

# LONGWOOD UNIVERSITY



## OPERATING BUDGET AND PLAN

FY 2012 - 2013

## Contents

<b>Budget Summary.....</b>	<b>1</b>
<b>2012-2013 Actions of the General Assembly.....</b>	<b>3</b>
<b>2012-2013 Educational and General Program Priorities .....</b>	<b>6</b>
<b>2012-2013 Auxiliary Services Program Priorities.....</b>	<b>7</b>
<b>Graph Comparing FY 2012 to 2013 Total University Revenue.....</b>	<b>9</b>
<b>Graph Comparing FY 2012 to 2013 Total Revenue .....</b>	<b>10</b>
<b>Graph Comparing FY 2012 to 2013 E&amp;G Revenue .....</b>	<b>11</b>
<b>Graph Comparing FY 2012 to 2013 E&amp;G Expenditures .....</b>	<b>12</b>
<b>Graph Comparing FY 2012 to 2013 Auxiliary Revenue .....</b>	<b>13</b>
<b>Graph Comparing FY 2012 to 2013 Auxiliary Expenditures.....</b>	<b>14</b>

## Appendix

<b>Table 1: University Revenue Summary .....</b>	<b>15</b>
<b>Table 2: University Expenditure Summary.....</b>	<b>16</b>
<b>Table 3: Summary of Auxiliary Services, Income and Expenditures..</b>	<b>17</b>
<b>Table 4: Budget Allocation Ratio.....</b>	<b>20</b>
<b>Table 5: Instructional Budget Per Student FTE .....</b>	<b>21</b>
<b>Table 6: Debt Burden Ratio .....</b>	<b>22</b>
<b>Glossary .....</b>	<b>23</b>
<b>Longwood University Organizational Chart.....</b>	<b>25</b>



## BUDGET SUMMARY

This section provides an overview of the University's 2012-2013 operating budget. Detailed budget information is provided in the supporting tables. Highlights of the proposed plan are presented below.

- The budget is based on conservative assumptions related to enrollment projections, revenue calculations and expenditure estimates. Revenue calculations are based on the midpoint of enrollment figures for FY 2011 & FY 2012.
- E&G undesignated funds totaling \$300,000 are included in the budget assumptions.
- The budget contributes approximately \$3.5 million to fund balances in the Auxiliary Service programs. This fund balance contribution continues a long range planning strategy for the use of these resources to accomplish future initiatives in the Auxiliary area. Additional reserves are provided within the budget to address potential variations in key planning assumptions.
- As approved by the Board of Visitors at its May 2012 board meeting, tuition for Virginia undergraduates was increased by \$240, a 4.1 percent increase over last year based on a thirty-credit-hour schedule. In compliance with guidance set forth by the Governor and the General Assembly, the auxiliary student fees, and room and board charges may be increased to cover changes in inflationary costs, debt service expenses, and costs associated with base salary and benefit increases. Auxiliary fees increased by \$120. In total, allowing for the increase in tuition and the increases in fees, the cost for full-time Virginia undergraduates will increase by an average of \$694, a 3.72 percent increase.

Tuition rates for in-state graduate, out-of-state undergraduate and out-of-state graduate students were increased 4.1 percent to \$275, \$592 and \$763 per credit hour, respectively.

- The projected revenue budget for FY 2013 is \$101,545,576, which excludes \$3,955,935 in state appropriation for student financial assistance. The proposed expenditure budget for the total University is \$98,042,636. The budget reflects \$3,502,940 in planned contributions to auxiliary fund balances.
- The budget consists of two major components: the Educational and General Programs budget and the Auxiliary Services budget.
- The Educational and General Programs budget, which includes both general and nongeneral funding sources, is composed primarily of expenditures and revenues in the Instructional programs, as well as Sponsored Programs (grants and contracts). The total planned expenditures for FY 2013 are \$57,029,035. Institutional Support program expenses decreased as a result of reclassification of expenses to Instruction and Academic Support to more accurately align budget allocations with other state universities.

- The second major component of the University's total budget is Auxiliary Services, which includes activities such as student housing, dining services, parking and athletics. The proposed Auxiliary Services budget for 2012-2013 is \$41,013,601. A total of \$2,648,552 will be held in reserve for proposed debt service costs associated with the new student union facility and residence hall renovations.

## 2012-2013 ACTIONS OF THE GENERAL ASSEMBLY

The General Assembly ended its 2012 legislative session on April 18, 2012. Major highlights of this budget are described below.

As a result of the final actions taken by the Governor and the General Assembly in the 2012 session, Longwood's total Educational and General (E&G) operating appropriation increased from \$50,124,348 to \$52,220,257 -- \$23,038,180 GF and \$29,182,077 NGF.

Longwood's FY 2013 general fund operating base increased by a net \$1,286,080 (5.9 percent) from FY 2012. This change was specifically related to (1) \$543,557 in additional base adequacy funding, (2) degree incentives of \$372,592, (3) \$202,614 for enrollment growth, and (4) \$167,317 central account adjustments related to benefit changes. Longwood's FY 2013 nongeneral fund operating base increased by a net \$645,596 from FY 2012 as a result of a technical budget adjustment associated with our nongeneral fund revenue estimates. These changes will be reflected in our appropriation received from the State on July 1, 2012.

### **Budget Reductions**

The \$10 million budget reduction that was slated for higher education in FY 2012 was removed this year by the Governor. Additionally, auxiliary interest earnings income was restored to higher education institutions in 2013.

### **Required Reallocations and STEM Funding**

Longwood is required to reallocate educational and general funds in the amount of \$329,061 in FY 2013 and \$483,749 in FY 2014 to programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011. Specific programs and strategies shall be identified and progress toward achievement of objectives shall be documented within the Six-Year Plan.

In FY 2012 Longwood received \$885,800 in base general fund support which was utilized to renovate an additional floor of Stevens for the nursing program. In FY 2013 the STEM funding was reallocated to SOLtice, Summer STEM REU Program, additional faculty positions and operating expenses in STEM-H related programs, including Nursing, Environmental Science, Athletic Training, Exercise Science and Communication Sciences & Disorders.

### **Base Adequacy Funding**

The State's goal in providing base adequacy monies is to help fund the Commonwealth's restructuring goals and to keep tuition costs down. Longwood was allocated \$543,557 in base adequacy funding in FY 2013.

### **Financial Aid**

General fund support for student financial assistance increased \$171,117 for undergraduates and \$699 for graduates.

### **Bonuses and Salary Increases**

Full-time employees who were employed on January 1, 2012, and remain employed until at least November 24, 2012, shall be eligible for a 3% bonus to be paid on December 1, 2012. This bonus is, however, dependent upon excess Commonwealth revenues, and could be pro-rated based on the amount of actual excess State revenue in FY 2013.

Longwood will contribute \$45,000 in FY 2013 to fund faculty promotions.

In FY 2014, a 2% salary increase was appropriated for full-time employees. The increase is to be effective July 10, 2013. Base rates of pay for wage employees may be increased by up to 2%, with the full cost borne by the institution.

### **Higher Education Equipment Trust Fund**

Funding for the FY 2013 and FY 2014 Equipment Trust Fund (ETF) program of \$599,263 was appropriated to Longwood in both years of the biennium.

### **Out-of-State Capital Fee**

Out-of-state students are required to pay 100 percent of the average cost of their education. Additionally, non-resident students will pay \$23 per credit hour (up from \$22 last fiscal year) as a mandatory capital fee. The amount of capital fees that will be paid by the University to support state capital project debt service on bonds issued under the 21<sup>st</sup> Century Program decreased \$1,459 in FY 2013 to \$118,701.

## **Capital Projects**

Funding through the Virginia College Building Authority (VCBA) bond program was authorized for a new Biomass Boiler and replacement of the Willett Hall HVAC system. State VCBA financing will fund the general fund portion of these projects – \$1,763,000 and \$2,988,000 respectively. The nongeneral fund portion of each project will be funded from Auxiliary reserves.

Detailed planning for the Student Success Center totaling \$400,000 was also authorized, with 50% of planning costs paid by the State's Central Capital Planning Fund and 50% paid by the University. Longwood is to be reimbursed for all nongeneral funds used when the project is funded to move into the construction phase.

Longwood's Maintenance Reserve funding for FY 2013 is \$930,273. The funding amount was unchanged from FY 2012.

## **Virginia Higher Education Opportunity Act of 2011**

Funding the goals of the Virginia Higher Education Opportunity Act of 2011 was a high priority in Governor McDonnell's budget recommendations, and this priority was supported by the General Assembly. Funds were provided to public institutions for base operating, degree incentives, enrollment growth, initiative funding and research. The goals of the Virginia Higher Education Opportunity Act of 2011 are listed below:

- Produce 100,000 new undergraduate degrees between 2011 and 2025.
- Confer more degrees in STEM and health-related fields.
- Optimize the use of physical facilities, instructional resources and technology-enhanced instruction; share instructional resources; and increase online learning opportunities for nontraditional students.
- Move toward the 67/33 funding split (67 percent paid by state, 33 percent paid by student), the 60<sup>th</sup> percentile for faculty salaries, and includes financial aid for low and middle income families. In determining funding needs, the "cost of education" will be calculated for each institution.
- Recognize the mission and contributions of each institution, including maintenance of effort, which is to be considered for individual institutions with unique missions and demonstrable performance in specific incentive areas.
- Submit a Board-approved Six-Year Plan by July 1 of each odd-numbered year. Additionally, no later than July 1 of each even-numbered year, institutions must submit amendments to or an affirmation of the previous plan. Each plan addresses the institution's academic, financial and enrollment plans to include the number of Virginia and out-of-state students for the six-year period.

## 2012-2013 EDUCATIONAL AND GENERAL PROGRAM PRIORITIES

The University's 2012-2013 Educational and General budget is based on priorities that support the strategic plan. After carefully examining the revenue projection for FY 2013, funds were allocated for strategic initiatives and fixed costs increases. The recommended expenditures include funds for the following:



## **2012-2013 AUXILIARY SERVICES PROGRAM PRIORITIES**

The University's 2012-2013 Auxiliary Services budget is based on the program priorities listed below. The budget reflects a total addition of \$3.5 million to fund balances for the next fiscal year. These reserves are provided within the auxiliary budget to accomplish the program initiatives for 2012-2013, and to continue a long-range reserve balance plan. The Board approved rate and fee increases on May 12, 2012. These increases are primarily used to fund debt service requirements and athletic scholarship increases.

### **Auxiliary Indirect Cost Rate**

The Auxiliary Services operations are charged an indirect cost recovery rate for services provided by educational and general operations (such as payroll processing, purchasing, billing services and facilities administration). The auxiliary cost study is submitted to SCHEV prior to the beginning of each biennium. The indirect cost rate for the 2012-2013 biennium is 15.87 percent. This is a .11 percent decrease from the prior biennium.

### **Compensation**

Full time employees who were employed on January 1, 2012, and remain employed until at least November 24, 2012, shall be eligible to receive a 3% bonus to be paid on December 1, 2012. This bonus is, however, dependent upon excess Commonwealth revenues, and could be pro-rated based on the amount of actual excess State revenue in FY 2013.

In FY 2014, a 2% salary increase was appropriated for full time employees. The increase is to be effective July 10, 2013. Base rates of pay for wage employees may be increased by up to 2%, with the full cost borne by the institution.

### **Housing**

Housing revenue will continue to provide funds for maintenance reserve projects in the residence halls, and will provide a reserve of \$1,320,386 for future debt service for major repair and renovation to the facilities.

### **Dining**

Funds are provided for a contribution to fund balances that will be used to accomplish future initiatives including maintenance and repairs on the dining hall facility. In FY 2013, the projected fund balance contribution is \$583,980.

**Athletics**

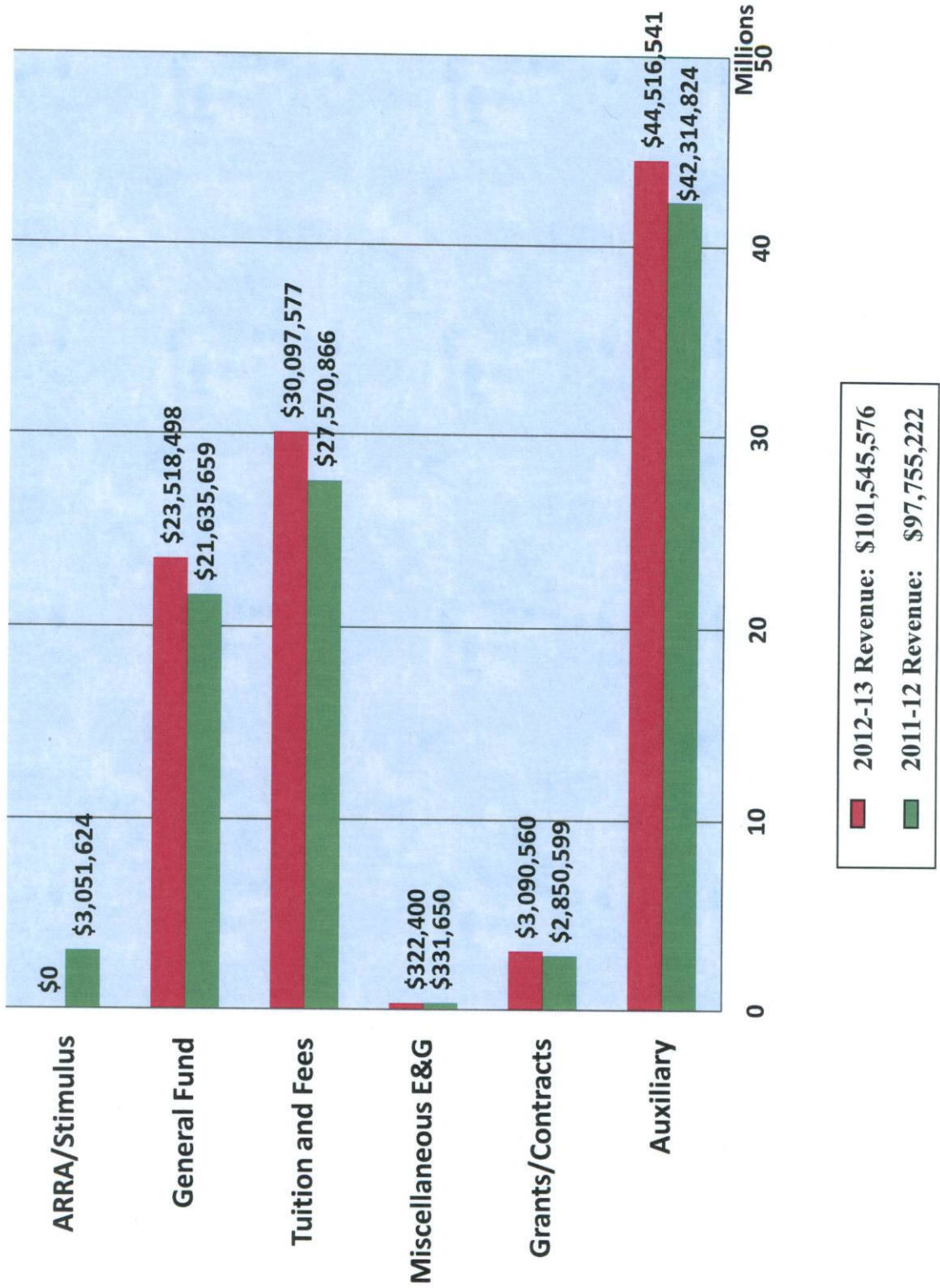
Additional funds are provided to increase scholarships by \$82,392.

**Comprehensive Fee Budgets**

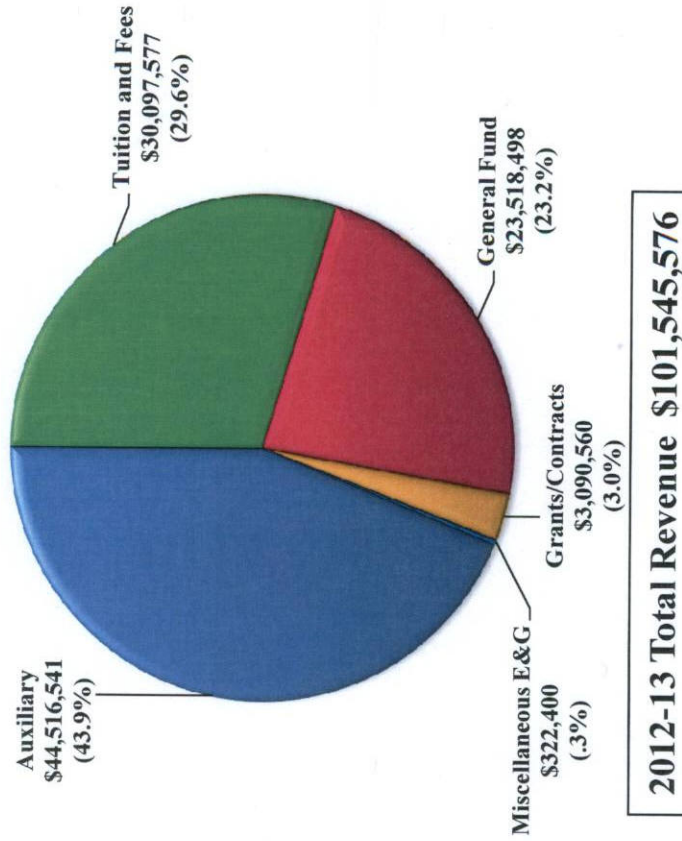
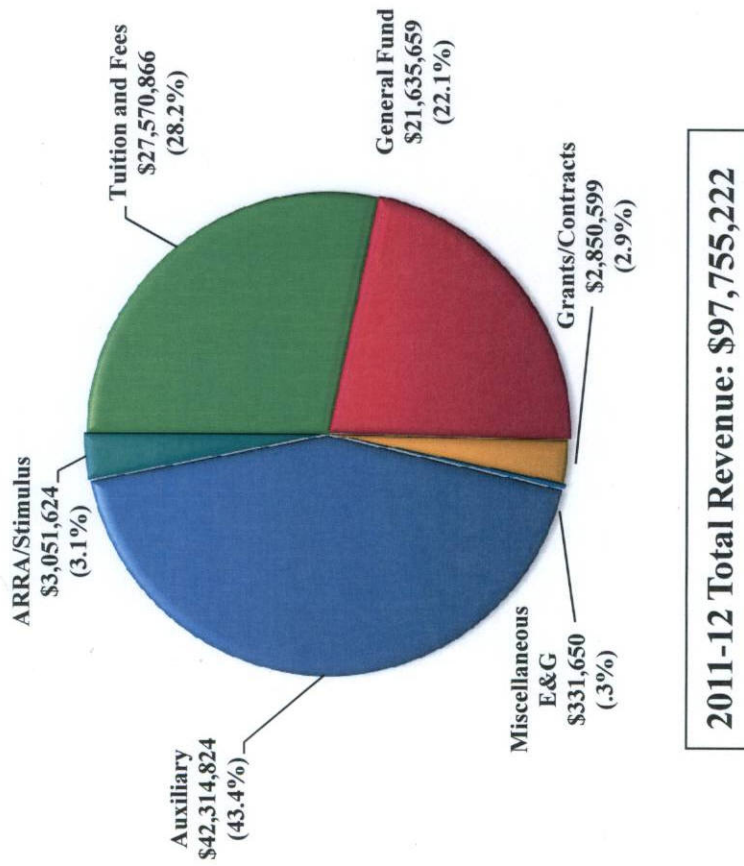
The comprehensive fee is used to support many auxiliary programs and services, including: intercollegiate athletics, recreation and intramural programs, the student union, student health and wellness services, the Farmville Area Bus services, debt service, and repair and maintenance on nongeneral fund supported facilities.

Comprehensive fee revenue will also provide funds for future debt service and contributions to fund balances that will be used to accomplish future initiatives. FY 2013 planned contributions total \$1,403,559. These reserves include \$1,328,166 for debt service and operating costs associated with the new university center facility.

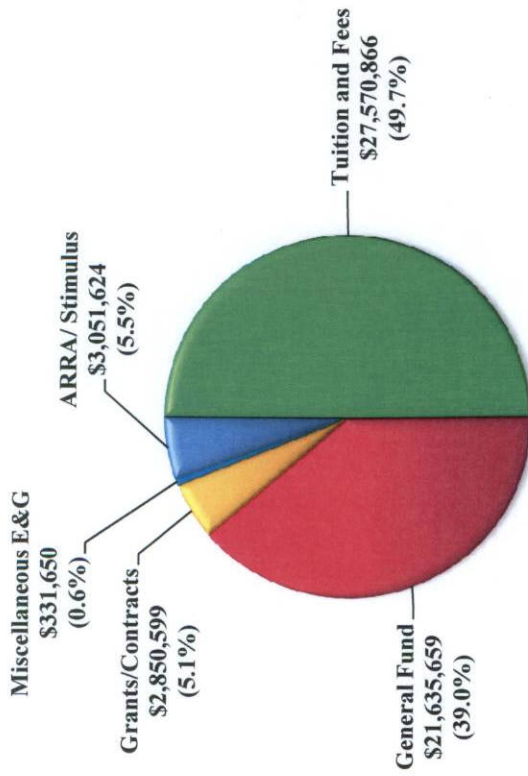
# Total Revenue



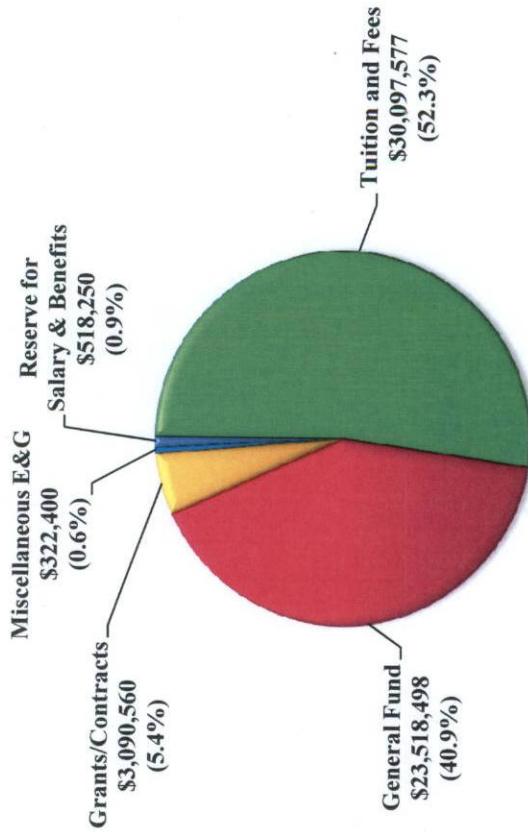
# Total Revenue Comparison By Category



# E&G Revenue Comparison By Category

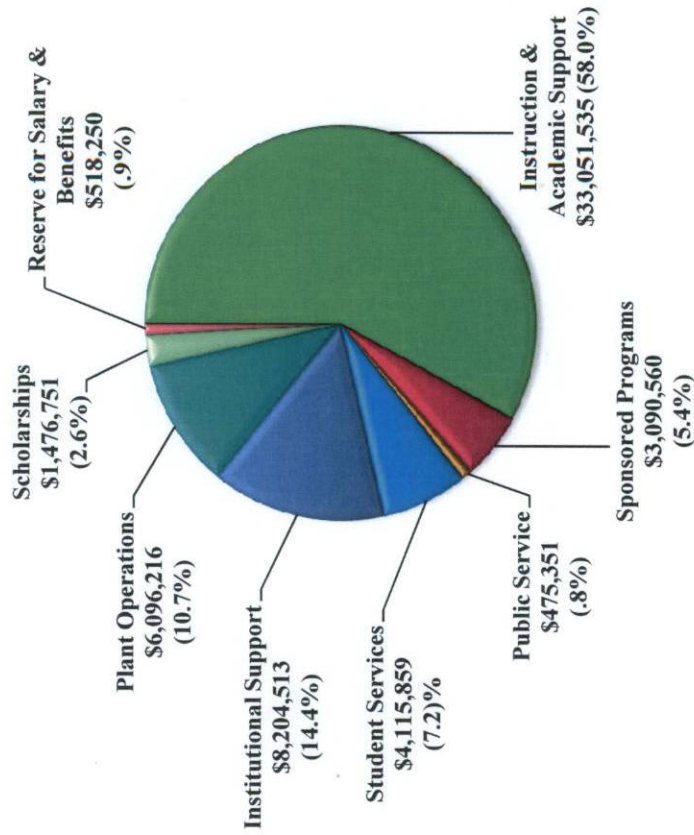


**2011-12 E&G Revenue: \$55,440,398**

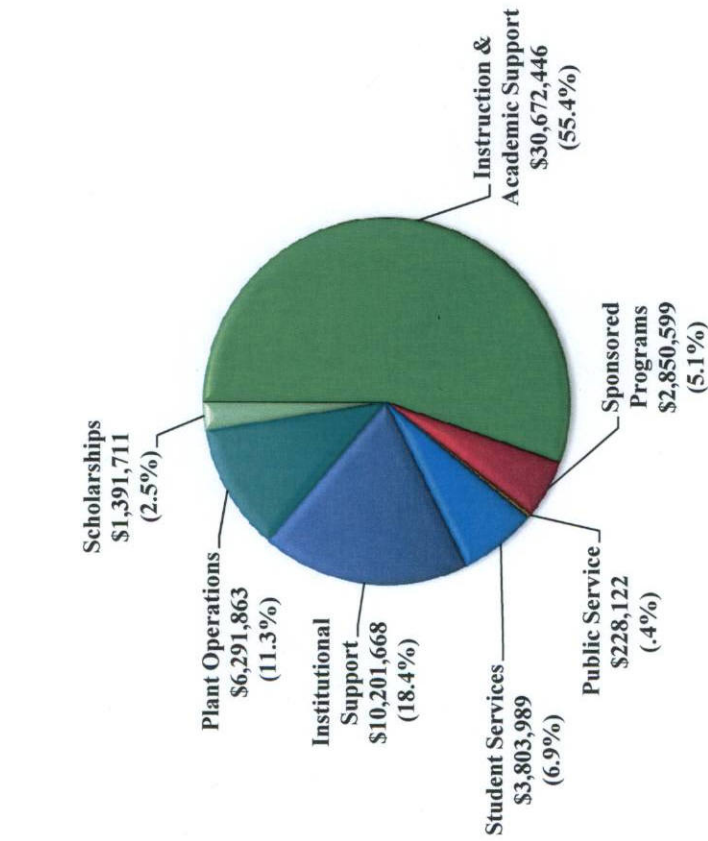


**2012-13 E&G Revenue: \$57,029,035**

# E&G Expenditure Comparison By Category

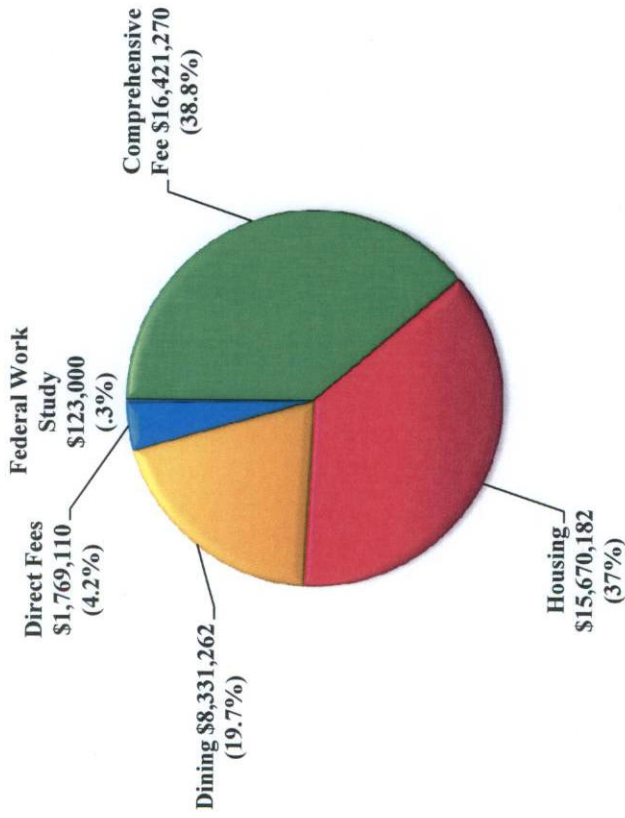


**2011-12 E&G Expenditures: \$55,440,398**

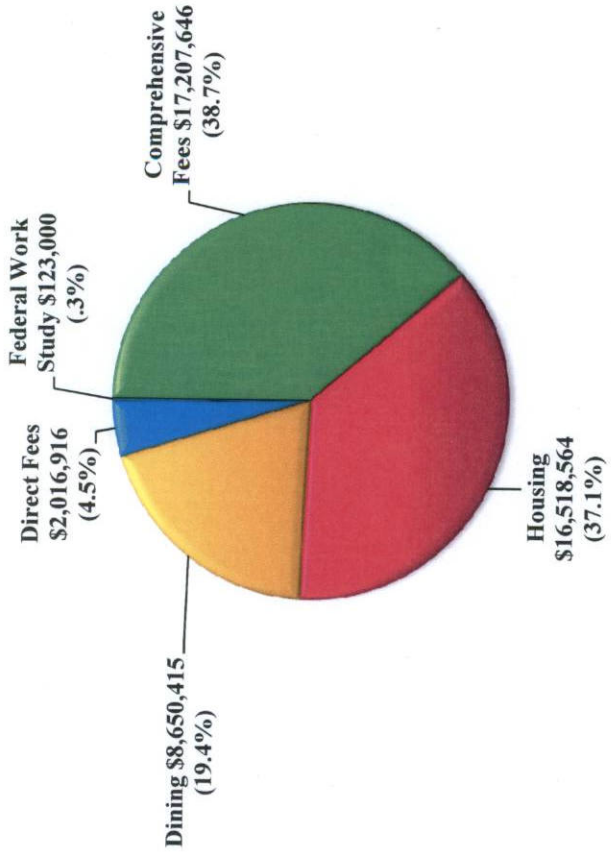


**2012-13 E&G Expenditures: \$57,029,035**

# Auxiliary Services Revenue Comparison By Category

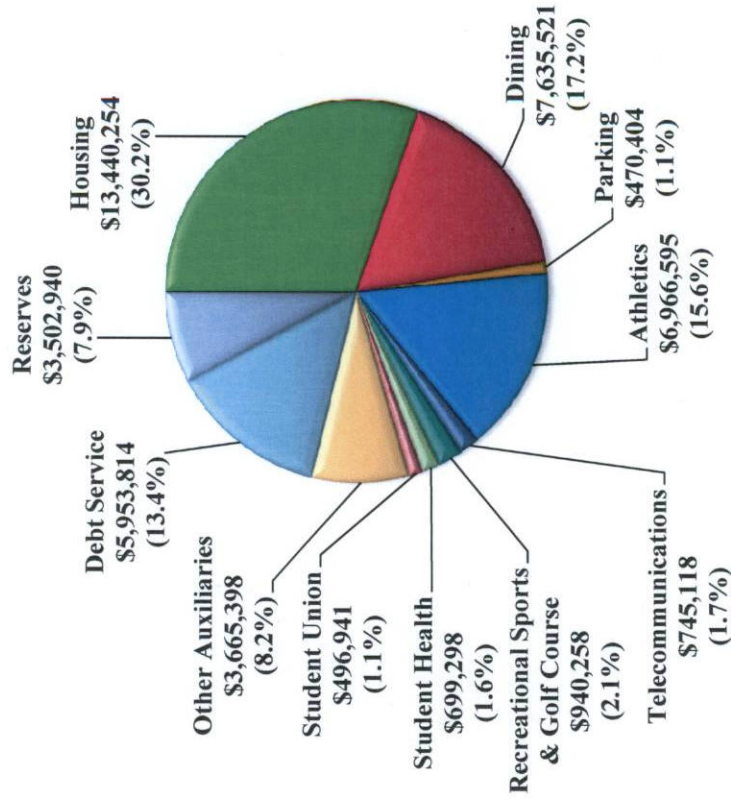


**2011-12 Auxiliary Revenue: \$42,314,824**

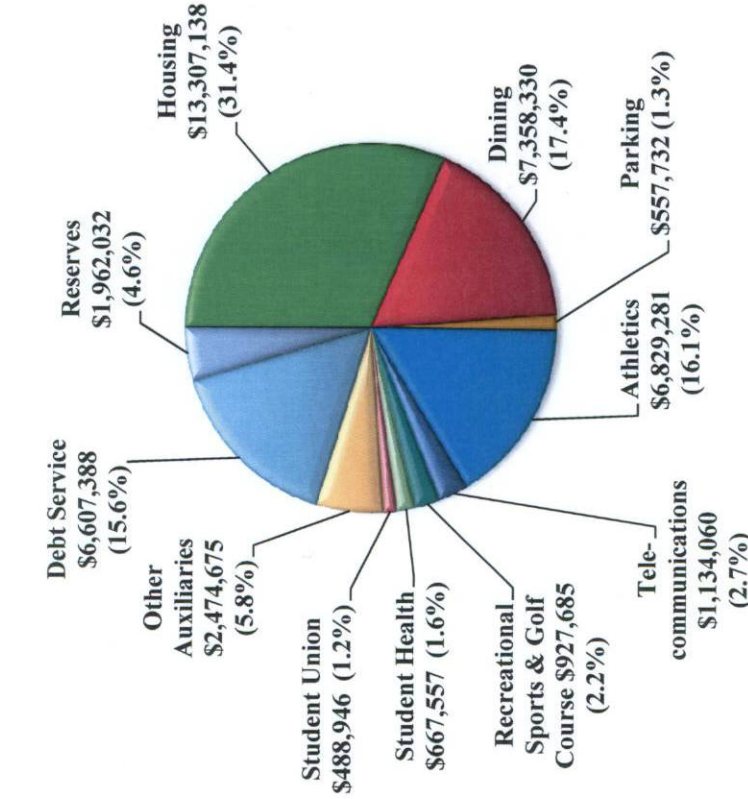


**2012-13 Auxiliary Revenue: \$44,516,541**

# Auxiliary Services Expenditure Comparison By Category



**2011-12 Auxiliary Expenditures: \$42,314,824**



**2012-13 Auxiliary Expenditures: \$44,516,541**



**TABLE 1  
REVENUE SUMMARY**

	<b>Operating Data</b>	
	<b>Budget 2011-2012</b>	<b>Proposed 2012-13</b>
<u>EDUCATIONAL AND GENERAL</u>		
Tuition and Fees	27,570,866	30,097,577
Commonwealth Appropriations *	21,635,659	23,518,498
Federal Grants and Contracts	1,947,371	2,251,271
State/Local/Private Grants and Contracts	903,228	839,289
Other Sources	331,650	322,400
American Recovery and Reinvestment Act	3,051,624	0
Total Educational and General	55,440,398	57,029,035
<u>AUXILIARY ENTERPRISES</u>		
Total Auxiliary Enterprises	42,314,824	44,516,541
Institution Total	<u>97,755,222</u>	<u>101,545,576</u>

\*Appropriation excludes Higher Education Student Financial Assistance of \$3,784,818 in FY 2012 and \$3,955,935 in FY 2013. FY 2013 appropriation includes \$594,860 for estimated General Fund portion of benefit cost increases.

**TABLE 2**  
**EXPENDITURE SUMMARY**

Expenditure Categories	Budget 2011-12	Proposed 2012-13
<u>Educational and General</u>		
Instruction	24,092,151	25,012,225
Sponsored Programs	2,850,599	3,090,560
Public Service	228,122	475,351
Academic Support	6,580,295	8,039,310
Student Services	3,803,989	4,115,859
Institutional Support	10,201,668	8,204,513
Plant Operation & Maintenance	6,291,863	6,096,216
Scholarships & Fellowships*	1,391,711	1,476,751
Reserve for Salary & Benefit Increases	0	518,250
<b>Total E&amp;G Expenditures</b>	<b>55,440,398</b>	<b>57,029,035</b>
<u>Auxiliary Enterprises</u>		
Expenditures	33,745,404	35,059,787
Transfers		
Debt Service (Mandatory)	6,607,388	5,953,814
Non-Mandatory		
<b>Total Auxiliary Enterprises</b>	<b>40,352,792</b>	<b>41,013,601</b>
<b>Total Expenditures &amp; Transfers*</b>	<b>95,793,190</b>	<b>98,042,636</b>

\*FY 2012 and FY2013 exclude \$3,784,818 and \$3,955,935 respectively in Higher Education Financial Assistance from State Appropriations

**TABLE 3**  
**SUMMARY OF AUXILIARY SERVICES, INCOME**  
**AND EXPENDITURES**

	<b>Budget 2011-12</b>	<b>Proposed 2012-13</b>
<b>RESIDENCE HALLS</b>		
Direct Income	90,500	90,500
Income (Room Fees)	15,624,682	16,473,064
Expense	13,307,138	13,440,254
Debt Service (Mandatory)	2,203,707	1,802,924
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>204,337</u>	<u>1,320,386</u>
<b>FOOD SERVICES</b>		
Direct Sales	121,000	121,000
Income ( Meal Plans)	8,276,262	8,595,415
Expense	7,358,330	7,635,521
Debt Service (Mandatory)	699,358	496,914
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>339,574</u>	<u>583,980</u>
<b>BOOKSTORE</b>		
Income (Sales and Contracts)	284,595	375,000
Expense	45,000	255,000
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>239,595</u>	<u>120,000</u>
<b>ATHLETICS</b>		
Income (Direct Sales and Services)	246,880	249,880
Student Fees	7,653,258	7,770,231
Expense	6,829,281	6,966,595
Debt Service (Mandatory)	1,070,857	1,053,516
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>0</u>	<u>0</u>
<b>PARKING AND TRANSPORTATION</b>		
Income (Direct Sales and Services)	650,000	650,000
Student Fees	318,102	230,697
Expense	557,732	470,404
Debt Service (Mandatory)	334,977	334,900
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>75,393</u>	<u>75,393</u>

**TABLE 3**  
**SUMMARY OF AUXILIARY SERVICES, INCOME**  
**AND EXPENDITURES**

	<b>Budget 2011-12</b>	<b>Proposed 2012-13</b>
<b>TELECOM SYSTEMS</b>		
Income (Direct Sales and Services)	16,000	16,000
Student Fees	1,118,060	729,118
Expense	1,134,060	745,118
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	0	0
<b>STUDENT HEALTH</b>		
Income (Direct Sales and Services)	5,500	5,500
Student Fees	662,057	693,798
Expense	667,557	699,298
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	0	0
<b>STUDENT UNION</b>		
Income (Direct Sales and Services)	5,500	5,000
Student Fees	574,294	585,814
Expense	488,946	496,941
Debt Service (Mandatory)	90,848	93,873
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	0	0
<b>RECREATION AND INTRAMURALS</b>		
Income (Direct Sales and Services)	11,000	11,000
Student Fees	1,875,642	1,852,405
Expense	677,125	685,006
Debt Service (Mandatory)	1,209,517	1,178,399
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	0	0
Continued on next page		

**TABLE 3**  
**SUMMARY OF AUXILIARY SERVICES, INCOME**  
**AND EXPENDITURES**

	<b>Budget 2011-12</b>	<b>Proposed 2012-13</b>
<b>GOLF COURSE</b>		
Income (Direct Sales and Services)	100,000	100,000
Student Fees	150,560	155,252
Expense	250,560	255,252
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>0</u>	<u>0</u>
<b>CONFERENCES</b>		
Income (Direct Sales and Services)	350,000	350,000
Student Fees	0	0
Expense	275,033	274,985
Debt Service (Mandatory)	0	0
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>74,967</u>	<u>75,015</u>
<b>OTHER AUXILIARY</b>		
Income (Direct Sales and Services)	111,635	266,536
Student Fees	4,069,297	5,190,331
Expense	2,154,642	3,135,413
Debt Service (Mandatory)	998,124	993,288
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>1,028,166</u>	<u>1,328,166</u>
<b>TOTAL AUXILIARY ENTERPRISES</b>		
Income (Direct Sales and Services)	1,992,610	2,240,416
Student Fees	40,322,214	42,276,125
Expense	33,745,404	35,059,787
Debt Service (Mandatory)	6,607,388	5,953,814
Non-Mandatory Transfers	0	0
Net (Contribution to Fund Balance)	<u>1,962,032</u>	<u>3,502,940</u>

### Significance of Ratio

This ratio reflects the amount of expenditures, by function, as a percentage of total educational and general expenditures and mandatory transfers.

Major shifts in the various percentages may reflect a change in funding priorities.

### Longwood University's Current Status

The allocation ratios for Longwood University show shifts over the last four years. The following contributed to changes in expenditure budgets:

- ❖ Instruction and Academic Support budgets increased primarily due to an additional \$497,750, allocated to the faculty salary pool (five new faculty positions, promotions and base adjustments). An additional \$250,000 was allocated the Virginia Logistics Research Center.
- ❖ Public Service growth was due to the creation of the "English as a Second Language" program.
- ❖ Student Services funding increased \$134,707 for international recruitment.
- ❖ Institutional Support decreased as a result of the reclassification of expenses to more accurately align budget allocations with other state universities.

### Budget Allocation Ratio

Fiscal Year	2010	2011	2012	2013
Instruction and Academic Support	53.48%	54.56%	55.38%	57.96%
Public Service	1.25%	.43%	.42%	.83%
Student Services	7.77%	7.27%	6.97%	7.22%
Institutional Support	19.34%	19.23%	18.70%	14.39%
Operation and Maintenance of Plant	10.95%	10.27%	10.76%	10.69%
Student Aid	1.91%	2.15%	2.55%	2.59%
Debt Service	0.73%	0.79%	0.00%	0.00%
Sponsored Programs	4.57%	5.30%	5.22%	5.42%
Reserve for Salaries & Benefits		0.00%	0.00%	.90%
Formula	$\frac{\text{Expenditure Budget (by function)}}{\text{Total Educational \& General Expenditure Budget}}$			

### Significance of Indicator

This indicator reflects the amount of funds expended for Instruction and Academic Support per each full-time equivalent student.

A dramatic change in the ratio signals a shift in the funding priorities of the institution. A significant change also can accompany an enrollment increase or decline.

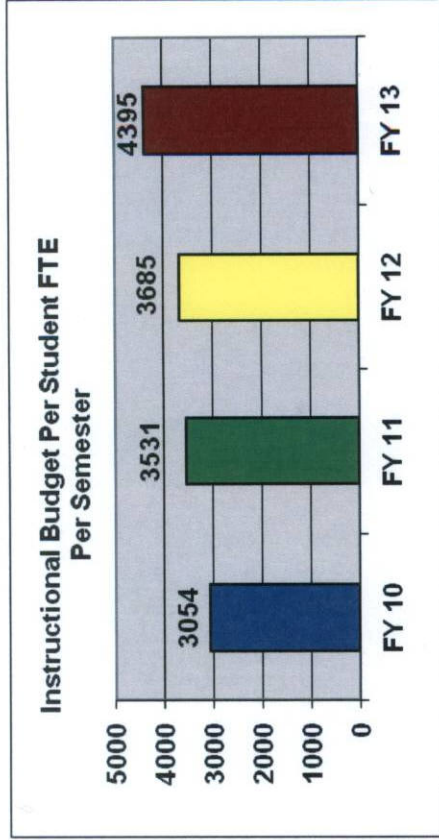
### Longwood University's Current Status

In FY 2011, an increase of \$477 was primarily due to restoration of \$600,000 in funding to Academic Affairs.

FY 2012 reflects an increase of \$154 which was primarily the result of \$885,800 received in additional appropriation for STEM initiatives. Funding was also allocated for additional faculty positions based on Accreditation recommendations and nursing program growth.

In FY 2013 the upward trend continues with an increase of \$710. This increase is primarily due to five additional faculty positions, and creation of the Virginia Logistics Research Center.

The total annual Educational and General budget per in-state FTE is \$12,460. This excludes the amount budgeted for Sponsored Programs and State Higher Education Financial Aid.



Source: SCHEV 2B Enrollment Projections – Fall and Spring Semesters (On and Off Campus)

Formula: Instruction and Academic Support Budgets  
Fall and Spring Enrollment Projections

## Debt Burden Ratio

### Significance of Ratio

The debt burden ratio examines the University's dependence upon borrowed funds as a means of financing its mission. It compares the level of debt service with the institution's budgeted expenditures.

**Formula:** 
$$\frac{\text{Debt Service}}{\text{Total Expenditure Budget}}$$

A level trend or a decreasing ratio over time indicates that debt service has sufficient coverage without impinging further on other functional areas. The standard for higher education is a maximum of 7 percent, meaning that current principal and interest expense should not be greater than 7 percent of the total budget.

Although the 7 percent level is an acceptable threshold, this percentage can range between 5 percent and 10 percent. The actual percentage will vary based upon the financial strength of the institution. Institutions with greater flexibility in allocating funds will be able to take on additional debt. Longwood participates in the State bond program which is based on fixed rates. Debt is not increased without budgeting an increase in funds available to pay the financial obligations.

In March 2007, the Board of Visitors approved an increase in the debt ratio to 9 percent to facilitate the completion of nongeneral fund projects approved by the General Assembly.

## Longwood University's Current Status

Longwood's Debt Service to Total Budgeted Expenditures is 6.07 percent for FY 2013. This calculation is based on scheduled debt payments for FY 2013, and total budgeted expenditures less reserves.

Longwood's actual FY 2011 debt burden ratio was 7.22 percent per unaudited financial statement data.



## Glossary

**Academic Support:** Includes activities conducted to provide support services to the institution's three primary programs: instruction, research and public service. Examples include the library, deans, academic technology, academic service center and disability resources.

**Appropriation:** An expenditure authorization with specific limitations as to amount, purpose, and time; formal advance approval of an expenditure from designated resources available or estimated to be available.

**Auxiliary Services:** Activities within the University that exist to furnish goods or services directly or indirectly to students, faculty and staff. These activities charge fees directly related to, but not necessarily equal to, the cost of the service. Auxiliary services must be self-supporting.

**Banner:** Longwood's administrative information system that integrates Finance, Student and Human Resources modules within a single enterprise system.

**Direct Sales (Auxiliary):** Sales of auxiliary services, to include facility rental, bookstore income, parking decals/fines and recreation center memberships.

**Educational & General (E&G):** Term used to describe all operations related to the institution's educational objectives.

**Full-Time Equivalent (FTE):** A means for expressing part-time students or faculty as a full-time unit. The formula is generally based on credit hours. Example: An institution may define full-time as being twelve credit hours, so a student (or faculty member) taking (or teaching) three credit hours would then equal .25 FTE.

**General Funds:** Revenue received from the State from the collection of taxes, fees and other charges.

**Grants and Contracts (Sponsored Programs):** Sponsored program funds are generated through a grant or contractual agreement. Funds may be provided by state, federal, local or private entities. Sponsored program funds must be expended for the purposes outlined in the respective grant/agreement.

**Indirect Costs:** Fee charged to grants or contracts to pay for the use of University facilities, i.e., overhead.

**Institutional Support:** Activities whose primary purpose is to provide operational support for the day-to-day functioning of the institution, excluding physical plant operations. Examples include the President, Vice-Presidents, institutional research and assessment, administrative technology, public relations, financial operations, internal audit, human resources, and safety and security.

**Instruction:** Includes all activities that are part of the institution's instructional program, primarily all academic departmental operations.

**Mandatory Transfers:** Transfers arising out of (1) binding legal agreements related to the financing of the educational plant, such as amount for debt retirement, interest and required provisions for renewals and replacements of plant, not financed from other sources, and (2) grant agreements with agencies of the federal government, donors, and other organizations to match gifts and grants to loan funds and other funds.

**Miscellaneous E&G Revenues:** Includes non-general fund revenues derived from the sale of goods or services that are incidental to the conduct of instruction, research or public service. Examples include revenues from facility rentals, payment plan fees, administrative fees and indirect costs.

**Non-General Funds:** Tuition, fees, and all other funds not received from the State. This includes grants and contracts income.

**Non-Mandatory Transfers:** These transfers serve a variety of objectives such as moving monies generated in auxiliary enterprise fund groups to an E&G fund group or to a capital outlay fund group for use in providing project funding.

**Operation and Maintenance of Plant:** This category includes the operation and maintenance of the physical plant. It includes all operations established to provide services and maintenance related to campus grounds and facilities. It also includes utilities, insurance, facilities management, custodial services, sustainability and power plant operations.

**Public Service:** Includes all funds expended for those non-instructional services established and maintained to provide services to the general community or special sectors within the community. Community service is concerned with making available to the public various resources and unique capabilities that exist within the institution. The Longwood Small Business Development Center is included in this category.

**Restructuring:** Legislation that allows institutions of higher education varying levels of decentralization in the areas of procurement, personnel and capital outlay while establishing commitments and performance measures for the institutions.

**Student Fees (Auxiliary):** Student dining, housing and comprehensive fees.

**Student Services:** Those activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instruction program. Examples include academic and career advising, admissions, registration, financial aid and student success.

**Tuition and Fees:** Non-general funds that include all tuition and fees assessed against students for current operating purposes. Fees include application fees, registration fees, course fees and on-line fees.