	\$965,150	77.7%	\$82,195	8.5%
Restricted	234,641	219,675	17.4%	14,966	6.8%
Noncash Items	65,683	62,722	4.9%	2,961	4.7%
Total Sources	\$1,347,669	\$1,247,547	100.0%	\$100,122	8.0%

Figure 1. Operating Budget by Resource Category

* Unrestricted operating resources include fund balance resources from prior years.

W Unrestricted Funds Resource Summary

Annual unrestricted operating revenues are projected to increase 8.2%. Including prior years' fund balances required to support the anticipated return of generated funds, contractual start-up commitments and research initiatives, total unrestricted operating resources are projected to increase 8.5% above FY 2018-19 levels to \$1.1B. Unrestricted resources represent 77.7% of the University's resources, which are available to further the mission activities of the University. Primary drivers of this increase are Sales and Services, State Appropriations, and Student Fee revenues.

Unrestricted Operating Resources include four major categories of funding:

Educational and General (E&G) budget includes an increase of 15.5% to E&G State Appropriations. This growth includes \$12.2M nonrecurring funds as detailed below. When excluding the nonrecurring funds, the actual growth in E&G State Appropriations is 2.3%. The State Appropriations budget provides new recurring E&G allocation of \$5.7M for Tuition Mitigation for In-State Students and an estimate of \$1.9M to support mandatory cost-of-living, retirement benefits, and health insurance increases for state employees. The growth also includes a nonrecurring funding of \$2.1M for Health Innovation Extension Programming, \$5.9M for Safety and Security Infrastructure and Enhancements, \$4.0M for the Center for Advanced Manufacturing, and \$150K

for state-mandated bonuses. The budget for Facilities and Administrative Cost Recoveries reflects an increase based on actual growth exceeding prior year budget and anticipated additional growth from current and new research grants and awards. The E&G budget also includes growth in tuition and fee revenues to support mandatory cost increases and investments in strategic priorities of the University.

- Public Service Activities (PSA) operating revenues are approximately 5.9% of the total resources budget and 8.0% of the unrestricted operating revenue budget. The PSA budget includes \$1.0M in recurring funding in PSA State Appropriations for Comprehensive Statewide Extension Programs. The budget also includes \$250K in recurring funding for Critical Agriculture and Natural Resources Research and \$750K in recurring funding for Livestock-Poultry Health and Regulatory Programs. Additionally, the budget includes an estimated allocation of \$1.1M for cost-of-living, retirement benefit and health insurance increases for state employees.
- Auxiliary Enterprises operating revenues represent 20.4% of the total resource budget and 27.8% of the unrestricted operating revenue budget. Auxiliary enterprises operating revenues are expected to grow 9.7% to \$274.8M as a result of Athletic conference distribution, corporate sponsorships, bowl revenues, ticket sales and licensing, as well as revenues from CCIT from external contracts and Computer Store counter sales and a modest increase from housing and dining fees.
- Fund Balance Resources projected at \$59.0M, complete the remainder of the unrestricted operating resource budget. Fund balance resources are used for one-time costs including faculty startups, research incentives, unfunded portion of state-mandated bonuses, equipment and software purchases, and other one-time investments. The use of fund balance is projected to be \$7.4M over the FY 2018-19 amount.

🏶 Restricted Funds Resource Summary

Restricted resources comprises 17.4% of the total budget and are projected to increase by 6.8% to \$234.6M. Restricted funds, limited by legal requirements, are available for designated purposes. Restricted funds include three major categories of funding:

- Sponsored Program Activities revenues are projected to increase based on anticipated additional growth from current and new research grants and awards and actual growth exceeding prior year budget, resulting in an increase of 11.6% to \$105.3M. Overall, the FY 2019-20 sponsored programs budget is an increase of 12.2% over the highest year of actuals FY 2017-18, and an increase of 35.3% over the annual average of the past ten years.
- **Scholarships and Student Aid** revenues are expected to grow by 5.0% to \$101.2M. The growth is primarily due to an increase in State student aid

programs, such as Palmetto Fellows (\$2.5M) and LIFE Scholarships (\$1.6M), and SC State Grants (\$535K).

Other Restricted revenue budget is reflecting a decrease of (2.5%) to \$28.2M, as a result of a more accurate expense budget based on an accounting adjustment of carryforward resources; however, growth is realized in a majority of programs such as the Call Me MISTER Program, Dr. R Roy and Margery Pearce Endowment, and the Alumni Distinguished Professorship.

Noncash Items represent 4.9% of the total budget and include Noncash Waivers, which are a valuable tool supporting the University's recruitment and retention of quality students.

Proposed Operating Resources Budget (In 000's)

The distribution of the University's revenue by major funding source and a comparison between FY 2019-20 and FY 2018-19 is shown in Figure 2.

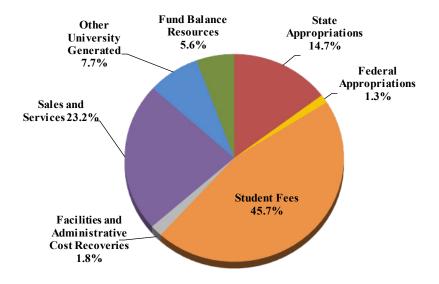
Figure 2. - Operating Resources Budget

Revenue Source	FY 2019-20 Proposed Budget	Percent of Total FY 2019-20 Budget	FY 2018-19 Revised Initial Budget	Percent of Total FY 2018-19 Budget
Unrestricted Operating Revenue Budget				
State Appropriations	\$154,100	11.4%	\$136,728	11.0%
Federal Appropriations	13,500	1.1%	13,500	1.1%
Student Fees	478,687	35.5%	447,032	35.8%
Facilities and Administrative Cost Recoveries	19,286	1.4%	18,180	1.5%
Sales and Services	242,617	18.0%	220,944	17.7%
Other University Generated	80,139	5.9%	77,102	6.2%
Fund Balance Resources	59,016	4.4%	51,664	4.1%
Total Unrestricted Operating Revenue Budget	\$1,047,345	77.7%	\$965,150	77.4%
Restricted Operating Revenue Budget				
State Higher Education Grants	\$67,238	5.0%	\$62,582	5.0%
Financial Aid - Non-State Higher Education Grants	33,915	2.5%	33,797	2.7%
Grants and Contracts	129,828	9.6%	120,973	9.7%
Other Restricted Revenue	3,660	0.3%	2,323	0.2%
Total Restricted Operating Revenue Budget	\$234,641	17.4%	\$219,675	17.6%
Graduate and Undergraduate Waivers	\$65,683	4.9%	\$62,722	5.0%
Total Clemson Operating Budget	\$1,347,669	100.0%	\$1,247,547	100.0%

Unrestricted Operating Resources Budget (In 000's)

The Unrestricted Resources budget represents 77.7% of the overall operating resources. The distribution of resources is shown in **Graph 1**.

Graph 1. - Unrestricted Operating Budget



The following sections provide a summary analysis of the FY 2019-20 budget for each of the University's unrestricted funding sources.

🗳 State	e Appropriations	\uparrow		
		FY 2018-19		
	FY 2019-20	Revised Initial	Change	Percent
	Proposed Budget	Budget	Amount	Change
	\$154,100	\$136,728	\$17,372	12.7%

As a result of increased investment by the State of South Carolina in Clemson's academic and agriculture programs, the State Appropriations budget is growing by \$17.4M, or 12.7%, to \$154.1M. This growth includes \$12.2M nonrecurring funds as

detailed below. When excluding the nonrecurring funds, the actual growth in State Appropriations is 3.8%.

The FY 2019-20 budget for State Appropriations includes recurring investments from the State of South Carolina in Tuition Mitigation for In-State Students (\$5.7M) and estimated partial funding for state-mandated cost increases for cost-of-living, retirement and health insurance (\$1.9M). Revenue growth also includes nonrecurring investments from the State for Safety and Security Infrastructure and Enhancements (\$5.9M), Center for Advanced Manufacturing (\$4.0M), Health Innovation Extension Programming (\$2.1M), and partial funding for state-mandated bonuses (\$150K), net of a budget reduction from the impact of nonrecurring funding received from the State in FY 2018-19 for Advanced Materials and STEM equipment (\$5.3M).

The growth in this category also includes the following for PSA: \$1.0M in recurring funding in PSA State Appropriations for Comprehensive Statewide Extension Programs, \$250K in recurring funding for Critical Agriculture and Natural Resources Research, \$750K in recurring funding for Livestock-Poultry Health and Regulatory Programs, and an estimate of \$1.1M for cost-of-living, retirement and health insurance increases for state employees.

Federal Appropriations

er ar reppi oprimition	5		
	FY 2018-19		
FY 2019-20	Revised Initial	Change	Percent
Proposed Budget	Budget	Amount	Change
\$13,500	\$13,500	\$-	0.0%

Federal Appropriations are a small percentage of the University's total revenue sources (1.1%), and are not projected to increase in FY 2019-20. Public Service and Agriculture is the only division in the University projected to receive unrestricted Federal Appropriations in FY 2019-20. This federal funding is used to support research and extension programs and represents 16.2% of PSA's total unrestricted resources.

🗳 Student Fees (includes Cash Waivers)

FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
\$478,687	\$447,032	\$31,655	7.1%

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Student Fees represent the largest single source of revenue for the University. The FY 2019-20 projected Student Fees budget accounts for 45.7% of the unrestricted

budget and 35.5% of the total budget. In total, student tuition and fees are projected to increase approximately \$31.7M or 7.1%, primarily as a result of enrollment growth, a modest tuition and fee increase (the lowest in-state increase in 22 years), and actual revenues that exceeded prior year budget projections. The University also projects growth in this category for online, distance education, and special/premier academic programs.

Facilities and Administrative Cost Recoveries

FY 2019-20	FY 2018-19 Revised Initial	Change	Percent
Proposed Budget	Budget	Amount	Change
\$19,286	\$18,180	\$1,106	6.1%

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The University recovers Facilities and Administrative Costs (F&A) from extramural sources to cover overhead costs generated by sponsored program activities. F&A cost recoveries represent 1.4% of total resources. As a result of actual growth exceeding prior year budget projections and anticipated additional growth in research grant expenditures, F&A recoveries are projected to increase 6.1% in FY 2019-20.

🎸 Sales	s and Services	\uparrow		
		FY 2018-19		
	FY 2019-20	Revised Initial	Change	Percent
	Proposed Budget	Budget	Amount	Change
	\$242,617	\$220,944	\$21,673	9.8%

Sales and Services are the result of mission-oriented revenue generating activities in the Educational and General and Public Service and Agricultural areas, as well as Auxiliary Enterprises. Sales and services revenues are expected to increase 9.8% in FY 2019-20. Auxiliary enterprises expect an overall growth of 9.7% in revenue, including a 11.0% increase in sales and services. This growth results from an increase in Athletic revenue from conference distribution, corporate sponsorships, bowl revenues, ticket sales, licensing; an increase in revenues from CCIT from external contracts and Computer Store counter sales; and a modest increase in housing and dining fees.

🗳 Other University Generated Revenue

FY 2019 Proposed B		FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
\$	80,139	\$77,102	\$3,037	3.9%

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Other University Generated Revenue is projected to increase 3.9%, a reflection of the University's commitment to generate more diverse sources of revenue. This revenue source represents 5.9% of the total resources budget and 7.7% of the unrestricted revenue budget, almost doubling its share of the budget since FY 2013-14. Other University generated revenue will increase in FY 2019-20 primarily due to the increased support through IPTAY gifts and donations and entrepreneurial activities across the University.

🗳 Graduate and Undergraduate Waivers (Noncash) 💦 ↑

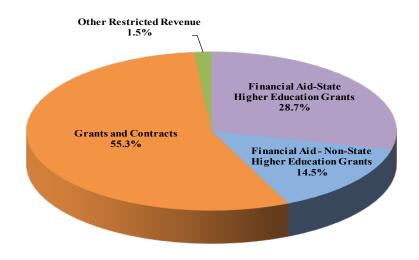
	FY 2018-19		
FY 2019-20	Revised Initial	Change	Percent
Proposed Budget	Budget	Amount	Change
\$65,683	\$62,722	\$2,961	4.7%

Noncash Waivers do not have a cash flow impact and should not be viewed as a monetary operating resource. However, these waivers are important to the University's financial aid strategy. Noncash waivers are expected to increase 4.7% in FY 2019-20 primarily due to increased graduate waiver, as well as continued aggressive recruiting and enrollment of a top-15 student body.

Restricted Operating Resources Budget (In 000's)

The restricted operating revenue budget at \$234.6M accounts for 17.4% of the University's overall resources. The distribution of restricted revenue budget is shown in **Graph 2**.

Graph 2. - Distribution of Restricted Resources



The following sections provide an analysis of the FY 2019-20 budget for each of the University's restricted funding sources as shown in **Graph 2**.

🏶 Financial Aid - State Higher Education Grants 🛛 个							
	FY 2018-19						
	FY 2019-20	Revised Initial	Change	Percent			
	Proposed Budget	Budget	Amount	Change			
	\$67,238	\$62,582	\$4,656	7.4%			

State Higher Education Grants comprise 5.0% of the projected total revenue budget and 28.7% of the restricted revenue budget. State Higher Education Grants are projected to increase by \$4.7M with growth in Palmetto Fellows (\$2.5M), SC State

Grants (\$535K) and LIFE Scholarships (\$1.6M). This budget has increased since FY 2008-09 by 65.4%, demonstrating Clemson's focus of enrollment and retention of top quality students from South Carolina.

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Financial Aid - Non-State Higher Education Grants

	FY 2018-19		
FY 2019-20	Revised Initial	Change	Percent
Proposed Budget	Budget	Amount	Change
\$33,915	\$33,797	\$118	0.3%

Financial Aid - Non-State Higher Education Grants are expected to increase by 0.3%. The growth in scholarship is primarily due to the increase in private scholarships such as the Clemson Community Endowed Scholarships Program, President James F. Barker and Marcia D. Barker Scholarship Endowment, and the Aramark Endowed Scholarship as well as continued growth in general endowments.

🗳 Grants and Contracts

	FY 2018-19		
FY 2019-20	Revised Initial	Change	Percent
Proposed Budget	Budget	Amount	Change
\$129,828	\$120,973	\$8,855	7.3%

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Grants and Contracts, excluding Financial Aid, are comprised of sponsored program activities and other earmarked funds from external sources. The budget for Sponsored Programs grants and contracts activity is projected to increase 10.5% to \$104.2M based upon actual growth exceeding prior year budget projections as well as anticipated additional growth in research grant expenditures during FY 2019-20. Grants and Contracts in Other Restricted funds reflects a (4.1%) decrease, primarily due to adjusting the budget based on trend use of the available fund balances; nevertheless, growth continues in the general programs, endowments and endowed chairs such as Call Me Mister Program, Sandhill REC Endowment, Mickel Endowed Chair - Architecture, Duke Energy CU Endowed Chair as well as addition of new endowments such as the Paul W. Hund, Jr. '60 Unrestricted Endowment for Excellence in Student Affairs.

Other Restricted Revenue

	FY 2018-19		
FY 2019-20	Revised Initial	Change	Percent
Proposed Budget	Budget	Amount	Change
\$3,660	\$2,323	\$1,337	57.6%

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Other Restricted Revenue is another small revenue resource representing 0.3% of projected total revenue and 1.5% of restricted revenue. Other restricted revenues are projected to increase slightly due to Clemson Experimental Forest Timber Sales.

Proposed Operating Uses Budget by Program (In 000's)

Clemson's proposed operating uses budget for FY 2019-20 is \$1.4B, representing a 8.0% increase over the FY 2018-19 revised initial budget. The operating uses budget is presented by program and by account category. The expense budget by program is presented first, as it reflects the University's plan and programmatic priorities. It is summarized in **Figure 3**, **Figure 4 and Graph 3**.

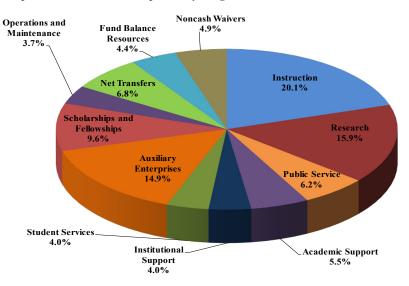
Figure 3. - Total University Operating Uses by Program

Program	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Percent Change
Instruction	\$270,783	\$250,631	8.0%
Research	213,658	205,328	4.1%
Public Service	83,897	79,322	5.8%
Academic Support	74,107	70,355	5.3%
Institutional Support	53,600	45,980	16.6%
Student Services	54,618	50,710	7.7%
Auxiliary Enterprises	200,642	183,362	9.4%
Scholarships and Fellowships	130,189	123,434	5.5%
Operations and Maintenance	50,293	41,996	19.8%
Net Transfers	91,183	82,043	11.1%
Total Current Expense	\$1,222,970	\$1,133,161	7.9%
Fund Balance Resources	59,016	51,664	14.2%
Total Restricted & Unrestricted Expenses	\$1,281,986	\$1,184,825	8.2%
Noncash Waivers	65,683	62,722	4.7%
Total Operating Uses by Program	\$1,347,669	\$1,247,547	8.0%

Figure 4. - Operating Expense Budget by Program

Program	Unrestricted	Restricted	Total
Instruction	\$264,785	\$5,998	\$270,783
Research	109,721	103,937	213,658
Public Service	69,938	13,959	83,897
Academic Support	73,110	997	74,107
Institutional Support	50,021	3,579	53,600
Student Services	54,319	299	54,618
Auxiliary Enterprises	200,636	6	200,642
Scholarships and Fellowships	27,305	102,884	130,189
Operations and Maintenance	50,277	16	50,293
Net Transfers	88,217	2,966	91,183
Fund Balance Resources	59,016	-	59,016
Total Operating Expense Budget by Program (Cash)	\$1,047,345	\$234,641	\$1,281,986
Noncash Waivers	65,683	-	65,683
Total Operating Expense Budget by Program	\$1,113,028	\$234,641	\$1,347,669

Graph 3. - Distribution of Expenses by Program



Instruction	T			
Resource Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$264,785	\$245,899	\$18,886	7.7%
Restricted	\$5,998	\$4,732	\$1,266	26.8%

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Instruction is projected as the largest expenditure category on the program basis and reflects the University's commitment to "The Clemson Experience." Expenses for instructional activities are expected to increase by 8.0% or \$20.2M to \$270.8M, reflecting a 45.2% growth over the last ten years. The unrestricted instruction budget includes a projected increase of \$4.4M in academic program fees from strategic pricing for undergraduate premier programs including Engineering, Design/Build, Packaging Science, Food Science & Human Nutrition, Computer Science, Nursing and College of Business, which will be used for investments in world-class educators; student success, retention and graduation; student engagement; and state-of-theart instructional environment. The instruction budget also includes \$3.4M growth in academic programs' online, distance education, an increase of \$5.0M for meritbased compensation, faculty promotions, and cost-of-living adjustments, \$608K for continued expansion of the School of Nursing, and \$2.0M increase for retirement and fringe benefits. Increased investments in instruction will allow the University to strategically achieve goals listed in the ClemsonForward Plan by supporting graduation and retention and high-quality graduate programs.

🝀 Research

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Resource Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$109,721	\$111,665	\$(1,944)	(1.7%)
Restricted	\$103,937	\$93,663	\$10,274	11.0%

Total Research expenditures are projected to increase by 4.1% or \$8.3M. The overall sponsored programs budget is projected to increase \$10.9M over the prior year as a result of new growth in FY 2019-20 from research activities and actual growth exceeding prior year budget. Previous ClemsonForward investments to sustain Top 25 & R1 status are proving to be fruitful. The research program continues to show great success through substantial growth in both the federal and non-federal sector. A projected \$1.1M growth in Education & General (E&G) Facilities and Administrative Costs Recoveries is based on actual growth exceeding prior year budget and anticipated growth from current and new research grants and awards.

The unrestricted research budget includes a nonrecurring State Appropriation for the Center of Advanced Manufacturing (\$4.0M) and a ClemsonForward investment of \$1.4M to recruit and retain top researchers and continue to build a world-class research environment. The budget also includes a \$1.2M increase for merit-based compensation, cost-of-living adjustment, and retirement benefits. The unrestricted research budget is expected to decrease by approximately 1.7%, thus the University will rely more heavily upon external funding sources.

$\mathbf{\uparrow}$ 💔 Public Service

Resource Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$69,938	\$64,902	\$5,036	7.8%
Restricted	\$13,959	\$14,420	\$(461)	(3.2%)

Total Public Service expenses are projected to increase by 5.8% or \$4.6M in FY 2019-20. The growth in unrestricted budgets includes a \$2.1M nonrecurring State Appropriation for Health Innovation Extension Programming as well as an estimated allocation for retirement and health insurance increase for state employees. The budget also reflects an increase in expenditures of \$673K for Cooperative Extension Services, \$500K for the Clemson MUSC Health Collaboration, \$385K for support of the Pinckney 4-H Leadership Program, and a one-time \$675K investment for Madren Center facility support and maintenance.

WAcademic Support

Resource Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$73,110	\$68,646	\$4,464	6.5%
Restricted	\$997	\$1,709	\$(712)	(41.7%)

The Academic Support budget has increased by \$3.8M to \$74.1M, which represents 5.5% of the total proposed uses budget. The increase in academic support unrestricted budget is primarily associated with critical staffing needs to support the enrollment growth and development and implementation of the ClemsonForward plan (\$1.6M). An increase in the undergraduate library fee will fund strategic investments for the Library's annual cost increases for serials and increased demand for new journals and books (\$0.5M). The budget also allows for a \$2.0M increase for merit-based compensation, cost-of-living adjustment, and retirement benefits.

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🍀 Institutional Support

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Resource Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$50,021	\$43,081	\$6,940	16.1%
Restricted	\$3,579	\$2,899	\$680	23.5%

Institutional Support is a measure of general University administration and support, and includes activities such as fiscal operations, legal services, and human resources. Institutional support expenses are expected to grow by \$6.9M in unrestricted funds, primarily for ClemsonForward strategic investments totaling \$3.9M. These strategic investments include \$1.4M in critical operational staffing needs, \$1.0M for Development's multi-year fundraising campaign, \$725K in legal and compliance costs, \$485K for administrative systems and operations support, and \$265K for leased space costs. The budget also reflects a \$2.0M increase for meritbased compensation, cost-of-living adjustments, and retirement costs. Even with this increase, the institutional support budget of \$53.6M still remains a small component of the University budget at 4.0%.

Student Services				
Resource Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$54,319	\$50,287	\$4,032	8.0%
Restricted	\$299	\$423	\$(124)	(29.3%)

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Student Services represent 4.0% of the total projected FY 2019-20 expense budget. Student services include expenditures contributing to the emotional and physical well-being of Clemson students, including counseling, career guidance, student organizations, and student engagement opportunities. Quality student services are a critical element of the University's ability to attract and retain its students. The total student services budget is projected to increase by 7.7%, or approximately \$3.9M, with the majority of the growth resulting from a nonrecurring State Appropriation for Safety and Security Infrastructure and Enhancements which will be used for access control and video surveillance. In addition, the student services budget includes an increase for campus recreation, campus activities and events, student health center, and Tiger One card services. The student services budget also reflects an increase for merit-based compensation, cost-of-living adjustment, and health insurance and retirement costs.

🍄 Auxiliary Enterprises

Resource Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$200,636	\$183,362	\$17,274	9.4%
Restricted	\$6	\$-	\$6	0.0%

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Auxiliary Enterprises are expected to be self-supporting, with the revenues supporting the operating and capital needs of the enterprise. The auxiliary enterprises expense budget is expected to increase 9.4%, or \$17.3M, in FY 2019-20. The majority of this growth is attributable to increasing insurance, utility, health and retirement, and contractual costs in providing services to students for housing, dining, and parking. The budget also includes growth in Athletics' operations. The Auxiliary enterprises budget comprises approximately 14.9% of the University's total resources.

🗳 Operations and Maintenance

Resource Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$50,277	\$41,986	\$8,291	19.7%
Restricted	\$16	\$10	\$6	60.0%

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Projected Operations and Maintenance expenses account for 3.7% of the total budget and are anticipated to increase in FY 2019-20 by 19.8%, or \$8.3M. The majority of the growth is due to nonrecurring state funding for Safety and Security Infrastructure and Enhancements (\$4.1M). This budget also includes an estimate of increased costs for state-mandated insurance costs (\$905K), building and grounds maintenance (\$745K), utility commodity rates and leases (\$588K), and \$1.2M for

merit-based compensation, cost-of-living adjustments, and health insurance and retirement costs.

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💞 Scholarships and Fellowships

Resource Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$27,305	\$24,793	\$2,512	10.1%
Restricted	\$102,884	\$98,641	\$4,243	4.3%

Scholarships and Fellowships, the fourth largest expenditure category, are expected to increase by \$6.8M in FY 2019-20, bringing the total to \$130.2M. This program budget is equivalent to almost half of the instruction budget and is evidence of the University's commitment to affordability. The recent growth in scholarships is attributed to SC Palmetto Fellows and LIFE Scholarships, and various private scholarships. The scholarships and fellowships budget has grown 75.4% since FY 2009-10.

🏶 Net Transfers, Noncash Waivers and Projected Fund Balance Expenditures

Net Transfers, Noncash Waivers and Projected Fund Balance Expenditures are applied in the same manner to the expense budget by program and by account. These activities will be discussed in detail in a later section.

Proposed Operating Uses Budget by Account (In 000's)

The proposed operating uses by account category for FY 2019-20 are summarized below in **Figure 5**, **Figure 6**, **and Graph 4**. The following section presents an alternative view of expenditures. Instead of focusing on program based expenditures, this section will provide a few summary observations from an "account" perspective. In particular, this section will highlight Compensation and Benefits, which accounts for approximately 47.2% of the University's total operating budget. The remainder of the operating uses budget is distributed between Other Costs (43.5%), Noncash Waivers (4.9%), and Fund Balance Resources (4.4%). Other costs include basic operating costs such as travel, supplies, equipment, services, utility costs, and other nonpersonnel operating items. As noted in the "Expense by Program" section, total expenditures are projected to increase by 8.0%.

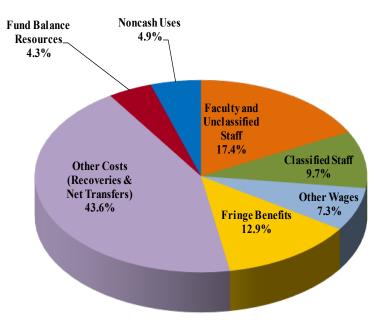
Figure 5. - Total University Operating Expense by Account

Account	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Percent Change
Compensation and Benefits:			
Faculty and Unclassified Staff	\$234,221	\$227,408	3.0%
Classified Staff	129,967	115,573	12.5%
Other Wages	97,986	91,508	7.1%
Fringe Benefits	173,787	151,646	14.6%
Total Compensation and Benefits	\$635,961	\$586,135	8.5%
Other Costs (Recoveries & Net Transfers)	587,009	547,026	7.3%
Fund Balance Resources	59,016	51,664	14.2%
Total Restricted & Unrestricted Expenses	\$1,281,986	\$1,184,825	8.2%
Noncash Uses	65,683	62,722	4.7%
Total Operating Uses by Account	\$1,347,669	\$1,247,547	8.0%

Figure 6. - Operating Expense Budget by Account Category

Account Category	Unrestricted	Restricted	Total
Compensation and Benefits:			
Faculty and Unclassified Staff	\$221,963	\$12,258	\$234,221
Classified Staff	126,987	2,980	129,967
Other Wages	69,725	28,261	97,986
Fringe Benefits	157,293	16,494	173,787
Total Compensation & Benefits	\$575,968	\$59,993	\$635,961
Other Costs (Recoveries & Net Transfers)	412,361	174,648	587,009
Fund Balance Resources	59,016	-	59,016
Total Operating Expense Budget (Cash)	\$1,047,345	\$234,641	\$1,281,986
Noncash Waivers	65,683	-	65,683
Total Operating Expense Budget	\$1,113,028	\$234,641	\$1,347,669





Compensation and Benefits

Account Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$221,963	\$215,706	\$6,257	2.9%
Classified Staff	126,987	112,886	14,101	12.5%
Other Wages	69,725	64,954	4,771	7.3%
Fringe Benefits	157,293	136,801	20,492	15.0%
Total Compensation & Benefits	\$575,968	\$530,347	\$45,621	8.6%

Unrestricted Uses

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Account Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$12,258	\$11,702	\$556	4.8%
Classified Staff	2,980	2,687	293	10.9%
Other Wages	28,261	26,554	1,707	6.4%
Fringe Benefits	16,494	14,845	1,649	11.1%
Total Compensation & Benefits	\$59,993	\$55,788	\$4,205	7.5%

Restricted Uses

Given the magnitude of the salary expenditures in higher education, this analysis will primarily address important trends and observations related to Compensation and Benefits. Total compensation and benefits costs are projected to increase 8.5% or \$49.8M in FY 2019-20. The budget includes a \$16.0M impact for the University's FY2019-2020 compensation plan which includes state-mandated cost increases for cost-of-living pay (2.0%), faculty tenure promotions, and performance-based salary increases. The Compensation and Benefits budget is increasing \$5.0M for state-mandated cost increases for employer retirement contribution rates.

The compensation and benefits budget includes nonrecurring E&G state appropriations for Safety and Security Infrastructure and Enhancements (\$2.5M), Health Innovation Extension Programming (\$935K), and recurring PSA state appropriations of \$1.3M.

The compensation and benefits budget growth includes a recurring investment of \$1.4M in research areas that will create a world-class research environment and recruit and retain top research faculty. The budget includes a recurring investment (\$613K) to ensure the University protects the quality of education of the "Clemson Experience" with a focus on small class sizes, student to faculty ratios, retention and graduation rates, and engagement outside the classroom. The budget supports accessibility by enrolling and educating the largest number of South Carolina students in the history of Clemson.

The compensation and benefits budget is increasing \$2.8M for additional strategic investments in world-class educators, compliance, legal, and regulatory positions, fundraising support and other essential positions. The budget also includes compensation related to the continued expansion of the University's nursing program (\$640K) and compensation increases related to growth in online, distance education, and premier academic programs (\$5.5M). The Other Wages budget is increasing by 7.1% primarily due to growth within distance education programs and premier programs such as the Master of Business Administration programs and the School of Nursing, as well as appropriate reclassification of expenditures from Other Cost to Wages for graduate students. Athletic salary and bonus increases of nearly \$2.7M

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19 Revised Initial Budget	FY 2019-20 Proposed Budget
Compensation and Employee Benefits	444,913	478,991	513,401	514,529	553,422	586,135	635,961
Percentage Growth	6.0%	7.7%	7.2%	0.2%	7.6%	5.9%	8.5%

Source: Comprehensive Annual Financial Report, Schedule of Expenses by Use

contribute to the 2.9% budget growth in the faculty and unclassified staff category. The compensation and benefits budget also includes an increase of \$2.4M for increased awards in sponsored research.

🗳 Other Costs

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Account Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$401,782	\$376,705	\$25,077	6.7%
Restricted	\$171,680	\$160,709	\$10,971	6.8%

Other costs (excluding recoveries and net transfers) represent approximately 42.6% of total operating uses. This large cost category includes anticipated expenditures ranging from utilities and travel to minor equipment. Budgets for this large group of operation spending categories are established at a high level in "Other Costs." However, actual spending is accounted for in detail as expenditures occur throughout the year. These details are presented in **Graph 5**.

Representing 29.8% of total operating uses at \$401.8M, unrestricted other costs are projected to increase by \$25.1M, or 6.7%. Nearly \$8.6M of this increase is attributable to State Appropriations for the Center for Advanced Manufacturing, Safety and Security Infrastructure and Enhancements, and Health Innovation Extension Programming.

Other costs include investments in University facility and utility operations (\$2.0M), legal and compliance initiatives (\$600K), administrative systems and other operational support (\$490K), academic support for library resources (\$470K), and support for diversity and inclusion pre-collegiate programs (\$135K). The Clemson Computing Information & Technology (CCIT) budget includes expenditure growth for operational support of external contracts. The remainder of the increase in E&G funds is for inflationary costs such as utilities, property insurance, and risk management.

Auxiliary Enterprise other costs are expected to increase 8.9% as a result of additional expenses for Athletics, CCIT, housing and dining. The increase for CCIT is due to an increase in operating and maintenance contracts. The increase for housing and dining is primarily for rising insurance, utility, and contractual costs.

Restricted other costs are expected to increase to \$171.7M and represent 12.7% of total operating uses. The \$11.0M increase is due to increased sponsored program activity and growth in scholarship programs such as SC Palmetto Fellows and LIFE Scholarships.

Recoveries (Presented on a Revenue Basis)

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Account Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$(77,638)	\$(72,431)	\$(5,207)	7.2%
Restricted	\$2	\$-	\$2	0.0%

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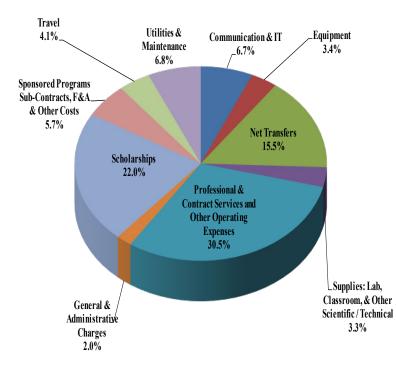
Recoveries are revenues generated from sales and services or the allocation of costs to internal customers of the University. Recoveries include revenues generated from the internal sale and distribution of telecommunications, information technology, fuel, facilities services, and departmental services. The majority of 7.2% increase for FY 2019-20 is due to CCIT's recoveries for various services (\$3.2M) such as Medicaid IT Services, CU Mobile, web services, and TigerOne support. General and Administrative recoveries attribute \$571K to the increase, and University utility and facility recoveries account for \$410K of the growth.

🗳 Net Transfers

Account Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$88,217	\$78,865	\$9,352	11.9%
Restricted	\$2,966	\$3,178	\$(212)	(6.7%)

Net Transfers include internal transfers of resources between operating unrestricted and restricted funds and funding for debt service and capital projects. Internal transfers routinely include the funding of student activities. Capital projects and debt service are funded by transfers of student fees and auxiliary funds.

The unrestricted net transfers budget is increasing by 11.9% due to additional investment in capital assets, enrollment growth, and a modest increase in room and board fees. These net transfers will be utilized to protect the University's facilities and infrastructure through renovations, preventative maintenance, and selective replacement.



Estimated Other Costs, Recoveries and Net Transfers sections provide an analysis of the FY 2019-20 budget for University's expenditures as shown in **Graph 5**

Account	FY 2019-20 Proposed Budget	Percent of Total
Scholarships	128,861	22.0%
Net Transfers	91,183	15.5%
Sponsored Programs Sub-Contracts, F&A & Other Costs	33,366	5.7%
Travel	23,856	4.1%
Equipment	19,836	3.4%
Communication & IT	39,211	6.7%
Supplies: Lab, Classroom, & Other Scientific/Technical	19,285	3.3%
General & Administrative Charges	11,562	2.0%
Utilities & Maintenance:		
Heat, Light, Power, Water, Wastewater & Garbage	25,303	4.3%
Repairs: External & University Facilities	12,134	2.1%
Construction	2,610	0.4%
Professional & Contract Services and Other Operating Expenses:		
Food Service & General Retail	73,942	12.6%
Educational & Research Services	37,861	6.4%
Campus Services/Athletics & Recreation	20,874	3.5%
Professional Services	17,046	2.9%
Taxes/Permits/License Fees	1,668	0.3%
Miscellaneous	11,415	1.9%
Transportation	2,431	0.4%
Office & Shipping	14,404	2.5%
Human Resources	161	0.0%
TOTAL	587,009	100.0%

Graph 5. - Projected Noncompensation Expenditures

💔 Noncash Waivers

Account Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$65,683	\$62,722	\$2,961	4.7%
Restricted	\$-	\$-	\$-	0.0%

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Noncash waivers have no impact on cash flow; however, they are an important part of Clemson's financial aid and recruitment strategy. Waivers are used to attract and retain high quality students. Noncash waivers are expected to increase 4.7% in FY 2019-20 primarily due to increased graduate waiver, as well as aggressive recruiting and enrollment of a top-15 student body.

Fund Balance Resources

Account Category	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$59,016	\$51,664	\$7,352	14.2%
Restricted	\$-	\$-	\$-	0.0%

Fund balances are utilized to make investments in mission critical systems, labs, classrooms, graduate student support, and other capital investments funded by individual budgetary units. Projected at \$59.0M, fund balance resources complete the remainder of the unrestricted operating resource budget.

The University plans to strategically utilize fund balance resources for onetime costs including faculty startups, research incentives, unfunded portion of statemandated bonuses, equipment and software purchases, and other one-time investments. The use of fund balance is projected to be \$7.4M over the FY 2018-19 amount.

Delegation of Authority to the Administration

In approving budgets, the Board of Trustees recognizes that (1) amounts budgeted as income are estimates and subject to change, (2) amounts budgeted for expenditures are a reflection of plans and workload estimates as of the time the budget is prepared, (3) the dynamic environment of a research university results in changes as a normal course of business and thus requiring adjustments in plans, programs, estimates and budget items. To provide for continuity and essential flexibility in operations, the Board of Trustees reaffirms the delegation of necessary authority to the President to act in all matters and to the Vice President for Finance & Operations to act in fiscal, contractual and other business matters, including specifically, authority to negotiate and make timely changes in contracts, to approve transfers and expenditures of funds permitted in the General Appropriations Act, including those funds commonly referred to as "contribution or gift funds" to be retained at the University, to adjust operating, permanent improvement and other income and expenditure items, and to take such other actions considered necessary in fiscal, contractual or other business matters in response to changing conditions and estimates.

SUMMARY REVENUE AND EXPENSE BY PROGRAM BUDGET

(dollars in thousands)

(dollars in thousands)					_					
	FY 2019-20 Proposed Budget	Revi	7 2018-19 ised Initial Budget	Percent Change		Pı	2019-20 roposed Budget	Revi	2018-19 sed Initial Budget	Percent Change
Operating Resources	Duuget	1	Duuget	Change	Operating Uses		Judger		auger	Change
					Unrestricted Expense:					
Unrestricted Revenue:					Instruction	\$	264,785	\$	245,899	7.7%
State Appropriations	\$ 154,10		136,728	12.7%	Research		109,721		111,665	(1.7%)
Federal Appropriations	13,50	0	13,500	0.0%	Public Service		69,938		64,902	7.8%
Student Fees	478,68	7	447,032	7.1%	Academic Support		73,110		68,646	6.5%
Facilities and Administrative Cost Recoveries	19,28	6	18,180	6.1%	Institutional Support Student Services		50,021 54,319		43,081 50,287	16.1% 8.0%
Sales and Services	242,61	7	220,944	9.8%	Auxiliary Enterprises		200,636		183,362	8.0% 9.4%
Other University Generated	80,13	9	77,102	3.9%	Scholarships and Fellowships		200,030		24,793	10.1%
Total Unrestricted Revenue	988,32		913,486	8.2%	Operation and Maintenance		50,277		41,986	19.7%
Fund Balance Resources	59,01		51,664	0.270	Net Transfers		88,217		78,865	11.9%
Total Unrestricted and Fund Balance	57,01	0	51,004		Current Unrestricted Expense	-	988,329	_	913,486	8.2%
Resources	1,047,34	5	965,150	8.5%	Projected Fund Balance Expenditures		59,016		51,664	
Resources	1,077,07	5	703,130	0.570	Total Unrestricted Expense		1,047,345	_	965,150	8.5%
Restricted Revenue: State Higher Education Grants Financial Aid - Non-State Higher Education Grants	67,23 33,91		62,582 33,797	7.4% 0.3%	Restricted Expense: Instruction Research Public Service Academic Support		5,998 103,937 13,959 997		4,732 93,663 14,420 1,709	26.8% 11.0% (3.2%) (41.7%)
Grants and Contracts	129,82	8	120,973	7.3%	Institutional Support		3,579		2,899	23.5%
Other Restricted Revenue	3,66	0	2,323	57.6%	Student Services		299		423	(29.3%)
Total Restricted Revenue	234,64	1 -	219,675	6.8%	Auxiliary Enterprises		6		-	0.0%
					Scholarships and Fellowships		102,884		98,641	4.3%
					Operation and Maintenance		16		10	60.0%
					Net Transfers		2,966	_	3,178	(6.7%)
					Total Restricted Expense		234,641	_	219,675	6.8%
Total Revenue and Fund Balance Resources	1,281,98	6	1,184,825	8.2%	Total Expense		1,281,986	_	1,184,825	8.2%
Noncash Resources:					Noncash Uses:					
	(= (5	2	(2,722	4 70/	Graduate and Undergraduate Waivers		33,683		32,722	2.9%
Graduate and Undergraduate Waivers	65,68	3	62,722	4.7%	Fringe Benefits - Graduate Assistant Differential		32,000		30,000	6.7%
Total Noncash Revenue	65,68	3	62,722	4.7%	Total Noncash Uses	•	65,683	_	62,722	4.7%
Total Operating Resources	\$ 1,347,66	<u>9</u> \$_	1,247,547	8.0%	Total Operating Uses	\$	1,347,669	\$_	1,247,547	8.0%

SUMMARY REVENUE AND EXPENSE BY ACCOUNT BUDGET

(dollars in thousands)

(dollars in thousands)				_			
		FY 2018-19 Revised Initial Budget	Percent Change		FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget	Percent Change
Operating Resources				Operating Uses			
Unrestricted Revenue:				Unrestricted Expense: Compensation and Benefits:			
State Appropriations	\$ 154,100	\$ 136,728	12.7%	Faculty and Unclassified Staff	\$ 221,963	\$ 215,706	2.9%
Federal Appropriations	13,500	13,500	0.0%	Classified Staff	126,987	· · · · ·	12.5%
Student Fees	478,687	447,032	7.1%	Other Wages	69,725		7.3%
Facilities and Administrative Cost Recoveries	19,286		6.1%	Fringe Benefits	157,293		15.0%
Sales and Services	242,617	220,944	9.8%	Total Compensation and Benefits	575,968		8.6% 6.7%
Other University Generated	80,139	,	3.9%	Operating Costs Net Transfers	401,782 88,217		0.7% 11.9%
Total Unrestricted Revenue	988,329		8.2%	Recoveries	(77,638)	· · · · ·	7.2%
Fund Balance Resources	59,016	,		Current Unrestricted Expense	988,329		8.2%
Total Unrestricted and Fund Balance				Projected Fund Balance Expenditures	59,016		
Resources	1,047,345	965,150	8.5%	Total Unrestricted Expense	1,047,345	965,150	8.5%
Restricted Revenue: State Higher Education Grants Financial Aid - Non-State Higher Education Grants Grants and Contracts Other Restricted Revenue Total Restricted Revenue	67,238 33,915 129,828 <u>3,660</u> 234,641	33,797 3 120,973 2,323	7.4% 0.3% 7.3% 57.6% 6.8%	Restricted Expense: Compensation and Benefits: Faculty and Unclassified Staff Classified Staff Other Wages Fringe Benefits Total Compensation and Benefits Operating Costs Net Transfers Recoveries	12,258 2,980 28,261 16,494 59,993 171,680 2,966 2	2,687 26,554 <u>14,845</u> 55,788 160,709 3,178	4.8% 10.9% 6.4% 11.1% 7.5% 6.8% (6.7%) 0.0%
				Total Restricted Expense	234,641	219,675	6.8%
Total Revenue and Fund Balance							0.0%
Resources	1,281,986	1,184,825	8.2%	Total Expense	1,281,986	1,184,825	8.2%
Noncash Resources: Graduate and Undergraduate Waivers	65,683	62,722	4.7%	Noncash Uses: Graduate and Undergraduate Waivers Fringe Benefits - Graduate Assistant Differential	33,683 32,000	,	2.9% 6.7%
Total Noncash Revenue	65,683	62,722	4.7%	Total Noncash Uses	65,683	62,722	4.7%
Total Operating Resources	\$ <u>1,347,669</u>	\$ <u>1,247,547</u>	8.0%	Total Operating Uses	\$ <u>1,347,669</u>	\$ <u>1,247,547</u>	8.0%

Operating Resources by Source

(dollars in thousands)

	Educational and General						Public	Se	ervice Activit	ies		Auxil	iar	y Enterprise	es		Tota	l Un	restricted	
	FY 2019 Propos Budge	ed	Revis	ed Initial	Percent Change	Pr		Re	FY 2018-19 evised Initial Budget*	Percent Change	Proj		Rev	Y 2018-19 vised Initial Budget*	Percent Change	P	Y 2019-20 Proposed Budget	Revi	sed Initial	Percent Change
Unrestricted Revenue:																				
State Appropriations	\$ 106	,492	\$	92,180	15.5%	\$	47,608		\$ 44,548	6.9%	\$	-	\$	-	0.0%	\$	154,100	\$	136,728	12.7%
Federal Appropriations		-		-	0.0%		13,500		13,500	0.0%		-		-	0.0%	,	13,500		13,500	0.0%
Student Fees	470	,272		439,046	7.1%		-		-	0.0%		8,415		7,986	5.4%	,	478,687		447,032	7.1%
Facilities and Administrative Cost Recoveries	17	,136		16,030	6.9%		2,150		2,150	0.0%		-		-	0.0%	,	19,286		18,180	6.1%
Sales and Services	9	,951		10,111	(1.6%)		15,603		15,251	2.3%	2	217,063		195,582	11.0%	,	242,617		220,944	9.8%
Other University Generated	30	,582		29,958	2.1%	_	194		268	(27.6%)	_	49,363		46,876	5.3%	,	80,139	_	77,102	3.9%
Total Unrestricted Revenue	634	,433		587,325	8.0%		79,055		75,717	4.4%	2	274,841		250,444	9.7%	,	988,329		913,486	8.2%
Fund Balance Resources	54	,811		47,640		-	4,140		3,933			65		91			59,016	_	51,664	
Total Unrestricted Revenue and Fund Balance Resources	689	,244		634,965	8.5%	' -	83,195		79,650	4.5%		274,906		250,535	9.7%	1	<u>1,047,345</u>	_	965,150	8.5%
Noncash Resources:																				
Graduate and Undergraduate Waivers	65	,683		62,722	4.7%	· _				0.0%	_				0.0%	,	65,683	_	62,722	4.7%
Total Noncash Resources	65	,683	_	62,722	4.7%	_				0.0%	_				0.0%	,	65,683	_	62,722	4.7%
Total Operating Resources	\$ <u>754</u>	,927	\$	697,687	8.2%	\$	83,195	1	\$ <u>79,650</u>	4.5%	\$ <u>_</u> 2	274,906	\$	250,535	9.7%	\$	1,113,028	\$_	1,027,872	8.3%

Operating Resources by Source

(dollars in thousands)

	Spon	sored l	Programs	6	Sc	holarsh	ips an	d Studer	nt Aid		Oth	er F	Restricted			То	tal R	estricted	
	FY 2019-20 Proposed Budget	Revise	018-19 d Initial dget*	Percent Change	Pro	019-20 posed idget	Revis	2018-19 ed Initial dget*	Percent Change	Pr	7 2019-20 roposed 1 Budget	Revi	2018-19 ised Initial Budget*	Percent Change	Pr	2019-20 oposed udget	Revi	2018-19 ised Initial Sudget*	Percent Change
Restricted Revenue:																			
State Higher Education Grants	\$	- \$	-	0.0%	\$	67,238	\$	62,582	7.4%	\$	-	\$		0.0%	\$	67,238	\$	62,582	7.4%
Financial Aid - Non-State Higher Education Grants		-	-	0.0%		33,915		33,797	0.3%)	-			- 0.0%		33,915		33,797	0.3%
Grants and Contracts	104,218	3	94,279	10.5%		-		-	0.0%)	25,610		26,694	(4.1%)		129,828		120,973	7.3%
Other Restricted Revenue	1,088	3	110	889.1%				-	0.0%	, _	2,572	_	2,213	16.2%	_	3,660		2,323	57.6%
Total Restricted Revenue	105,300	6	94,389	11.6%		101,153		96,379	5.0%		28,182		28,907	(2.5%)		234,641		219,675	6.8%
Noncash Resources:																			
Graduate and Undergraduate Waivers		<u> </u>	-	0.0%					0.0%	, _		_	-	0.0%	_	-			0.0%
Total Noncash Revenue		:	_	0.0%		_		-	0.0%			_		0.0%	_				0.0%
Total Operating Resources	\$	5 \$	94,389	11.6%	\$	101,153	\$	96,379	5.0%	\$	28,182	\$_	28,907	(2.5%)	\$_	234,641	\$	219,675	6.8%

	Tota	al Unrestricted		Te	otal Restricted		To	tal University	
	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget*	Percent Change	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget*	Percent Change	FY 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget*	Percent Change
Total Restricted and Unrestricted Revenue:									
Total Revenue Resources	\$ 1,047,345	5 \$ 965,150	8.5%	\$ 234,64	1 \$ 219,675	6.8%	\$ 1,281,98	6 \$ 1,184,825	8.2%
Total Noncash Resources	65,683	62,722	4.7%		<u> </u>	0.0%	65,68	3 62,722	4.7%
Total Operating Resources by Source	\$1,113,028	\$ <u>1,027,872</u>	8.3%	\$234,64	1 \$ 219,675	6.8%	\$ 1,347,66	9 \$	8.0%

Operating Uses by Program

(dollars in thousands)

	Educational and General					Public	c Se	ervice Activit	ies		Auxil	liaı	ry Enterprise	25	Т	`otal	Unrestricted	
	Pr	2019-20 coposed Budget	Rev	7 2018-19 ised Initial Budget*	Percent Change	FY 2019-20 Proposed Budget		evised Initial	Percent Change	P			FY 2018-19 evised Initial Budget*	Percent Change	FY 2019-2 Proposed Budget	I R	FY 2018-19 Revised Initial Budget*	Percent Change
Unrestricted Expense:																		
Instruction	\$	261,198	\$	242,459	7.7%	\$	-	\$ -	0.0%	\$	3,587		\$ 3,440	4.3%	\$ 264,7	85	\$ 245,899	7.7%
Research		79,592		82,267	(3.3%)	30,143	3	29,415	2.5%		(14)		(17)	(17.6%)	109,7	21	111,665	(1.7%)
Public Service		20,518		18,412	11.4%	49,420	0	46,490	6.3%		-		-	0.0%	69,9	38	64,902	7.8%
Academic Support		72,969		68,506	6.5%	141	1	140	0.7%		-		-	0.0%	73,1	10	68,646	6.5%
Institutional Support		50,021		43,081	16.1%		-	-	0.0%		-		-	0.0%	50,0	21	43,081	16.1%
Student Services		42,528		38,721	9.8%		-	-	0.0%		11,791		11,566	1.9%	54,3	19	50,287	8.0%
Auxiliary Enterprises		680		145	369.0%		-	-	0.0%		199,956	,	183,217	9.1%	200,6	36	183,362	9.4%
Scholarships and Fellowships		14,537		12,507	16.2%		-	-	0.0%		12,768		12,286	3.9%	27,3	05	24,793	10.1%
Operations and Maintenance		50,277		41,986	19.7%		-	-	0.0%		-		-	0.0%	50,2	77	41,986	19.7%
Net Transfers		42,113		39,241	7.3%	(649))	(328)	97.9%		46,753		39,952	17.0%	88,2	17	78,865	11.9%
Current Unrestricted Expense		634,433		587,325	8.0%	79,055	5	75,717	4.4%		274,841		250,444	9.7%	988,3	29	913,486	8.2%
Projected Fund Balance Expenditures	-	54,811	-	47,640		4,140	0	3,933			65	•	91		59,0	16	51,664	
Total Unrestricted Expense		689,244	-	634,965	8.5%	83,195	5	79,650	4.5%		274,906		250,535	9.7%	1,047,3	45	965,150	8.5%
Noncash Uses:																		
Graduate and Undergraduate Waivers		33,683		32,722	2.9%		-	-	0.0%		-		-	0.0%	33,6	83	32,722	2.9%
Fringe Benefits - Graduate Assistant Differential		32,000		30,000	6.7%		_		0.0%		_			0.0%	32,0	00	30,000	6.7%
Total Noncash Uses		65,683	-	62,722	4.7%		_		0.0%					0.0%	65,6	83	62,722	4.7%
Total Operating Uses	\$	754,927	\$	697,687	8.2%	\$ 83,195	5	\$ <u>79,650</u>	4.5%	\$	274,906		\$	9.7%	\$ <u>1,113,0</u>	28	\$	8.3%

Operating Uses by Program

(dollars in thousands)

	Sponsored Programs Activities FY 2019-20 FY 2018-19 FY					Scho	olars	hips and	Studen	t Aid		Ot	her F	Restricted			То	tal Re	stricted	
		osed	Revise	ed Initial	Percent Change	FY 201 Propo Budg	sed	•	Initial	Percent Change	Pro	2019-20 oposed udget	Revi	2018-19 sed Initial udget*	Percent Change	Pro	2019-20 oposed udget	Revis	2018-19 ed Initial dget*	Percent Change
Restricted Expense:																				
Instruction	\$	2,351	\$	2,420	(2.9%)	\$	97	7 \$	42	131.0%	\$	3,550	\$	2,270	56.4%	\$	5,998	\$	4,732	26.8%
Research	9	0,772		79,866	13.7%		51		32	59.4%		13,114		13,765	(4.7%)		103,937		93,663	11.0%
Public Service	1	2,025		11,768	2.2%		-	-	-	0.0%		1,934		2,652	(27.1%)		13,959		14,420	(3.2%)
Academic Support		-		-	0.0%		-	-	-	0.0%		997		1,709	(41.7%)		997		1,709	(41.7%)
Institutional Support		-		-	0.0%		-	-	-	0.0%		3,579		2,899	23.5%		3,579		2,899	23.5%
Student Services		-		-	0.0%		2	2	-	0.0%		297		423	(29.8%)		299		423	(29.3%)
Auxiliary Enterprises		-		-	0.0%		-	-	-	0.0%		6		-	0.0%		6		-	0.0%
Scholarships and Fellowships		-		-	0.0%	10	1,003	3	96,305	4.9%		1,881		2,336	(19.5%)		102,884		98,641	4.3%
Operations and Maintenance		-		-	0.0%		-	-	-	0.0%		16		10	60.0%		16		10	60.0%
Net Transfers		158		335	(52.8%)		-		-	0.0%	_	2,808		2,843	(1.2%)	_	2,966	_	3,178	(6.7%)
Total Restricted Expense	10	05,306	_	94,389	11.6%	10	1,153	3	96,379	5.0%	_	28,182	_	28,907	(2.5%)	_	234,641	_	219,675	6.8%
Noncash Uses:																				
Graduate and Undergraduate Waivers		-		-	0.0%		-	-	-	0.0%		-		-	0.0%		-		-	0.0%
Fringe Benefits - Graduate Assistant Differential		_			0.0%		-		-	0.0%		-			0.0%		_			0.0%
Total Noncash Uses		-		_	0.0%		-		-	0.0%	_	-	_		0.0%	_	-	_		0.0%
Total Operating Uses	\$ <u>10</u>	05,306	\$	94,389	11.6%	\$ <u>10</u>	1,153	<u>s</u>	96,379	5.0%	\$	28,182	\$	28,907	(2.5%)	\$_	234,641	\$	219,675	6.8%

		Tota	l Uni	restricted			Tot	al Res	stricted			Tot	al Ui	niversity	
	F	Y 2019-20 Proposed Budget	Rev	2018-19 ised Initial Budget*	Percent Change	Pr	2019-20 oposed sudget	Revis	2018-19 sed Initial udget*	Percent Change	Р	2019-20 roposed Budget	Rev	7 2018-19 ised Initial Budget*	Percent Change
Total Restricted and Unrestricted Expense:															
Total Operating Expense	\$	1,047,345	\$	965,150	8.5%	\$	234,641	\$	219,675	6.8%	\$	1,281,986	\$	1,184,825	8.2%
Total Noncash Uses	-	65,683	_	62,722	4.7%	_		_		0.0%	_	65,683	-	62,722	4.7%
Total Operating Uses by Program	\$	1,113,028	\$_	1,027,872	8.3%	\$	234,641	\$	219,675	6.8%	\$_	1,347,669	\$_	1,247,547	8.0%

Operating Uses by Account

(dollars in thousands)

	Educat	ional and Gen	eral	Public	Service Activit	ties	Auxi	liary Enterpris	es	Tot	al Unrestricted	
	FY 2019-20	FY 2018-19		FY 2019-20	FY 2018-19		FY 2019-20	FY 2018-19		FY 2019-20	FY 2018-19	
	1	Revised Initial			Revised Initial		1	Revised Initial		1	Revised Initial	
	Budget	Budget*	Change	Budget	Budget*	Change	Budget	Budget*	Change	Budget	Budget*	Change
Unrestricted Expense:												
Compensation and Benefits:												
Faculty and Unclassified Staff	\$ 163,948	\$ 161,992	1.2%	\$ 20,295	\$ 18,470	9.9%	\$ 37,720) \$ 35,244	7.0%	\$ 221,963	\$ \$ 215,706	2.9%
Classified Staff	100,251	87,491	14.6%	12,179	10,911	11.6%	14,557	7 14,484	0.5%	126,987	112,886	12.5%
Other Wages	58,411	54,921	6.4%	3,549	3,016	17.7%	7,765	5 7,017	10.7%	69,725	64,954	7.3%
Fringe Benefits	122,126	106,754	14.4%	16,318	13,481	21.0%	18,849	9 16,566	13.8%	157,293	136,801	15.0%
Total Compensation and												
Benefits	444,736	411,158	8.2%	52,341	45,878	14.1%	78,891	1 73,311	7.6%	575,968	530,347	8.6%
Other Costs	222,643	206,939	7.6%	27,567	30,536	(9.7%)	151,572	2 139,230	8.9%	401,782	376,705	6.7%
Net Transfers	42,113	39,241	7.3%	(649)	(328)	97.9%	46,753	3 39,952	17.0%	88,217	78,865	11.9%
Recoveries	(75,059)	(70,013)	7.2%	(204)	(369)	(44.7%)	(2,375) (2,049)	15.9%	(77,638)	(72,431)	7.2%
Current Unrestricted												
Expense	634,433	587,325	8.0%	79,055	75,717	4.4%	274,841	250,444	9.7%	988,329	913,486	8.2%
Projected Fund Balance												
Expenditures	54,811	47,640		4,140	3,933		65	5 91		59,016	51,664	
Total Unrestricted Expense	689,244	634,965	8.5%	83,195	79,650	4.5%	274,900	250,535	9.7%	1,047,345	965,150	8.5%
Noncash Uses:												
Graduate and Undergraduate												
Waivers	33,683	32,722	2.9%	-		0.0%			0.0%	33,683	32,722	2.9%
Fringe Benefits - Graduate												
Assistant Differential	32,000	30,000	6.7%			0.0%			0.0%	32,000	30,000	6.7%
Total Noncash Uses	65,683	62,722	4.7%			0.0%			0.0%	65,683	62,722	4.7%
Total Operating Uses	\$ 754,927	\$ 697,687	8.2%	\$ 83,195	\$ 79,650	4.5%	\$ 274,900	6 \$ <u>250,535</u>	9.7%	\$ 1,113,028	\$ 1,027,872	8.3%

Operating Uses by Account

(dollars in thousands)

	Sponsore					hips and Stude	ent Aid	(Other Restricted		Te	otal Restricted	
	FY 2019-20 Proposed		2018-19		FY 2019-20	FY 2018-19 Revised Initia	1 Dancont	FY 2019-2	0 FY 2018-19 Revised Initial	Davaant	FY 2019-20		Demont
	Budget		dget*	Change	Budget	Budget*	Change	Budget	Budget*	Change	Budget	Revised Initial Budget*	Change
Restricted Expense:													
Compensation and Benefits:													
Faculty and Unclassified Staff	\$ 9,23	3 \$	9,283	(0.5%)	\$ 45	5 \$ 3	5 28.6%	\$ 2,9	75 \$ 2,384	24.8%	\$ 12,258	3 \$ 11,702	4.8%
Classified Staff	1,99	3	1,852	7.9%	-	-	- 0.0%	9	82 835	17.6%	2,980) 2,687	10.9%
Other Wages	22,92	5	21,565	6.3%	1		- 0.0%	5,3	35 4,989	6.9%	28,261	26,554	6.4%
Fringe Benefits	13,50	3	12,608	7.1%	16	<u> </u>	2 33.3%	2,9	70 2,225	33.5%	16,494	14,845	11.1%
Total Compensation and Benefits	47,66)	45,308	5.2%	62	2 4	7 31.9%	12,2	62 10,433	17.5%	59,993	3 55,788	7.5%
Other Costs	57,47	7	48,746	17.9%	101,091	96,33	2 4.9%	13,1	12 15,631	(16.1%)	171,680	160,709	6.8%
Net Transfers	15	3	335	(52.8%)	-	-	- 0.0%	2,8	08 2,843	(1.2%)	2,966	5 3,178	(6.7%)
Recoveries		2		0.0%			- 0.0%			0.0%	2	<u> </u>	0.0%
Total Restricted Expense	105,30	<u> </u>	94,389	11.6%	101,153	96,37	<u>9</u> 5.0%	28,1	82 28,907	(2.5%)	234,641	219,675	6.8%
Noncash Uses:													
Graduate and Undergraduate Waivers		-	-	0.0%			- 0.0%			0.0%			0.0%
Fringe Benefits - Graduate Assistant Differential			_	0.0%		<u> </u>	0.0%		<u> </u>	0.0%		<u> </u>	0.0%
Total Noncash Uses				0.0%			- 0.0%			0.0%		·	0.0%
Total Operating Uses	\$ <u>105,30</u>	<u>5</u> \$	94,389	11.6%	\$ <u>101,153</u>	\$ <u>96,37</u>	9 5.0%	\$	82 \$28,907	(2.5%)	\$	\$ <u>219,675</u>	6.8%
							-						
			_		Total Unrest	ricted			Restricted			al University	
				FY 2019-2 Propose Budget	d Revised	Initial Perce	nt Proj		FY 2018-19 evised Initial Pe Budget* Cl		Y 2019-20 Proposed Budget	FY 2018-19 Revised Initial Budget*	Percent Change
Total Restricted and Unrestricted	Expense:		-					0	_			0	
Total Operating Expense Total Noncash Uses				. ,	,345 \$,683	,	5% \$ 7% <u> </u>	234,641	\$ 219,675	6.8% \$ 0.0%	1,281,986 65,683	\$ 1,184,825 62,722	
Total Operating Uses by Account				\$1,113	<u>,028</u> \$ <u>1</u> ,	<u>.027,872</u> 8	3% \$	234,641	§ <u>219,675</u>	6.8% \$	1,347,669	\$ 1,247,547	8.0%

Academic Fee Schedule Undergraduate Student Academic Fee Schedule Effective Fall 2019

Full-Time Undergraduate Fees per Semester (twelve hours or more):		Resi	dent	Non-Resident	
Base Academic Fee		\$	6,059	\$	16,13
Tuition			860		2,08
Other Debt Retirement and Plant Fund Transfers			140		34
Matriculation			5		
Activity Fee			40		4
Software License Fee			21		2
Fike Fee (on-campus)			90		9
Medical Fee (on-campus)			182		18
Career Services Fee			4		
Transit Fee (on-campus)			40		4
Information Technology Fee			119		11
Total Full-Time Undergraduate Fees per Semester		\$	7,560	\$	19,05
dditional Full-Time Undergraduate Fees per Semester:					
Library Fee (30+ cumulative credit hours)		\$	100	\$	10
Additional Transit Fee (Non-University housed students)		*	17	*	1
Part-Time Undergraduate Fees per Credit Hour (less than twelve hours):			1,		-
Base Academic Fee		\$	544	\$	1,42
Tuition			77		18
Other Debt Retirement and Plant Fund Transfers			12		2
Activity Fee			4		
Information Technology Fee			10		1
Total Part-Time Undergraduate Fees per Credit Hour		\$	647	\$	1,64
dditional Part-Time Undergraduate Fees per Credit Hour:					
Library Fee (30+ cumulative credit hours)		\$	10	\$	1
dditional Part-Time Undergraduate Fees per Semester:					
Matriculation		\$	5	\$	
Software License Fee			21		2
Fike Fee (6+ on-campus credit hours)			90		9
Medical Fee (6+ on-campus credit hours)			182		18
Career Services Fee (6+ credit hours)			4		
Transit Fee (6+ on-campus credit hours)			40		4
Additional Transit Fee (Non-University housed students)			17		1

Academic Fee Schedule Undergraduate Student Academic Fee Schedule Effective Fall 2019 (continued)

Summer Session Fees per Credit Hour:		Resid	lent	Non-Resident	
Base Academic Fee		\$	544	\$	1,420
Tuition			77		184
Other Debt Retirement and Plant Fund Transfers			12		29
Activity Fee			4		4
Library Fee			10		10
Information Technology Fee			10		10
Total Summer Session Fees per Credit Hour		\$	657	\$	1,657
Additional Fees per Summer Session:					
Fike Fee (3+ on-campus credit hours, maximum of \$52)		\$	26	\$	26
Summer Session Fee (maximum of \$35)			5		5
Medical Fee (3+ on-campus, credit hours, maximum of \$132)			66		66
Software License Fee (maximum of \$22)			11		11
Other Undergraduate Fees:					
Per Semester:					
Behavioral Science Junior/Senior Differential Tuition		\$	1,000	\$	1,000
Business Junior/Senior Differential Tuition			1,059		1,087
Engineering Program Fee (enrolled Summer 2018 or after)			1,250		1,250
Computer Science Program Fee (enrolled Summer 2018 or after)			500		500
Nursing Program Fee (enrolled Summer 2018 or after)			1,000		1,000
Packaging Science Program Fee (enrolled Summer 2018 or after)			1,000		1,000
Food Science & Human Nutrition Program Fee (enrolled Summer 2018 or after)			750		750
Design/Build Program Fee (enrolled Summer 2018 or after)			750		750
Design Durid Fregram Fee (enrolled Summer 2016 of alter)					

Student Sustainability Initiative (i.e. Green Fee) - opt in fee10Recreational Therapy Program (average of three term fees)252

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Academic Fee Schedule Undergraduate Student Academic Fee Schedule Effective Fall 2019 (continued)

ther Undergraduate Fees (Other Mandatory Fees Apply):		esident	Non-Resident	
Per Credit Hour:				
Behavioral Science - Non-Majors Surcharge/Credit Hour 300/400	\$	100	\$	100
Business - Non-Majors Surcharge/Credit Hour 300/400		106		108
Engineering Program Fee (enrolled Summer 2018 or after)		105		105
Computer Science Program Fee (enrolled Summer 2018 or after)		42		42
Nursing Program Fee (enrolled Summer 2018 or after)		84		84
Packaging Science Program Fee (enrolled Summer 2018 or after)		84		84
Food Science & Human Nutrition Program Fee (enrolled Summer 2018 or after)		63		63
Design/Build Program Fee (enrolled Summer 2018 or after)		63		63
Cardiovascular Technology Concentration for Health Science Majors		200		200
Electrical and Computer Engineering - Online Courses Academic Fee		712		712
Summer Study Abroad Academic Fee		712		712
Certificate Programs:				
Automotive Engineering Undergraduate certificate program (onetime)	\$	3,000	\$	3,000
Translational Genomics (onetime)	\$	2,000	\$	2,000
Undergraduate Online Programs: (per credit hour)				
RN/BS	\$	550	\$	550
Youth Development Program		550		550
Per Seat:				
Variable Laboratory Fee Based on Specific Course Labs	\$	75-200	\$	75-200
Animal & Veterinary Sciences Laboratory Fee		600		600
Contract Courses:				
Level 1 - Graduate Tier 1 and 2 Programs	\$	700-1,000	\$	750-1,050
Level 2 - Graduate Tier 1 and 2 Programs		550-699		600-749
Level 3 - Graduate Tier 2 and 3 Programs		400-549		450-599
Level 4 - Undergraduate, Graduate Tier 3 and 4 Programs		250-399		300-449
Level 5 - Professional Development, High School Programs		100-249		150-299
Bridge to Clemson Program Fee (Other Mandatory Fees Apply):				
Bridge to Clemson Program Fee (fall 2019)	\$	810	\$	810
Bridge to Clemson Program Fee (fall 2020)		810		810

Academic Fee Schedule Graduate Student Academic Fee Schedule Effective Fall 2019

all-Time Graduate Fees per Semester (nine hours or more):		Resi	lent	Non-Resident	
Tier 1 Program - Base Academic Fee (enrolled Summer 2018 or after)		\$	5,225	\$	11,000
Tier 2 Program - Base Academic Fee (enrolled Summer 2018 or after)			4,300		8,600
Tier 3 Program - Base Academic Fee (enrolled Summer 2018 or after)			3,600		7,100
Tier 1 Program - Base Academic Fee (enrolled prior to Summer 2018)		\$	4,635	\$	9,476
Tier 2 Program - Base Academic Fee (enrolled prior to Summer 2018)			3,863		7,828
Tier 3 Program - Base Academic Fee (enrolled prior to Summer 2018)			3,245		6,541
Tier 4 Program - Base Academic Fee (enrolled prior to Summer 2018)			3,000		6,131
Tier 5 Program - Base Academic Fee (enrolled prior to Summer 2018)			2,357		4,886
Doctoral Base Academic Fee		\$	3,938	\$	7,980
ditional Full-Time Graduate Fees per Semester:					
Tuition		\$	860	\$	2,085
Other Debt Retirement and Plant Fund Transfers			140		340
Matriculation			5		5
Activity Fee			20		20
Software License Fee			21		21
Fike Fee (on-campus)			90		90
Medical Fee (on-campus)			182		182
Transit Fee (on-campus; additional \$17 for non-University housed students)			40		40
Library Fee			119		119
Information Technology Fee			119		119
Career Services Fee			2		2
Total Additional Full-Time Graduate Fees per Semester		\$	1,598	\$	3,023
ull-Time Graduate Assistant Fees per Semester:					
Graduate Assistant Fee		\$	650	\$	650
Tuition			10		10
Other Debt Retirement and Plant Fund Transfers			5		5
Matriculation			5		5
Activity Fee			20		20
Software License Fee			21		21
Fike Fee (6+ on-campus credit hours)			90		90
Medical Fee (6+ on-campus credit hours)			182		182
Library Fee			119		119
Transit Fee (6+ on-campus credit hours; additional \$17 for non-University housed students)			40		40
Career Services Fee			2		2
Total Full-Time Graduate Assistant Fees per Semester		\$	1,144	\$	1,144

Academic Fee Schedule Graduate Student Academic Fee Schedule

Effective Fall 2019 (continued)

Part-Time Graduate Fees per Credit Hour (Less than nine hours):	Resid	ent	Non-Resident	
Tier 1 Program - Base Academic Fee (enrolled Summer 2018 or after)	\$	744	\$	1,518
Tier 2 Program - Base Academic Fee (enrolled Summer 2018 or after)		635		1,238
Tier 3 Program - Base Academic Fee (enrolled Summer 2018 or after)		467		896
Tier 1 Program - Base Academic Fee (enrolled prior to Summer 2018)	\$	660	\$	1,308
Tier 2 Program - Base Academic Fee (enrolled prior to Summer 2018)		571		1,127
Tier 3 Program - Base Academic Fee (enrolled prior to Summer 2018)		421		825
Tier 4 Program - Base Academic Fee (enrolled prior to Summer 2018)		393		767
Tier 5 Program - Base Academic Fee (enrolled prior to Summer 2018)		339		652
Doctoral Base Academic Fee	\$	582	\$	1,149
Ed. D. Education Systems Improvement Science		454		454
Additional Part-Time Graduate Mandatory Fees per Credit Hour:				
Tuition	\$	77	\$	184
Other Debt Retirement and Plant Fund Transfers		12		29
Total Additional Part-Time Graduate Mandatory Fees per Credit Hour	\$	89	\$	213
Other Part-Time Graduate Fees:				
Per Credit Hour:				
Information Technology Fee	\$	10	\$	10
Library Fee		10		10
Per Session:				
Matriculation	\$	5	\$	5
Activity Fee (6+ credit hours)		20		20
Software License Fee		21		21
Fike Fee (6+ on-campus credit hours)		90		90
Medical Fee (6+ on-campus credit hours)		182		182
Career Services Fee		2		2
Transit Fee (6+ on-campus credit hours; additional \$17 for non-University housed students)		40		40

Academic Fee Schedule Graduate Student Academic Fee Schedule

Effective Fall 2019 (continued)

Summer Session Graduate Fees per Credit Hour (Less than nine hours):	Resident	t	Non-Resident	
Tier 1 Program - Base Academic Fee (enrolled Summer 2018 or after)	\$	744	\$	1,518
Tier 2 Program - Base Academic Fee (enrolled Summer 2018 or after)		635		1,238
Tier 3 Program - Base Academic Fee (enrolled Summer 2018 or after)		467		896
Tier 1 Program - Base Academic Fee (enrolled prior to Summer 2018)	\$	660	\$	1,308
Tier 2 Program - Base Academic Fee (enrolled prior to Summer 2018)		571		1,127
Tier 3 Program - Base Academic Fee (enrolled prior to Summer 2018)		421		825
Tier 4 Program - Base Academic Fee (enrolled prior to Summer 2018)		393		767
Tier 5 Program - Base Academic Fee (enrolled prior to Summer 2018)		339		652
Doctoral Base Academic Fee	\$	582	\$	1,149
Ed. D. Education Systems Improvement Science		454		454
Additional Summer Session Graduate Mandatory Fees per Credit Hour:				
Tuition	\$	77	\$	184
Other Debt Retirement and Plant Fund Transfers		12		29
Total Additional Summer Session Graduate Mandatory Fees per Credit Hour	\$	89	\$	213
Other Summer Session Graduate Fees:				
Per Credit Hour:				
Information Technology Fee	\$	10	\$	10
Library Fee		10		10
Per Session:				
Summer Session Fee (maximum of \$35)	\$	5	\$	5
Software License Fee (maximum of \$22)		11		11
Fike Fee (3+ on-campus credit hours, maximum \$52)		26		26
Medical Fee (3+ on-campus credit hours, maximum \$132)		66		66

Academic Fee Schedule Graduate Student Academic Fee Schedule Effective Fall 2019 (continued)

Online Programs Graduate Fees per Credit Hour: Resident Non-Resident 1,175 Tier 1 Program - Base Academic Fee \$ \$ 1,175 Tier 2 Program - Base Academic Fee 866 866 Tier 3 Program - Base Academic Fee 681 681 Tier 4 Program - Base Academic Fee 544 544 Tier 5 Program - Base Academic Fee 410 410 Additional Summer Session Graduate Mandatory Fees per Credit Hour: Tuition \$ 77 \$ 77 Other Debt Retirement and Plant Fund Transfers 12 12 89 89 Total Additional Summer Session Graduate Mandatory Fees per Credit Hour \$ \$ _ **Other Online Graduate Fees:** Per Credit Hour: Information Technology Fee \$ 10 \$ 10 Library Fee 10 10 Per Session: \$ Matriculation 5 \$ 5 Software License Fee 21 21 Career Services Fee (6+ credit hours) 2 2 Premier Online Program Academic Fee per credit hour: Masters of Science in Data Science & Analytics \$ 1,700 \$ 1,700

Other Graduate Fees (Other Mandatory Fees Apply):	Resident	ent Non-Reside	
Premier Program Academic Fees per Semester:			
Masters in Historic Preservation	\$ 15,75	50 \$	15,75
Master of Science, Major in Nursing	9,07	5	16,05
Masters in Business Administration (MBA)	9,90	1	16,27
Masters & PhD in Automotive Engineering	6,95	0	15,50
Master of Architecture (M.Arch.)	6,25	4	13,61
Master of Landscape Architecture (MLA)	6,25	4	13,61
Master of Fine Arts in Digital Production Arts	14,08	0	14,08
Master of Science in Digital Production Arts	12,78	4	12,78
PhD in Biomedical Data Science & Informatics (Joint Degree w/ MUSC)	8,01	1	10,82
Premier Program Academic Fees per Credit Hour:			
Masters in Historic Preservation	\$ 1,05	50 \$	1,05
Masters in Real Estate Development	1,22	2	1,22
Master of Science, Major in Nursing	1,00	9	1,7
Masters & PhD in Automotive Engineering	99	3	2,2
Master of Architecture (M.Arch.)	69	5	1,5
Master of Landscape Architecture (MLA)	69	5	1,5
Master of Fine Arts in Digital Production Arts	1,50	5	1,5
Master of Science in Digital Production Arts	1,42	0	1,4
Master of Engineering in Civil Engineering with Concentration in Risk Engineering & System Analytics	1,11	4	1,1
PhD in Biomedical Data Science & Informatics (Joint Degree w/ MUSC)	60	8	9
Special Masters in Business Administration (MBA) Programs:			
MBA with a Concentration in Entrepreneurship and Innovation Annual Fee	\$ 30,23	6 \$	30,2
MBA with a Concentration in Entrepreneurship and Innovation Part-Time Fee per Credit Hour	1,03	1	1,2
MBA with a Concentration in Business Analytics	37,02		46,2
MBA with a Concentration in Business Analytics Part-Time fee per credit hour	1,03		1,2
Premier Program Academic Total Program Fee:			
Masters in Real Estate Development	\$ 55,00	00 \$	55,0
Master of Arts in Resilient Urban Design	37,50		37,5
Graduate International Exchange Programs Academic Fees per Semester:			
Full-Time Non-Assistantship	\$ 5,37	5 \$	5,3
Full-Time Assistantship	60		60

Academic Fee Schedule Graduate Student Academic Fee Schedule

Effective Fall 2019 (continued)

Other Graduate Fees (Other Mandatory Fees apply):	Residen	t	Non-Resident	
Graduate International Exchange Programs Academic Fees per Credit Hour:				
Part-Time Non-Assistantship	\$	786	\$	78
Summer Session Non-Assistantship		786		78
Summer Session Graduate Fees:				
Graduate Assistantship Academic Fee per Mini Session	\$	300	\$	30
Graduate Assistantship Academic Fee per Long Session		600		60
Graduate International Exchange Program Academic Fee per Session		300		30
Summer Study Aboard Academic Fee per Credit Hour		786		78
Deer Quality Management		1,500		1,50
Other Fees per Semester:				
Student Sustainability Initiative (i.e. Green Fee) - opt in fee	\$	10	\$	1
Certificate Programs:				
Automotive Engineering Industry certificate program (per credit hour)	\$	988	\$	98
Risk Engineering (per credit hour)		1,139		1,13
Emergency Management & Homeland Security (onetime)	1	2,000		2,00
Translational Genomics (onetime)		2,000		2,00
Educational Leadership (onetime)		2,000		2,00
International Family and Community Studies Professional Certificate Program Academic Fee (per credit hour)				
International Program Sites		N/A		30
Albania Program		N/A		30
Contract Courses:				
Level 1 - Graduate Tier 1 and 2 Programs	\$ 700-	,000	\$	750-1,05
Level 2 - Graduate Tier 1 and 2 Programs	550)-699		600-74
Level 3 - Graduate Tier 2 and 3 Programs	400)-549		450-59
Level 4 - Undergraduate, Graduate Tier 3 and 4 Programs	250)-399		300-44
Level 5 - Professional Development, High School Programs	100)-249		150-29
Other Graduate Fees:				
Variable Laboratory Fees Based on Specific Course Labs per Seat	\$ 75	5-200	\$	75-20
Animal & Veterinary Sciences Laboratory Fee		600		60
Teacher Residency Program Fee		500		50

Comparison of the Operating Budget with Audited Financial Statements

Operating Budget with a Financial Reporting Perspective

The University's Operating Budget and audited financial statements, as reflected in the University's Comprehensive Annual Financial Report (CAFR), serve equally important and distinct purposes. The operating budget reflects the University's strategic initiatives and serves to drive accountability by providing a reference point for measuring actual financial performance. As such, the budget establishes responsible spending levels (required for regulatory and contractual compliance) for operating purposes. Audited financial statements are historical snapshots of the University's overall financial position prepared in accordance with Generally Accepted Accounting Principles (GAAP), allowing for comparability among public higher education institutions.

A summary supplemental schedule reconciling the Operating Budget and CAFR has been provided to aid in understanding the differences in methodology between the two perspectives. The first column, labeled "FY 2019-20 Proposed Budget," displays the proposed operating resources and uses. The second columnar section, titled "CAFR Adjustments," summarizes the key adjustments that must be taken into account when comparing the "Operating Budget" to the "CAFR." Finally, in the third column, titled "FY 2019-20 CAFR Perspective," the net results are presented to demonstrate a CAFR perspective of the proposed Operating Budget figures in accordance with GAAP.

Comprehensive Annual Financial Report (CAFR) Adjustments

Adjustments made to translate the Operating Budget, controlled at unrestricted and restricted fund levels, to a university-wide perspective as prescribed by GAAP are as follows:

Internal Eliminations

Resources and uses are budgeted and managed by funding types. As a result, budgets must account and authorize spending at an unrestricted and restricted funding level. In many instances, the same funds must be budgeted and "used" or "spent" in more than one funding source. To eliminate a double counting of resources and uses at a university-wide perspective, GAAP mandates the elimination of activities that may be accounted for in multiple funds. Failure to recognize internal eliminations may result

in overestimates or double counting of resources and uses when projecting the overall financial position of the University. The examples below provide practical illustrations highlighting the differences between a "Budget" and a "CAFR" perspective.

- Internal Charges When departments provide goods or services to another area of the University, a revenue or expense budget is established to facilitate the budget process for each area. The internally generated revenue and expense are required to be eliminated for financial reporting purposes.
- Scholarship Allowances Scholarships awarded to students are budgeted by restricted sources, gifts and grants. These scholarships are used to pay student fees, which are also budgeted as an unrestricted revenue source. Budgeting these resources both in restricted and unrestricted fund sources is required to obtain the necessary "spending authority" to ensure accountability and discipline within each discrete fund source. The practice of budgeting by fund sources requires an elimination adjustment to avoid double counting of revenues.
- Facility and Administrative Recoveries Grants and contracts are budgeted as a restricted source. When grants and contracts incur facilities and administrative charges, a corresponding unrestricted revenue or source is budgeted for the recoveries. The practice of budgeting by the unrestricted and restricted source requires an elimination adjustment to avoid a double counting of revenues for financial reporting purposes.

Capital, Debt and Endowment Activities

As previously noted, operating sources ("revenues") and uses ("expenditures") must be budgeted and carefully tracked on an annual basis. Capital and debt activities occurring in the Plant Fund and endowment activities occurring in the Endowment Fund are not budgeted as annual operating items, but are required to be included in the annual financial report per GAAP. Below are some helpful examples:

- Transfers for Capital and Debt Activity Tuition and fees are operating sources designated for construction projects or restricted for debt service payments. These funds are budgeted as an operating source that are transferred to the Plant Fund as an operating use. Transfers from the operating sources are applied as a source in the Plant Fund for construction projects and restricted to meet debt covenant requirements. These transfers are required to be eliminated for financial reporting purposes. Construction projects, when completed, result in a capital asset which is depreciated over the useful life of the asset.
- Equipment Equipment purchases are budgeted uses (annual expenses) of annual resources in the operating budget. For financial reporting purposes, all equipment is required to be capitalized and depreciated over the multiple-year useful life of the asset. Therefore, equipment "expenditures" that are "expensed" in a single fiscal year from an Operating Budget perspective must be restated and amortized over

multiple fiscal years in the CAFR perspective.

- Depreciation Financial reporting requires capital asset costs (buildings and equipment) to be allocated or expensed (depreciated) over the useful life of the asset.
- Interest Expense Financial reporting requires interest payments for the longterm debt activity in restricted debt service plant funds to be recorded as interest expense.
- Plant Fund Activities Funds designated for construction projects may result in activities that are not required to be capitalized. Expenses in the Plant Fund that do not meet the capitalization criteria are not budgeted as an operating use but are classified as an expense for financial reporting purposes.
- Endowment Contributions Contributions or additions to endowments are required to be classified as revenues for financial reporting purposes. Even though these contributions are classified as revenues, they are not available to spend for operating purposes. They are required to be used as the restricted base for future investment earnings.

Year End Reporting Adjustment

Reporting and State adjustments are adjustments required for financial reporting purposes. Typically, these are activities that occur after accounting records are closed for the fiscal year but are related to the financial reporting period.

- Reporting Adjustments Adjustments are made after the close of the accounting records but are required for financial reporting purposes. Examples of reporting adjustments include grant subcontracts and construction activities that are billed after the fiscal year end but relate to activities in the reporting period. Some of these additional costs may be offset with a related billing or revenue receivable for the same reporting period.
- State Adjustments A State reporting adjustment is required to reflect the market change in the value for funds held by the State Treasurer. While this adjustment is required for reporting, it is not available to be budgeted as an operating source.

These adjustments highlight differences in perspectives which are normally and generally accepted in the fiscal management of public colleges and universities.

Operating Budget with a Financial Reporting Perspective Operating Resources by Source (dollars in thousands)

		СА	FR Adjustments			
	FY 2019-20 Proposed Budget	Description	Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	- FY 2019-20 CAFR Perspective
restricted Revenue:	Ŭ				·	
State Appropriations	\$ 154,100		\$ -	\$ -	\$ -	\$ 154,100
Federal Appropriations	13,500		-	-	-	13,500
Student Fees	478,687	Scholarship Allowances	(79,317)	-	-	395,870
		GAD Elimination	(3,500)	-	-	
Facilities and Administrative Cost Recoveries	19,286	Facilities and Administrative Recoveries	(19,286)	-	-	-
Sales and Services	242,617	Internal Charges	(7,000)	-	-	218,817
		Reporting Adjustments	-	-	200	
		Scholarship Allowances	(17,000)	-	-	-
Other University Generated	80,139		-	-	-	80,139
Total Unrestricted Revenue	988,329		(126,103)	-	200	862,426
Fund Balance Resources	59,016		-	-	-	59,016
Total Unrestricted Revenue and Fund Balance Resources	1,047,345		(126,103)	-	200	921,442
stricted Revenue: State Higher Education Grants	67,238			<u>.</u>	_	67,238
Financial Aid - Non-State Higher Education	07,250					07,250
Grants	33,915		-	-	-	33,915
Grants and Contracts	129,828	Reporting Adjustments	-	-	800	130,628
Other Restricted Revenue	3,660	Capital Additions	-	21,115	2,000	26,775
	-		-	-	-	-
Total Restricted Revenue	234,641		-	21,115	2,800	258,556
ncash Resources:						
Graduate and Undergraduate Waivers	65,683	Scholarship Allowances	(33,683)	-	-	32,000
Total Noncash Resources	65,683		(33,683)			32,000
Total Operating Resources	\$ 1,347,669		\$ <u>(159,786)</u>	\$ 21,115	\$3,000	\$1,211,998

Operating Budget with a Financial Reporting Perspective Operating Uses by Program (dollars in thousands)

		CAI	FR Adjustments			
	FY 2019-20 Proposed Budget	Description	Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	FY 2019-20 CAFR Perspective
Fotal University Expense:						
Instruction	\$ 270,783	Facilities and Administrative Recoveries Reporting Adjustments	\$ (534)	\$ -	\$ -	\$ 270,249
Research	213,658	Noncapital Repairs and Renovations				194,213
		Facilities and Administrative Recoveries	(17,145)			-
		GAD Elimination	(3,500)			
		Reporting Adjustments	-	-	1,200	-
Public Service	83,897	Facilities and Administrative Recoveries	(1,607)			82,290
Academic Support	74,107	Reporting Adjustments				74,107
Institutional Support	53,600	Reporting Adjustments		-		53,600
Student Services	54,618	Reporting Adjustments				54,618
Auxiliary Enterprises	200,642	Internal Aux Elimination	(7,000)	-		176,642
		Scholarship Allowances	(17,000)			-
Scholarships and Fellowships	130,189	Scholarship Allowances	(79,317)			50,872
Operations and Maintenance	50,293	Noncapital Repairs and Renovations		20,000		71,323
		Reporting Adjustments			1,030	-
Net Transfers	91,183	Transfers for Capital and Debt		(91,183)		-
Depreciation	-	Depreciation		55,000		55,000
Interest Expense		Interest Expense		21,689		21,689
Current University Expense	1,222,970		(126,103)	5,506	2,230	1,104,603
Projected Fund Balance Expenditures	59,016			(679)		58,337
Total University Expense	1,281,986		(126,103)	4,827	2,230	1,162,940
Noncash Uses:						
Graduate and Undergraduate Waivers	33,683	Scholarship Allowance	(33,683)	-	-	-
Fringe Benefits - Graduate Assistant Differential	32,000					32,000
Total Noncash Uses	65,683		(33,683)			32,000
Total Operating Uses	\$ 1,347,669		\$ (159,786)	\$4,827	\$	\$ 1,194,940

Operating Budget with a Financial Reporting Perspective Operating Uses by Account (dollars in thousands)

CAFR Adjustments Year End Capital, Debt FY 2019-20 FY 2019-20 Internal and Endowment Reporting **Proposed Budget** Description Eliminations Activities Adjustments **CAFR** Perspective **Total University Expense:** Compensation and Benefits: 234,221 Noncapital Repairs and Renovations 234,121 Faculty and Unclassified Staff \$ \$ (100)\$ \$ \$ --Classified Staff 129,967 Noncapital Repairs and Renovations (300)129,667 -Other Wages 97,986 Noncapital Repairs and Renovations (200)97,786 -173,787 Internal Charges 170,087 Fringe Benefits (3,700)--635.961 Total Compensation and Benefits (4,300)631,661 Other Costs 573,462 Noncapital Repairs and Renovations 20,000 550,578 Scholarship Allowances (96,317) Depreciation 55,000 Interest Expense 21,689 Reporting Adjustments (6,200) 2,230 -Facilities and Administrative Recoveries (19,286) Net Transfers 91,183 Transfers for Capital and Debt (91, 183)(77,636) (77,636) Recoveries --5,506 2,230 1,222,970 (126,103) 1,104,603 **Current University Expense** Projected Fund Balance Expenditures 59,016 (679) 58,337 **Total University Expense** 1,281,986 (126,103) 4,827 2,230 1,162,940 Noncash Uses: Graduate and Undergraduate Waivers 33,683 Scholarship Allowance (33,683)..... Fringe Benefits - Graduate Assistant Differential 32,000 32,000 -**Total Noncash Uses** 65,683 (33,683) 32,000 **Total Operating Uses** 1,347,669 \$ (159,786) 4,827 2,230 1,194,940 S S

Definition of Terms

Academic Support

Program expenses for libraries, computing support and academic administration.

Account

Classification of expense by type (i.e., travel, compensation, benefits and equipment, etc).

Auxiliary Enterprises

An Auxiliary Enterprise furnishes goods or services to students, faculty and staff, other institutional departments and incidentally to the general public for a fee related to the cost of the service. Auxiliary Enterprises are expected to be self-supporting, with revenues supporting the operating and capital needs of the enterprise. Examples include residence halls, dining, athletics and bookstores. Program expenses related to auxiliary enterprise activities are defined as auxiliary enterprises expenses.

Capital Activity

Construction and equipment expenditures.

Capital, Debt and Endowment Activities

Activities not included in the University operating budget. Plant fund activities include construction, equipment and debt expenditures. Endowment fund activities include gifts and grants and contracts restricted for endowments.

Capital Projects

Approved projects that construct, renovate, improve or significantly extend the life of capital assets such as buildings, infrastructure or land acquisition.

Comprehensive Annual Financial Report (CAFR)

The annual University financial report prepared under Generally Accepted Accounting Principles with an independent audit report.

Current Funds

Resources of the institution expendable for the operating purposes of the University.

Debt Service

Principal and interest payments on debt.

Depreciation

Allocation of the costs of capital assets, buildings and equipment across the useful life of the assets.

Educational and General (E&G)

Educational and General are the operations related to the educational mission of the University including instruction, research, public service, academic support, student services, institutional support and operation and maintenance of the physical plant. Educational and General revenues consist primarily of State general fund appropriations and tuition and fees generated by the University.

Facilities and Administrative Costs Recoveries (F&A)

Payments associated with sponsored programs activities for institutional overhead costs. Program sponsors typically are required to pay a predetermined facilities and administrative rate approved by the Federal Government.

Federal Appropriations

Appropriations received from the Federal Government used primarily by Agricultural Experiment Stations and Cooperative Extension Service.

Fringe Benefits

The employer contribution for benefits offered to employees such as medical, dental, disability and life insurance, social security tax, retirement and unemployment contribution. The graduate assistant differential is also budgeted as a fringe benefit.

Definition of Terms (continued)

Fund Balances

Fund Balance is the result of an annual accumulation of revenues offset by expenses within a fund. Fund balances may be designated for the continuation of programs, strategic initiatives and to meet capital requirements in future years. Fund balances are budgeted as a source, Fund Balance Resources. Fund balance resources are budgeted as a use, Projected Fund Balance Expenditures. Referred to as Net Position for external reporting purposes.

GAAP (Generally Accepted Accounting Principles)

Financial reporting and accounting standards required by Governmental Accounting Standards Board for all public higher education institutions.

Grants and Contracts

Activity related to external or internal sponsored activities associated with a specific project, program or strategic initiative.

Institutional Support

Program expenses for institutional and executive-level activities that manage and provide long-range planning of the University. Examples include the governing board, executive management, planning and programming operations, legal services, fiscal operations, fundraising, space management, human resources, procurement and other support services for faculty and staff not operated as an auxiliary enterprise.

Instruction

Program expenses for the teaching faculty, support staff, instructional equipment and operating costs directly related to instruction. Departmental research which is not separately budgeted is also included in this category.

Internal Eliminations

Financial reporting adjustments to remove corresponding revenue and expenses managed as multiple funds for accounting and budget purposes.

Mandatory Transfers

Legally or contractually required transfer of funds, generally related to debt covenants, requiring the payment of principal and interest on bonds and other indebtedness.

Net Position

An accounting term which defines the remaining balance of assets and deferred outflows offset by liabilities and deferred inflows. In public higher education, net position may be classified as unrestricted net position, restricted net position or invested in capital assets net of related debt. Referred to as Fund Balances for internal reporting purposes.

Noncash Resources and Uses

Budgeted resources and uses that have no cash flow impact to the University. External accounting requires tracking of noncash items such as waivers and graduate assistant differentials.

Nonmandatory Transfers

Discretionary transfer between funds and programs.

Operating Budget

Provides for an annual plan of operating sources and uses. It is also used as an authorization for spending.

Operation and Maintenance of Plant

Program expenses for building and grounds maintenance, safety and security, utilities and general services.

Program

Major classification of expense by function within the University regardless of organizational placement (i.e., Instruction, Research, etc.).

Definition of Terms (continued)

Public Service

Program expenses associated with noninstructional services beneficial to individuals and groups external to the institution.

Public Service Activities (PSA)

State and Federally funded activities for the Clemson Cooperative Extension Service, Agricultural Research, Regulatory Services and Livestock and Poultry Health.

Recoveries

Revenues generated for sales and services of activities from within the University. External financial reporting requires internally generated revenue be offset from the related expense.

Related Organizations

Separately chartered legal entities whose activities primarily provide financial assistance and other support to the University and its educational programs.

Research

Program expenses for research sponsored by parties outside the University as well as separately budgeted University funded research.

Restricted Funds

Current operating funds received primarily from gifts and grants and contracts that are restricted by donors or other outside parties.

Sales and Services

Revenues from auxiliary or other revenue generating activities of the University.

Scholarships and Fellowships

Program expenses for undergraduate and graduate student assistance primarily funded from gifts, endowment income, and Federal and State sources.

State Appropriations

Legislative appropriations from the State of South Carolina for the operation of the University.

State Higher Education Grants

Grants received for state scholarship programs such as Palmetto Fellows and LIFE Scholarships or pass-through appropriations from other state agencies.

Student Fees

Revenues collected from students for registration in educational programs.

Student Services

Program expenses contributing to the students' emotional and physical wellbeing as well as intellectual, cultural and social development outside the context of the formal classroom. The Admissions Office, the Registrar, expenses for student organizations, counseling and career guidance, and student financial aid administration are some examples of student service areas.

University Generated Revenue

Revenue from sales and services to external parties.

Unrestricted Funds

Current funds derived from State appropriations, student fees, institutional revenue and auxiliary operations.

Waivers

An accounting term that establishes the value of institutional student aid as the difference between the established student fee and the amount paid by the student.

