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Budget Memorandum

TO: All Budget Center Business Officers, Deans, and Administrative Leaders

FROM: Tyler Saas, AVP Budget, Financial Planning and Analytics

SUBJECT: FY 2021-22 Budget Development Process

DATE: January 19, 2021

While the State Budget has not been finalized by the Legislature, Clemson is proceeding with the budget development process for FY 2021-22. A preliminary base budget has been established for your area based on current available financial information. Final budgets are subject to amendment.

Given the continued potential for COVID related impacts, the Budget Office recommends that Budget Centers continue to stay conservative in establishing spending levels through FY22.

Included is the following information to assist in preparing budgets for your area. Please read this information carefully as there are several changes from past budget cycles, including new tools.

Budget Development Toolkit

- Budget preparation instructions (this document)
- FY 2021-2022 Budget Development Workbook (Excel File)
  - All Funds Template, including target budgets for selected fund sources (preliminary base budget subject to final approval by the Clemson University Board of Trustees)
  - Permanent Amendments
  - Budget Chartfield Guidelines
  - Instructions and templates for Funds 14 and 15 fund balance spending
  - SmartView 3-year budget and actual trend data
- SmartView templates for use in budget entry into Hyperion
- Trend data at the College/Division level and access to department levels
- CUF Restricted Gifts and Endowments Report from Development
- Department Budgeting Guidelines – NEW!

The Budget Office has assigned a budget analyst to support your Budget Center this support is available during budget development and throughout the fiscal year. The name of your budget analyst can be found by clicking on the link below or by copying and pasting it into your browser.

https://www.clemson.edu/finance/budgets/documents/budget_office_budget_center_assignments.pdf

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1 Refer to trend data instructions accompanying this manual for specific steps.
The Analytics team has also worked to develop new tools to support budget development and monitoring. These tools are described in further detail on the following pages alongside any related budget activity they may support. Tools that are noted as “in-process” should be finished shortly. The Analytics team will setup a few training sessions to introduce these tools in more detail.

The Analytic team produces and maintains other analytical dashboards and models. Thse outputs are available to you here: [https://www.clemson.edu/finance/osa/dashboards/](https://www.clemson.edu/finance/osa/dashboards/)

### User Dashboards

The Office of Budget & Analytics develops interactive analytics and reporting for various audiences across the University. With a focus in Finance and Operations, our team strives to empower campus to make better data-driven decisions through accurate, accessible, and reliable data visualization. Please click the following buttons to view. You will be prompted to login with your Clemson username and password to access Tableau. Dashboards will only be accessible to those with approved permissions and credentials.

- Equifax 2020 Analysis
- FBIS (Project Level Financials)
- Human Resources Portal
- Net Position
- Revenue Projections - Summer
- Tuition Calculator
- Revenue Allocations - Historical

### Dashboards in Development for 2021

- Budgeting Tool for Budget Centers and Departments
- Foundation Funds
- FBIS upgrades
- Summer Revenue Projections Upgrade
Budget Updates and Tools

Restricted Funding
Please continue to maximize the use of foundation/restricted funding. Using these funds in accordance with their stated purpose is an important feature of our budget strategy. In many cases, Budget Centers can use not only the projected spending rule income from foundation funds for the upcoming fiscal year, but also the accumulated unspent income from prior years.

Consistent with last year, the Budget office will hold restricted funding discussions with Budget Centers. The goal of these discussions is to identify opportunities to use restricted funds and then memorialize those decisions in FY22 budgets.

Please be sure to check with your Budget Office Analyst and/or your development officer for assistance to ensure you are maximizing your foundation funds.

Analytical Tool(s): The Foundation Funds (Restricted) Dashboard budget amendment tool is in-process and should be ready for use in time for FY22. Additional communications will be issued and training offered once completed.

Student Fee Changes
All student fee changes (i.e., new, existing), whether for lab fees, specific courses, etc., need to be reviewed by the Student Fee Committee before they can be voted on by the Board of Trustees. A copy of Clemson’s Student Fee Policy and Procedures can be found on the Budget Office website along with the link to the Student Fee Request Web Application and associated instructions.

https://www.clemson.edu/finance/budgets/index.html

There are several rounds of reviews on changes to student fees and requestors should have completed significant due diligence on the financial and non-financial impacts in advance of requesting a change in fees, including but not limited to, identifying other sources of funding.
Training Opportunities
The Budget and Analytics offices will be rolling out new training sessions at the start of the budget cycle that we hope will dig deeper into current topics and provide areas for which training was not previously offered. The training schedule is being finalized, but a draft of the training schedule can be found here on our resources page at: https://www.clemson.edu/finance/budgets/documents/fy22_budget_development_training.pdf.

The Budget Office will set up each of the aforementioned training sessions will record the sessions and post them to Tiger Training for asynchronous use as needed.

Additional training associated with new and existing analytical tools will be held before the start of FY22 as the tools are ready.

Budget Amendments
Consistent with FY21 budget amendment restrictions, the FY22 budget amendment process will be the same. The process and associated links can be found on our website located here: https://www.clemson.edu/finance/budgets/policy-manual.html
This process further supports the adherence to the Board approved budget and reinforces budget discipline.

**Analytical Tool(s):** The budget amendment tool is in-process and should be ready for use by FY22. Additional communications will be issued and training offered once completed.

**Revenue Allocations**
The Budget Office is reducing its revenue allocation activities in FY22 and beyond. Historically, revenue allocations for ODE, ETAP, and Traditional Masters revenue types were made twice per term. Going forward, that will change to once per term (e.g. January and May).

**Analytical Tool(s):** The Analytics team developed two revenue monitoring tools. The first summarizes historical revenue allocations and the second, specific to summer, helps project summer revenue. Details are below. Trainings will be provided for these dashboards.

**Historical Revenue Allocations:**
This revenue allocation dashboard contains historical revenue allocation data that has been prepared by the Budget Office instead of how each college re-distributes its revenue. This dashboard shows for each centrally allocated student fee type, how much actual revenue each department and college generates. This is a combined version of all the revenue allocation reports that Budget Centers have received. This dashboard is not designed to show how much each department actually received from their college via the revenue re-distribution process because colleges have different internal agreements on how much share they split between colleges and departments. This dashboard may be used to assist with centrally allocated student fee revenue trend analysis and department budget planning. Data is easily downloaded for ad-hoc analysis.
To access the dashboard use this link:
https://tableau.clemson.edu/#/views/RevenueAllocationDashboard-DEV/Intro?:iid=1

Summer Revenue Revenue Allocations:
Revenue is allocated differently in the Summer. This real-time dashboard aggregates enrollment, billing hours, if the student had made a payment on their bill, and the projected net revenue. Includes high level and row level detail, ability to easily download data.
To access the dashboard use this link:
https://tableau.clemson.edu/#/views/SummerRevenueProjections/ReportOverview

State FTE Request Other Funds
The Budget Office has worked with Operational Excellence to refine the approach to developing its State Budget FTE request process for non-Provost reporting Budget Centers. To support this process, EVP F&O Budget Centers will see a new State FTE tab in their All Fund Templates for FY22. This tab will support the State Budget development process for the FY23 State Budget. Collecting this information in the Spring versus in the Fall will accelerate Clemson’s ability to develop its State Budget and limit unnecessary communications with Budget Centers. Provost and Academic Budget Centers will see no change in current processes.
Budget Guidelines

Revenue and Expense Alignment
Budget Centers should work to align revenues and expenses. For example, if Fund 14 revenues are generated, the Budget Office would anticipate Fund 14 expenses would be incurred. Those expenses (e.g., supplies, compensation) would reflect the costs associated with generating those revenues. In the past, Budget Centers have budgeted self-generated revenues in Fund 14, but associated costs in Fund 15.

Budget Center budgets should reflect a best efforts reflection of anticipated revenues and expenses that budget centers forecast to generate. If the result of a thoughtful budgeting process is a budgeted carry forward, please indicate that in the appropriate place in the All Funds Template and the budget analyst assigned to your Budget Center can provide more information on the budget process for those balances. Note that for state appropriations, it is expected that all those funds will be expended in the fiscal year they are received unless specific purpose to the contrary.

Departmental Budgeting
All Budget Centers are required to budget at the department level from FY22 and forward. Please review the departmental budgeting rubric located on the Budget Office website:

https://www.clemson.edu/finance/budgets/documents/departmental_budgeting.pdf

Salary and Wage Increases
There is no current plan for Clemson salary and wage increases for FY22. If this changes, Budget Centers will be informed.

State Compensation Plan
The FY 2021-22 State Budget is currently being deliberated by the South Carolina legislature. Governor McMaster’s proposed Executive Budget for Fiscal Year 2021 – 2022 can be found at https://governor.sc.gov/executive-branch/executive-budget.

Based on our review of this document it does not appear the Governor’s budget includes a state compensation plan for state employees. It is still too early in the process to know how the House and Senate will align to the Governor’s budget. The Budget Office will provide more information when it becomes available.

General and Administrative Rates for Auxiliaries
The proposed G&A rate for FY 2021-22 is 8.75% of FY 2019-20 revenues. G&A calculations will be available on the Controller’s website for University Rates.

FY22 Preliminary Pooled Fringe Rates
For planning purposes, please use the following proposed pooled fringe benefit rates for Fiscal Year 2021-2022.

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>FY 2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 month</td>
<td>37.2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Administrator</td>
<td>41.7%</td>
<td>-3.4%</td>
</tr>
</tbody>
</table>
Graduate Students 5.9% 1.9%
Undergraduate Students 1.7% 0.2%
Part-Time/Temporary 25.1% -0.1%

The proposed pooled fringe rates have been proposed and submitted to the Department of Health and Human Services – Cost Allocation Services (DHHS-CAS) for review. We anticipate their approval by the beginning of the next fiscal year.

See Controller’s web site for updates:
http://www.clemson.edu/finance/controller/rates/

Enrollment Information
Budget Centers should assume the following headcounts for fee-paying students in budgeting fee revenue: (Source: https://www.clemson.edu/institutional-effectiveness/oir/factbook/index.html)

2020 Enrollment by FT/PT Status
By Level and Status

<table>
<thead>
<tr>
<th>Level</th>
<th>Full Time</th>
<th>Part Time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year (Freshman)</td>
<td>3,578</td>
<td>31</td>
<td>3,609</td>
</tr>
<tr>
<td>Second Year (Sophomore)</td>
<td>4,998</td>
<td>98</td>
<td>5,096</td>
</tr>
<tr>
<td>Third Year (Junior)</td>
<td>4,796</td>
<td>150</td>
<td>4,946</td>
</tr>
<tr>
<td>Fourth Year &amp; Beyond (Senior)</td>
<td>6,646</td>
<td>499</td>
<td>7,145</td>
</tr>
<tr>
<td>Unclassified Undergraduate</td>
<td>3</td>
<td>69</td>
<td>72</td>
</tr>
<tr>
<td>Graduate I (Masters)</td>
<td>1,583</td>
<td>2,085</td>
<td>3,668</td>
</tr>
<tr>
<td>Graduate II (Doctoral)</td>
<td>1,351</td>
<td>336</td>
<td>1,687</td>
</tr>
<tr>
<td>Unclassified Graduate</td>
<td>15</td>
<td>168</td>
<td>183</td>
</tr>
<tr>
<td>Non-degree Seeking</td>
<td></td>
<td></td>
<td>255</td>
</tr>
<tr>
<td>Total</td>
<td>22,970</td>
<td>3,436</td>
<td>26,406</td>
</tr>
</tbody>
</table>

Student head count for Fall term.

By College and Status

<table>
<thead>
<tr>
<th>College</th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full-Time</td>
<td>Part-Time</td>
</tr>
<tr>
<td>College of Agriculture, Forestry &amp; Life Sciences</td>
<td>1,694</td>
<td>77</td>
</tr>
<tr>
<td>College of Architecture</td>
<td>1,587</td>
<td>73</td>
</tr>
<tr>
<td>College</td>
<td>3,532</td>
<td>110</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-------</td>
<td>-----</td>
</tr>
<tr>
<td>College of Behavioral Science and Health Science</td>
<td>4,497</td>
<td>224</td>
</tr>
<tr>
<td>College of Business</td>
<td>722</td>
<td>40</td>
</tr>
<tr>
<td>College of Education</td>
<td>5,380</td>
<td>237</td>
</tr>
<tr>
<td>College of Science</td>
<td>2,606</td>
<td>54</td>
</tr>
<tr>
<td>Interdepartment</td>
<td>3</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20,021</td>
<td>847</td>
</tr>
</tbody>
</table>

Student head count is for Fall term.

**Inflationary Increases**  
For non-E&G Budgets the following is provided as guidance:  
2020 Higher Education Price Index (HEPI)²: 1.9%  
2020 Consumer Price Index³: 1.2%

**Internal Service Provider Rates**  
See attached rates for Facilities – shops, utilities – telecommunications. Also see updated and final approved rates on the Controller’s web site [http://www.clemson.edu/finance/controller/rates/](http://www.clemson.edu/finance/controller/rates/)

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