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I. About the IBB Manual

The Incentive-based Budget (IBB) Manual summarizes the definitions, data sources, dates, and other details of the processes necessary to operationalize the algorithms of the UVM IBB model. The January 29, 2015 Final Report of the Incentive-based Budget Model Steering Committee provides information on the process and the discussions that informed the development of the model.

The University’s Provost and Senior Vice President is responsible for interpreting and clarifying Manual language as necessary. Nothing in this Manual supersedes University Policy or Operating Procedure.

Please send questions or suggested Manual improvements to fabadmin@uvm.edu.

II. Introduction to IBB at UVM

Introduction and Definitions
IBB is a type of budget model that allocates both revenues (such as tuition) and expenses (for general infrastructure and support such as the library or information technology) directly to the units that generate the revenue through a series of budget algorithms (some for allocating revenue, some for allocating expense).

Under the IBB model, University units are either Responsibility Centers, Cost Centers, or Hybrid Cost Centers.

Responsibility Centers
Responsibility Centers (RCs) are defined by their ability to generate revenue and their dependence on centralized services. Responsibility Centers must use the revenue that they generate to pay for both their direct expenses and their indirect expenses (i.e. their share of Cost Center expenses). The Responsibility Centers at UVM are as follows:

1. College of Agriculture and Life Sciences
2. College of Arts and Sciences
3. College of Education and Social Services
4. College of Engineering and Mathematical Sciences
5. College of Medicine
6. College of Nursing and Health Sciences
7. Grossman School of Business
8. Rubenstein School of Environment & Natural Resources
9. UVM Extension

Cost Centers
A Cost Center is a unit that does not generate revenue but supports the Responsibility Centers by providing centralized services or resources, such as payroll or admissions. At UVM, there are roughly 80 units/departments that support Responsibility Centers. Cost Centers are expected to manage within an
operating budget in order to accomplish their respective missions and goals. In order to allocate the costs of these centralized services to the Responsibility Centers, the Cost Centers are grouped into different algorithms and then charged to Responsibility Centers based on those algorithms.

Hybrid Cost Centers
Continuing and Distance Education and the Office of the Vice President for Research (OVPR) share the characteristics of both Responsibility Centers and Cost Centers, and have been designated Hybrid Cost Centers. This means that a portion of their budgets will be funded via revenue and a portion of their budgets will be funded via expense algorithms.

Operational Oversight
The Provost and Senior Vice President is responsible for oversight of UVM’s IBB model, and is advised by the IBB Steering Committee. The Provost will work in consultation with the President regarding any significant changes to the IBB model.

III. IBB Model 1.0
UVM’s IBB Model 1.0 includes seven algorithms, several of which have multiple components. Each algorithm determines the allocation of either revenue or expense to a Responsibility Center.

The Revenue Algorithms
   Algorithm 1: Undergraduate Net Tuition
   Algorithm 2: Graduate Net Tuition
   Algorithm 3a and 3b: Non-Degree and Summer Tuition
   Algorithm 4a: Indirect Cost Recovery
   Algorithm 5: Other Income

The Expense Algorithms
   Algorithm 3c: Continuing and Distance Education
   Algorithm 4b: Research Enterprise
   Algorithm 6: Facilities
   Algorithm 7: Cost Pools

These revenue and expense algorithms are illustrated in the following diagram:
**Revenue Algorithms**

**Algorithm 1 - Undergraduate Net Tuition**
The revenue pool to be distributed via Algorithm 1 includes Undergraduate Net Tuition from the fall and spring semesters. Undergraduate Net Tuition is defined as gross tuition less financial aid (the netting occurs before the revenue is allocated). Other revenue (Unrestricted Endowment, Annual Giving, Investment Income, and a portion of State Appropriations and Other Support) is also distributed in this algorithm to offset the impact of subvention. The first $40m of this revenue pool will be allocated to Subvention and the President’s and Provost’s Strategic Investment Fund. The remainder will be allocated based upon the methodology explained in this section.

**Methodology**
The revenue associated with Algorithm 1 will be allocated as follows:
- 85% based on an RC’s percentage of the two-year trailing average of weighted Student Credit Hours (SCH) taught.
- 15% based on an RC’s percentage of the two-year trailing average of majors (not weighted).

Only those SCHs taken by undergraduate student will be included in the calculation. If a Non-Degree or Graduate student takes a SCH in an UG section, the revenue associated with those SCHs will be distributed via Algorithm 3b and Algorithm 2, respectively.

The SCH and Major counts will be based on a two-year trailing average. For example, FY17 revenue allocations will be based upon the SCH and major data from FY16 and FY15.

**Weighting:** To account for the differential cost of instruction, SCHs attributed to the colleges/schools will be weighted as follows:
- CALS: 1.10x
- CAS: 1.00x
- CEMS: 1.10x
- CESS: 1.10x
- CNHS: 1.30x
- GSB: 1.10x
- RSENR: 1.20x
- CoM: 1.30x
- Ext: Not applicable

**Honors College:** To protect and incent Honors College instruction, SCHs associated with an Honors College section will be weighted at 3.00x.

**Majors:** A student will be attributed to the College/School of the “first” major of that student as listed in Banner. Double majors will be attributed to only one College/School based on the “first” major of the student as listed in Banner.

**SCH:** Campus Codes: Only those SCHs associated with “Campus M” (sections offered/managed by the colleges and schools) and “Campus C” (sections offered/managed by CDE) codes in Banner will be

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1 More information on the distribution of State Appropriations and Other Support is provided in the State Appropriations and Other Support Section.
included. Campus G (Global Gateway) courses will be excluded. In addition, SCH’s associated with courses beginning with a prefix of SINT will also be excluded from any calculation.

**Instructor of Record:** SCHs taught will be attributed to a Responsibility Center based on the home unit of the *instructor of record*. The *instructor of record* is defined as the individual (or individuals) recorded in Banner as the instructor(s) of a course. If there are multiple instructors, the SCHs are distributed based on the percent responsibility that is also recorded in Banner. Only *salaried faculty appointments* in a Responsibility Center (excluding Extension) are used to allocate SCHs by *instructor of record*.

In cases where the instructor is unknown or the instructor does not have a salaried faculty appointment in a Responsibility Center, SCHs are assigned to the academic unit associated with the discipline of the course.

**Home Unit of the Instructor:** The *home unit of the instructor of record* is defined as the home college or school of the instructor’s primary appointment.

For instructors with more than one salaried faculty appointment in a Responsibility Center (i.e., a primary and a secondary salaried faculty appointment), SCHs will be attributed to the college/school of the primary appointment, unless the instructor is teaching a course in a discipline associated with the college or school of the secondary appointment. In these cases, the SCH are assigned to the college or school of the secondary appointment. The determination of which appointment is primary vs. secondary will be based on the appointment identified as primary in PeopleSoft HCM.

Note that PEAC sections are not associated with any College. Therefore, if they are taught by someone without a primary faculty appointment in a Responsibility Center, the SCHs would not go to any Responsibility Center. If the Instructor of Record had a primary faculty appointment in Responsibility Center, that Responsibility Center would be attributed those SCHs.

**Timing**

SCHs and Major counts will be based on Fall and Spring Student Census data provided by the Office of Institutional Research (OIR). Student census data is taken as of add/drop each semester.

**Examples of SCH Allocations**

*Table 1: SCH Distribution when a Faculty Member from an RC is listed as the Instructor of Record*

<table>
<thead>
<tr>
<th>Scenario 1</th>
<th>Salared primary appointment College A</th>
<th>Salared secondary appointment College B</th>
<th>Non-paid secondary appointment College B</th>
<th>Discipline of Course College A</th>
<th>Discipline of Course College B</th>
<th>Discipline of Course College C</th>
<th>Who gets SCH?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 2</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>College A</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>College A</td>
</tr>
<tr>
<td>Scenario 4</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>College A</td>
</tr>
<tr>
<td>Scenario 5</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>College B</td>
</tr>
<tr>
<td>Scenario 6</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>College A</td>
</tr>
<tr>
<td>Scenario 7</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>College A</td>
</tr>
<tr>
<td>Scenario 8</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>College A</td>
</tr>
</tbody>
</table>

* For purposes of IBB, the SCHs taught by faculty members outside of an RC are treated similarly to staff members who teach SCHs. See Table 2 below.
Table 2: SCH Distribution when the Instructor of Record is a Faculty Member with a primary appointment in Extension, Library, or Honors College; any Staff member; any Graduate Assistant; any Post Doc; or unknown*

<table>
<thead>
<tr>
<th>Appointment Type</th>
<th>Discipline of Course</th>
<th>Who gets SCH?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaried primary faculty College A</td>
<td>College A</td>
<td>X</td>
</tr>
<tr>
<td>Salaried secondary appointment College B</td>
<td>College B</td>
<td>X</td>
</tr>
<tr>
<td>Non-paid secondary appointment College B</td>
<td>College C</td>
<td>X</td>
</tr>
</tbody>
</table>

Scenario 1: n.a. X X College A
Scenario 2: n.a. unknown X College B
Scenario 3: Unknown unknown unknown College C

* Because none of these individuals have a salaried faculty appointment in an RC, the SCH would be attributed to the RC associated with the discipline of the course.

Algorithm 2 - Graduate Net Tuition

Methodology

The home college or school of a graduate student’s program will be allocated 100% of the student’s gross tuition generated in the Fall, Spring, or Summer. The home college or school of a graduate student will be responsible for paying 100% of that student’s institutional financial aid, including any institutional financial aid provided for the Comprehensive Fee or Health Insurance. Any stipends provided to Graduate Students will be the responsibility of the hiring college, school, or department. See Appendix C for a listing of all graduate programs and their College/School affiliation.

Any non-standard tuition for graduate programs must receive prior approval from the Provost. Awarding scholarships universally, to all program enrollees, is not allowed. If a program wishes to make universal tuition adjustments to a program, it must formally request the Provost’s permission for variable tuition. More information can be found on the Variable Tuition website.

Cross College Transfers: Cross-college transfers will occur if a graduate student enrolls in a section whose instructor of record is outside of the graduate student’s home college. In that case, the home college/school of the graduate student will pay the instructing college/school a rate equal to 85% of the in-state tuition rate per SCH. This payment will use the SCH methodology outlined in Algorithm 1, and will be processed on a quarterly basis by the Budget Office.

Interdisciplinary Graduate Program Support: The programs on the following table are interdisciplinary programs housed in the Graduate College. The graduate net tuition generated by these programs will be allocated on a pro-rated basis to Responsibility Centers based on their share of SCHs taught as defined by the SCH methodology outlined in Algorithm 1. For example, if 100 total SCHs were taken by Food Systems majors and 70 were taught by CALS, CALS would receive 70% of the Graduate Net Tuition generated by the Food Systems graduate students.

Stipends for Interdisciplinary Programs will be supported by the Graduate College, or based on existing MOUs between the Graduate College and Responsibility Centers.

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2 Note: For Summer Session 2015, Gross Tuition associated with Graduate Students flowed into Algorithm 3b. Starting in Summer Session 2016, the Gross Tuition will flow via Algorithm 2. Note also that a Graduate Student is one whose primary enrollment is in a Graduate Program or a Graduate Certificate Program.
Interdisciplinary Graduate Programs:

<table>
<thead>
<tr>
<th>Program</th>
<th>Degree(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bioengineering</td>
<td>PhD</td>
</tr>
<tr>
<td>Cellular, Molecular and Biomedical Sciences</td>
<td>MS; PhD</td>
</tr>
<tr>
<td>Clinical and Translational Sciences</td>
<td>Certificate of Graduate Study; MS; PhD</td>
</tr>
<tr>
<td>Complex Systems</td>
<td>Certificate of Graduate Study</td>
</tr>
<tr>
<td>Food Systems</td>
<td>MS</td>
</tr>
<tr>
<td>Interdisciplinary Studies of Disabilities</td>
<td>Certificate of Graduate Study</td>
</tr>
<tr>
<td>Materials Science</td>
<td>MS; PhD</td>
</tr>
<tr>
<td>Neuroscience</td>
<td>MS; PhD</td>
</tr>
<tr>
<td>Sustainable Transportation Systems and Planning</td>
<td>Certificate of Graduate Study</td>
</tr>
</tbody>
</table>

**Timing**
All revenue will be distributed based on data from the current year. For example, in FY16, the Net Tuition generated in FY16 will be distributed. In addition, the SCH data used for the Cross-College Transfers and Interdisciplinary Support will be from the FY16 Fall and Spring Student Census data provided by OIR.

**Algorithm 3a – Non-Degree Tuition**

**Methodology**
The revenue pool to be distributed via Algorithm 3a includes the Net Tuition (gross tuition less institutional financial aid) generated by Non-Degree Students during the Fall and Spring semesters. The revenue will be allocated as follows:
- 85% based on a college’s or school’s percentage of the non-degree SCH taught (as defined in Algorithm 1);
- 15% allocated to CDE.

**Weighting:** SCHs will not be weighted.

**Faculty Appointments:** The academic units will assume responsibility for determining, assigning and administering all academic year instructional appointments, including those for faculty who provide non-degree instruction. The academic year includes the fall semester, winter session, the spring semester and spring recess.

**Timing**
Revenue distributions will be based on the current year Fall and Spring census data compiled by OIR for that given year. For example, allocations for FY16 will be based on the FY16 Fall and Spring Student Census data provided by OIR.
Algorithm 3b - Summer Tuition Revenue

Methodology
The revenue pool to be distributed via Algorithm 3b includes all net tuition (gross tuition less institutional financial aid) generated by Undergraduates and Non-Degree students in the summer. This revenue pool will be allocated as follows:

- 85% based on a college’s or school’s percentage of the summer SCH taught (as defined in algorithm 1);
- 15% based on a college’s or school’s percentage of the majors taking summer courses; non-degree students will be counted as CDE majors (as defined in algorithm 1).

Weighting: SCHs will not be weighted.

Faculty Appointments: The academic units will assume responsibility for determining and assigning faculty instructors for summer session. They will also incur the instructional expenses. CDE will be responsible for administering the faculty appointments.

Timing
Because the Summer semester crosses fiscal years, distributions will be based on data from OIR from two census periods for Summer Sessions. Every Summer course section will be coded as either a “Header” or “Footer” based on the month into which the majority of the classes fall. Sections in which the majority of classes are in July or August will fall into the Header, and these will be captured in the first student census. Sections in which the majority of classes are in May or June will fall into the Footer, and these will be captured in the second student census. For example, a section that meets mostly in June but has two or three classes in July will be coded as a Footer section, and 100% of the revenue will be coded in the fiscal year that ends in June.

The SCH data and major data for the Header will be matched with the corresponding revenue for the Header. Likewise, the SCH data and major data for the Footer will be matched with the corresponding revenue for the Summer. See Appendix D for further detail.

Operations
Appendix D outlines Summer Session operations.

Algorithm 4a – Indirect Cost Recovery

Methodology
The revenue to be distributed via Algorithm 4a includes all Indirect Cost Recovery (F&A) generated by the University. The revenue will be allocated as follows:

- In FY16, 99% of the F&A will be allocated to the RC of the grant’s Principal Investigator (PI) with the remaining 1% allocated to the Office of the Vice President for Research (OVPR). If grants have multiple PIs (co-Pis), the F&A allocated to the RCs will be distributed according to their respective planned effort on the grant.

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3 In Summer Session 2015, net tuition generated by graduate students was included in this pool. However, starting with Summer Session 2016, net tuition generated by graduate students will flow via the allocation methodology outlined in Algorithm 2.

4 Please see http://www.uvm.edu/spa/?Page=project_personnel_roles.html for definitions of PI and co-PI.
By FY18, this allocation will change such that 95% of the F&A will be allocated to the RCs and 5% to the OVPR. However, the Provost may choose to adjust these percentages in response to strategic needs and priorities.

- The OVPR will receive 100% of the F&A revenue associated with several university-wide interdisciplinary grants and centers/institutes.
- The OVPR will receive 100% of the F&A not allocated specifically to a Responsibility Center.
- In general, existing memoranda of understanding or other agreements related to F&A revenue sharing will be superseded by the IBB methodology.

**Revenue Allocation to PIs and Co-PIs:** Revenue allocation will be based upon planned effort, as captured in the SPA Routing Packet at the time of proposal development.

For proposals with multiple projects and multiple years, F&A allocation percentages will be prorated based on the proposed effort of all PIs or Co-PIs across all years of the award.

Chair and dean approval of the proposal during the routing process indicates review and approval of all components of a proposal, including the IBB F&A revenue allocation.

Barring extenuating circumstances, the F&A allocation will be decided at the time of initial proposal, and will not be changed for project supplements or continuations. Some examples of extenuating circumstances are: a PI or a Co-PI leaving the university, a change in PI during the project period, and a scope of work change that requires additional Co-PIs.

**Revenue Allocation to the OVPR:** In addition to the revenue specifically listed above, the OVPR will receive 100% of the F&A generated by special activities defined as any one of the following:

- A grant, center, or institute in which the OVPR provides all of the direct cost share and assumes all administrative operating costs
- Activities, units, or PIs designated by the Provost to report to the OVPR (EPSCoR, Vermont Genetics Network, and Vermont Advanced Computing Center)
- Activities directly developed by the OVPR

The OVPR may elect to collaborate with Deans or Responsibility Centers on new initiatives as defined above. The allocation of the F&A revenue generated by such activities would be negotiated by the OVPR with the participating units, to incent this collaboration.

**Waived F&A:** UVM sometimes accepts sponsored projects with a reduced F&A rate, if the sponsor limits the amount of F&A it will pay. In some cases, the waived F&A is considered cost share and is used to meet the University's contribution toward the total project costs. Waived or cost shared F&A will not count as revenue for purposes of Algorithm 4a.

**Algorithm 5 - Other Income**

Other Income (OI) is defined as revenue not directly related to tuition and research. Examples of OI include course or program fees, vending fees, student application fees and the revenue generated by

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5 As of FY16, these University-wide grants included EPSCoR and Vermont Genetics. As of FY16, the Center for Clinical and Translational Sciences resides in COM and the Transportation Research Center resides in CEMS.
income/expense activities. All course fees must be created, approved, and managed in accordance with the Course and Program Fees University Operating Procedure.

Income/expense units may exist within both Responsibility Centers and Cost Centers. Income/expense units will continue to derive their revenue from charges for services provided to other departments within the University, or from customers external to the University and the revenue collected is used to offset the expenses associated with the operation. The only change for I/E units under IBB is that for I/E activities within Responsibility Centers, the indirect charge to that activity will also appear as revenue to the Responsibility Center housing that activity.

Starting in FY18, patent revenue (after inventor fees are paid for) will be directed back to the Colleges/Schools.

**Methodology**
OI generated within a Responsibility Center will be allocated to that RC (e.g., course fees, or revenue from income/expense activities within the RC). OI generated by Cost Centers is allocated via Algorithm 7a.

**Additional Revenue Items**

**State Appropriations and Other Support**
State appropriations and other support will be distributed in the following manner:

- The first $516,441 will be directed to the Office of the Vice President for Research (OVPR).
- The remaining State Appropriation and other support will be distributed in the following manner:
  - 8.8% to CALS
  - 23.3% to COM
  - 14.0% to Extension
  - 53.9% to Algorithm 1

This allocation may be revised and shall not supersede any legislative or presidential mandates.

**Distance Education Tuition**
Distance education will be considered a mode of delivery, not a separate category of revenue. Therefore, distance revenue will be allocated via the appropriate algorithm (1, 2, or 3) depending on student type. Any non-standard tuition for distance programs must receive prior approval from the Provost via the Variable Tuition process. Awarding scholarships universally, to all distance program enrollees, is not allowed. If a program wishes to make universal tuition adjustments to a program, it must formally request the Provost’s permission for variable tuition. More information can be found on the Variable Tuition website.

**Global Gateway Tuition**
Tuition and SCHs associated with students within the Global Gateway Program (GGP) will not flow via any of the algorithms. These students are coded as “GG” students in Banner. The Global Gateway Program will maintain separate MOUs with those colleges/schools providing instruction to GGP students. Once GGP students fully matriculate into UVM and they are considered undergraduates, tuition revenue will flow via Algorithm 1.
Expense Algorithms

Algorithm 3c – Continuing and Distance Education
The CDE expense budget is comprised of base funds that are allocated to the RCs via Algorithm 3c using the Adjusted SCH FTE driver and through revenue received in Algorithm 3a, 3b and other revenue generated by CDE. Revenue generated by CDE is intended to cover CDE’s expenses beyond the General Fund allocation.

Methodology
The methodology for this driver is outlined in Algorithm 7c (see below).

Timing
The timing for this driver is outlined in Algorithm 7c (see below).

Algorithm 4b - Research Enterprise
This algorithm allocates expenses related to the Research Enterprise that are not funded via Algorithm 4a.

Methodology
The basis for this allocation will be an RC’s percentage of the 3-year trailing average of sponsored awards (direct and indirect costs). For example, if an RC generated 22% of the sponsored awards generated by all RCs over the previous three years, it will be allocated 22% of the remaining expense budget of the Research Enterprise not already funded via Algorithm 4a.

Sponsored awards are assigned to the RC of the grant and not the RC of the PI. Because of this, the F&A revenue may be allocated between two RCs, but the expense allocation is allocated to only one of the RC’s. In these instances, SPA has enabled the Colleges/Schools to split the F&A differently in the routing form so as to account for this. In this fashion, a College that is picking up more of the allocated costs of Algorithm 4b can work with the other unit to receive more of the F&A revenue via Algorithm 4 than what would have automatically been determined.

Timing
To ensure timely budgeting of Algorithm 4b, the calculation of the three-year trailing average of sponsored awards is based on sponsored awards from two to four years prior. For example, for FY16, the Sponsored Award totals will be from FY12-FY14.

Algorithm 6 - Facilities

Methodology
The departments included in the Algorithm 6 expense allocation are listed in Appendix A. These costs will be allocated to a Responsibility Center based on its percentage of the total campus assignable square feet (ASF). For example, if a college’s occupied space accounts for 10% of the total campus ASF, it will be attributed 10% of the expense.

A portion of the total campus ASF is assigned to Cost Centers. For example, if 49% of the total campus ASF is attributable to administrative units, they will be attributed 49% of the facilities expense budget. This expense budget will then be allocated to Responsibility Centers based upon their pro-rated share of the Algorithm 7 expenses. That is, if an RC’s allocation of Algorithm 7 expenses is 22% of the total, it will be allocated 22% of the cost for administrative units’ space.
**Space Deflator:** The cost associated with minor structures will be deflated by 80%. This includes any space classified within the Facilities Administrative Management Information System (FAMIS) with Facility Type identified as a barn, cabin, garage, greenhouse, infrastructure, parking garage, shed, trailer or warehouse. In addition, a few off-campus spaces that do not receive the full complement of facility services will receive the deflated rate. As of FY16, these off-campus spaces include all buildings at the Morgan Horse Farm, Proctor Maple Research Center, Miller Research and Educational Farm, Horticulture Research Center, Jericho Research Center, and Fort Ethan Allen.

Note that the “Deflator” or “Standard” Rate designator is assigned for an entire building. This rate designator is not assigned at the room level. A building on main campus, for example, may be primarily a laboratory and office facility with all the usual services that contains a greenhouse room that is part of the same building. In such case, the building is categorized with the standard rate designator based on the predominant use and services within the building. A greenhouse identified as a separate building, with limited or no utility services would be categorized at the deflator rate.

**General Purpose Classrooms:** General purpose classroom space will be assigned to the Registrar’s Office, not a particular RC. Non general-purpose classrooms and teaching labs will be included in each RC’s ASF.

**Excluded Space:** For IBB purposes, ASF associated with Dining Services, certain Income/Expense units, Hybrid Cost Centers, and space leased to third parties is excluded from the calculation of total campus square footage as those are paid to the General Fund via their Contributions to the General Fund. Also excluded is ASF associated with space leased from a third party as well as any space classified as unusable, custodial, circulation, mechanical, structural, elevator, lavatory, or vending machine space.

**Annual Space & Equipment Inventory:** ASF will be based upon UVM’s Annual Space & Equipment Inventory. The unit responsible for the space for IBB purposes will be captured in the IBB_Subcategory field.

- The Space Inventory will continue to capture actual departmental use/occupancy for each fiscal year and the dataset used for IBB purposes will reflect the use/occupancy as of June 30 each year. If, for example, a department relocates from one building to another during the fiscal year, although both locations are captured for the Space Inventory, the space occupied as of June 30 of that year will be used for the IBB facilities cost allocation.
- Shared spaces used by more than one department currently are allocated to the relevant departments in FAMIS based on the percentage of use and each department’s ASF will be prorated accordingly in IBB. The percentage of use will continue to be reviewed and updated by departments annually as part of the Space Inventory. Scheduled spaces that one department alone controls will be assigned 100% to that controlling department. If two or more departments share the scheduling control, a percentage may be applied in FAMIS to each department accordingly.

**Assignment and Release of Space:** Procedures for requests for assignment or release of space are identified in the Space Management University Operating Procedure [in approval process; link to be added]. Requests should be submitted using the [Space Request Form](#) to Campus Planning Services for coordination, review, and development of recommendations. RC requests to relinquish space that do not identify an RC willing to assume the space will not ordinarily be approved.
Approved changes in space allocations will be reflected in the inventory in the fiscal year in which the move physically occurs. This is true even in cases when a physical move occurs after the fiscal year of the approval for budgetary or other reasons. Exceptions will be considered by the Provost on a case-by-case basis.

Starting in FY18, if a Responsibility Center’s request to abandon space or relinquish space to a Cost Center or Hybrid Cost Center is approved, the Responsibility Center will continue to pay 75% of the value of the space on an annual basis. This will remain constant at 75% of the value of the space on the trade date. For example, if the targeted space is 1,000 ASF and valued at $34/ASF, the relinquishing Responsibility Center is required to pay $25.5k per year going forward (75% of $34,000). The Responsibility Center will make this payment into a Space Stabilization Fund on an annual basis, the proceeds of which are redistributed out to all the Responsibility Centers in the same proportion as their Algorithm 6 allocations. This redistribution ensures that the impact of the trade minimizes the financial impact on other units while still providing units with an incentive to utilize space efficiently. The incentive (savings) to the relinquishing unit include 25% of the value of the space, as well as the value of the future annual increases on 100% of the space.

Change in Designation of Space Type: A Space Request Form must also be submitted for requested changes in the “type” designation of a space. For example, an RC may desire to stay in a space but to change the “type” designation of the building from Standard/Office to Garage/Greenhouse. Such changes have budgetary impacts across the University and will therefore be evaluated on a case by case basis and will require the Provost’s approval after such evaluation. Such changes in designation, if they are approved, will be done in a budget neutral fashion.

Unusable Space: RC proposals to remove unusable space from their inventories will be considered on a case-by-case basis (submitted to the Provost’s Office via Campus Planning Services). The classification as “unusable” will be verified by Campus Planning Services and Risk Management & Safety and if necessary, an outside professional consultant whose services may require funding from the requesting RC. If the space is declared unusable and removed from the RC’s space inventory, the space must henceforth remain completely vacant (not used for any purpose, including storage). The space will be removed from the RC’s inventory only when approved by the Provost and when the RC has vacated the space entirely. To maintain consistency with other space changes, its removal from the RC’s inventory will not be expedited. While it is on the RC’s inventory, the RC will remain responsible for paying the space charges associated with the space. If the unusable space is later made usable via central investment, the space is then available to the Provost to allocate at her/his discretion (the space is not automatically reassigned to the prior RC).

Minor Renovation: Minor renovations that may temporarily impact the ability of an RC to occupy space will not impact IBB space allocations (e.g. an RC will remain responsible for space during minor renovations).

New Construction/Major Renovation: Situations where new construction or major renovations require RC’s to occupy temporary space, will be reviewed on a case by case basis by Campus Planning Services, FAB, and the Provost’s Office.

Demolition: The IBB facilities cost allocations for buildings or facilities that are demolished will be reviewed on a case-by-case basis by Campus Planning Services, FAB, and the Provost’s Office, taking into consideration the timing of the demolition and the date of last use/occupancy.
Energy Efficiency Improvements: With the prior approval of the Provost, if an RC invests in space improvements that will significantly increase efficiency, measurable savings may be shared with the RC.

Rental/Lease of University-Owned Spaces: Responsibility Centers and other units (with the exception of Res Life in specific instances) may not “rent” or lend spaces on a long-term or short-term basis to either internal or external constituents. Campus Planning Services, not individual units, will coordinate, with approval from the Provost’s Office, all leasing of UVM space to third parties, with the exception of short-term event space. Conference and Event Services is responsible for all short-term rental of event space to third parties, regardless of the unit that controls the scheduling of that event space.

If a space that appears on a unit’s inventory is currently being used/occupied by an external constituent, the unit should update its inventory to reflect the current use and contact Campus Planning Services for appropriate follow-up.

University-owned space leased or used by an external constituent will be allocated at the Provost’s discretion at the conclusion of its use by the external party.

Space Leased by the University from a Third Party: Responsibility Centers occupying leased space will pay all expenses associated with the lease directly to the property owner. This space will not be included in the RC’s ASF for IBB purposes. Campus Planning Services will provide monitoring/oversight to ensure that the lease obligations are met.

Issues/Disputes: All space management matters should be directed to Campus Planning Services, who will advise the Provost accordingly.

Maintenance, Utilities, and Plant Improvements
Physical Plant Department (PPD) will provide a standard complement of repair and maintenance services that are included in the ASF. These standard services have not changed as a result of IBB implementation.

Operations & Maintenance (O&M): Preventive and corrective maintenance activities are performed to preserve the mechanical, electrical, plumbing, and utility systems of University buildings. Activities emphasize life safety, regulatory code compliance, energy and resource efficiency, and comfort for building occupants. Operations include routine activities that support the general upkeep of facilities such as grounds maintenance, snow removal, trash and recycling collection, and administrative overhead functions to support these maintenance activities (e.g., training and compliance, materials management, and work control.)

Utilities include the cost of purchased electricity, water and sewer, natural gas (for central steam and chilled water system), heating oil, and propane.

Plant Improvements (Deferred Maintenance): Physical Plant receives limited funding annually for deferred maintenance and facilities renewal. Project priorities are established by the Associate Vice President of Administrative Facilities Services based on criteria such as building envelope, life safety, and code compliance. If a unit (RC) elects to upgrade or improve its facilities beyond scheduled Plant Improvements, then the unit would pay for those improvements.
**Custodial Services**: Custodial Services will continue to offer both routine and billable services to RCs and CCs. The conversion to IBB will not change the levels or types of service provided, although, as it has in the past, Custodial Services may, through normal approval channels, adjust service levels in future years in response to departmental needs and/or resource availability. Similarly, any existing MOUs that delineate specific service levels between Custodial Services and specific units will remain in effect.

Routine services focus on the general facilities upkeep and maintenance requirements for hygiene, cleanliness, and physical appearance due to daily use and ongoing facilities operations and are listed here on the Custodial Services website. Billable services are any additional/supplemental service that falls outside of routine service (including Event Services performed at the direction of Conference and Event Services) and are billable to the requesting department.

**Timing**

ASF for the current budget year will be based on the Space Inventory from two years’ prior (e.g., FY16 IBB facilities cost allocation will be based on the FY14 Space Inventory) and the space use as of June 30 of each year.

**Algorithm 7a – Management Services Cost Pool**

**Methodology**

The expenses allocated via Algorithm 7a are those budgets listed in Appendix A. Algorithm 7a is different than other Algorithms (7b-7f) in that it also includes “Other Revenue” generated by the Cost Centers. This revenue offsets the total of expenses allocated to the RCs. The major components of CC “Other Revenue” include Athletics Fee Revenue, Acceptance Fee Revenue, and Contribution to the General Fund from Cost Center Income/Expense activities.

Algorithm 7a will be allocated to RCs based on their pro-rated share of Unrestricted Expenses. Unrestricted Expenses include all General Fund expenses (excluding Institutional financial aid), and all Income/Expense expenses (excluding the I/E activities’ contributions to the General Fund).

**Timing**

The allocation of algorithm 7a expenses will be based on the prior two-year trailing average of Unrestricted Expenses as defined above. For example, FY16 budgets will be allocated based on the average of FY13 and FY14.

**Algorithm 7b – Organizational Services Cost Pool**

**Methodology**

The expenses associated with Algorithm 7b will be allocated to Responsibility Centers based on their pro-rated share of Faculty/Staff Headcount. Only those “regular paid employees” in PeopleSoft HCM will be included in the headcount calculation. All paid Post-docs, hourly (non-exempt) employees, and part-time employees (even if they carry 0 FTE within PeopleSoft HCM) will be included. Temporary employees, work-study employees, and student employees (including graduate students, GRAs, and GTAs) will be excluded. Clinical Practice Physician are also excluded from this calculation.

Both full-time and part-time employees carry the same weight. They each count as “1 head” in the headcount total.
The faculty/staff member will be allocated to the RC of the individual’s primary assignment in PeopleSoft HCM.

**Timing**

Distributions will be based on the prior year’s Fall/Spring average of Faculty/Staff based upon the OIR censuses for Fall and Spring. For example, the basis of the FY16 allocation will be the FY15 Fall and FY15 Spring Faculty/Staff censuses.

**Algorithm 7c – Student/Academic Services Cost Pool**

**Methodology**

The expenses allocated via Algorithm 7c are those budgets listed in Appendix A.

The expenses associated with Algorithm 7c will be allocated to Responsibility Centers based on their pro-rated share of Adjusted SCH-based FTE. The Adjusted SCH-based FTE is a composite metric:

- 85% of the metric is composed of an RC’s pro-rated share of UG, Grad, and ND SCHs taught\(^6\),
- 15% of the metric is composed of an RC’s pro-rated share of majors (UG and Grad)\(^7\),

Graduate SCHs will be deflated by 80% (i.e. 100 SCH’s would be deflated down to 20 SCHs)

Note that 1FTE is equal to 24 Graduate SCHs or 30 Undergraduate or Non-Degree SCHs.

Global Gateway and Pre-Masters Program students will be excluded from this calculation.

**Timing**

Distributions for the SCH portion of the metric will be based on the Fall, Spring, and Summer OIR Student Censuses. Data from the prior year will be used. For example, the FY16 allocation will be based on the FY15 Fall, the FY15 Spring, and the Summer Session 2014 Censuses (FY14 Footer and the FY15 Header Student Censuses).

Distributions will be based on the prior year’s Fall/Spring average of Headcount major based upon the OIR censuses for Fall and Spring. For example, the basis of the FY16 allocation will be the FY15 Fall and FY15 Spring Headcount major censuses.

**Algorithm 7d – Community/Inclusion Services Cost Pool**

**Methodology**

The expenses allocated via Algorithm 7d are those expense budgets listed in Appendix A.

Algorithm 7d will be allocated to RCs based on their share of total headcount for faculty, staff, and students.

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\(^6\) The methodology for determining which College is attributed the credit for teaching the SCH will follow the SCH Allocation Methodology outlined in Algorithm 1.

\(^7\) The methodology for determining which College is attributed the credit for the headcount major will follow the Major Allocation Methodology outlined in Algorithm 1.
The faculty and staff headcount definitions are outlined in Algorithm 7b.

Student headcount is defined in the “Major” methodology outlined in Algorithm 1. Only undergraduates, graduate students, and medical students will count toward the headcount total. Graduate students in Interdisciplinary Graduate Programs will be excluded from the calculation of student headcount.

**Timing**

Distributions will be based on the prior year’s Fall/Spring average of Faculty/Staff and Student Headcount based upon the OIR censuses for Fall and Spring. For example, the basis of the FY16 allocation will be the FY15 Fall and FY15 Spring Faculty/Staff and Student Headcount censuses.

**Algorithm 7e – Libraries and Information Technology Services Cost Pool**

**Methodology and Timing**

The expenses allocated via Algorithm 7e are those expense budgets listed in Appendix A.

Algorithm 7e will be allocated to RCs based on a composite metric comprised of:

- 30% Total FTE
- 30% Total Headcount
- 20% Student FTE
- 20% Faculty/Staff FTE

**Total FTE** equals Student FTE plus Faculty/Staff FTE.

- Student FTE: Student FTE is equal to the SCH portion of the Adjusted SCH-based FTE listed in Algorithm 7c.
- Faculty/Staff FTE. All full-time employees\(^8\) used in the headcount calculation for Algorithm 7b will be attributed a Faculty/Staff FTE of 1. All other “regular paid employees” regardless of their FTE within PeopleSoft HCM will be attributed a Faculty/Staff FTE of 0.33. This means even PT employees with an FTE of zero, but who are compensated, within PeopleSoft HCM will be attributed a Faculty/Staff FTE of 0.33.
- The timing of Student FTE and Faculty/Staff FTE will follow the timing of Algorithm 7c and 7b respectively.

**Total Headcount** equals Student Headcount plus Faculty/Staff Headcount.

- Student Headcount will follow the same methodology and timing as the Headcount Major portion of Algorithm 7c.
- Faculty/Staff Headcount will follow the same methodology and timing as Algorithm 7b.

**Student FTE**

- Student FTE will follow the same methodology and timing as the SCH-based portion of Algorithm 7c.

**Faculty/Staff Headcount**

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\(^8\) A full-time employee is defined as one who is listed as having an FTE greater than 0.75 FTE and a term greater than 9 months within PeopleSoft HCM.
• Faculty/Staff Headcount will follow the same methodology and timing as Algorithm 7b.

Algorithm 7f – Foundation Services Cost Pool

Methodology and Timing
The expenses allocated via Algorithm 7f are comprised of those expense budgets listed in Appendix A.

The allocation methodology and timing of data is the same as Algorithm 7a.

Subvention
A portion of each RC’s budget is funded via subvention. Subvention is a common feature of nearly all IBB models as there are core academic offerings at any research university that simply might not generate enough revenue to meet expenses. Some RCs may always require subvention.

The source of subvention funding is Algorithm 1: Undergraduate Net Tuition.

In the first year of IBB at UVM (FY16), subvention will be allocated such that each responsibility center’s net revenues and net expenses are equal – allowing for a budget neutral implementation of IBB Model 1.0.

Responsibility Centers will develop budget strategies that accommodate a decrease in subvention of 1%-4% per year from FY17 through FY20, after which this strategy will be revisited and revised as needed.
# Appendix A – Cost Center Detail

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## 3c CDE

### 4b Research

- EPSCoR                              | 30010|
- Transportation Research Center       | 30014|
- VP Research Admin Office             | 30600|
- Research Protections Office          | 30611|
- Sponsored Project Admin              | 30612|
- Technology Commercialization         | 30630|
- Animal Care Management               | 30640|
- VT Advanced Computing Ctr            | 30660|

Less revenue generated via Algorithm 4a and State Appropriations

## 4b Research

## 6 Facilities

- Debt Service                          | 00004|
- Capital Planning & Mgmt               | 11100|
- Facilities Design & Constrctn         | 11102|
- Campus Planning Services              | 11104|
- Admin & Facil Services                | 11500|
- Custodial Services                    | 11508|
- Physical Plant Dept                   | 11700|
- PPDC-Director                         | 11701|
- PPDC-Automotive                       | 11702|
- PPDC-Grounds                          | 11704|
- PPDC-Life Safety Systems              | 11706|
- PPDC-Materials Management             | 11707|
- PPDC-Recycling & Solid Waste          | 11709|
- PPDC-Service Ops Support              | 11710|
- PPDC-Training & Compliance            | 11711|
- PPDZ-Campus Projects Zone             | 11751|
- PPDZ-Davis Zone                       | 11752|
- PPDZ-Medical Complex Zone             | 11753|
- PPDZ-South Campus Zone                | 11754|
- PPDZ-Trinity Zone                     | 11755|
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### 6 Facilities

#### 7a Managed Services

##### 7a Man Services

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<td>VP Legal Affrs &amp; Gen Counsel</td>
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<td>Controller's Office</td>
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<td>Ofc of Institutional Research</td>
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##### 7a LSSA

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##### 7a LSSA

#### 7a Cost Center Revenue

##### 7a Cost Center Revenue

#### 7a TOTAL
7b Org Sup

VP HR, Diversity & Multicl Affairs 10030
Staff Council 11002
Payroll Svcs 11280
HR Svcs & Affirmative Action 11330
Benefit & Employee Operations 11340
Engagement & Prof Develp 11350
Professional Develp & Training 11360
Risk Management and Safety 11530
Environmental Safety 11531
Faculty Senate 30050

7b Org Sup

7c Stud/Acad

Student Financial Svcs 11250
Writing in the Disciplines 30016
CUPS 30017
Admissions 30200
VP of Enrollment Mgmt 30210
Registrar 30220
Living & Learning Center 30230
Residential Learning Cmty 30231
International Educational Svcs 30240
Dean of Students Ofc 30400
Academic Success Prg 30420
Career Center 30430
Ctr for Stdnt Ethics & Stnrds 30440
Student Life 30454
Athletics 30500
Military Studies 31200
Honors College 58100
Graduate College 58200

7c Stud/Acad

7d Comm.

Women's Center 10050
LGBTQA Center 10080
ALANA Student Center 10090
Cultural Pluralism 30100

7d Comm.
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Appendix B - IBB Glossary of Terms

Algorithm: The formula by which either revenue or expense is allocated to a Responsibility Center. UVM’s IBB model includes seven algorithms, five for revenue, and two for expense (several of the algorithms have multiple components):

Cost Center (CC): A Cost Center, such as Payroll or Admissions, is a unit that does not generate revenue, but supports the Responsibility Centers by providing centralized services or resources.

Driver: The metrics, such as Faculty/Staff Headcount or SCH, that form the basis for the distribution of revenue or expenses associated with a given algorithm. For example, the Driver for Algorithm 7b is Faculty/Staff Headcount. This means that the RCs will be allocated the expenses associated with Algorithm 7b based upon their pro-rated share of Faculty/Staff Headcount.

Footer: The May/June portion of the Summer Session. It is referred to as the “Footer” because it is the end of the fiscal year which ends June 30.

Graduate Net Tuition: Gross graduate tuition less institutional financial aid (the netting occurs after the revenue is allocated to the RCs).

Header: The July/August portion of the Summer Session. It is referred to as the “Header” because it is the beginning of the fiscal year which starts July 1.

Home Unit of the Instructor of Record: The home college or school of the instructor’s primary salaried faculty appointment as captured in PeopleSoft HCM.

Hybrid Cost Center (HC): Units whose budgets are funded by revenue algorithms and expense algorithms. The Office of the Vice President for Research and Continuing and Distance Education are hybrid cost centers under UVM’s IBB model.

Incentive-based Budgeting (IBB): A budget model that “allocates revenues — such as tuition or indirect cost returns — directly to the units or activities that generate the revenue. This creates incentives for units to generate additional funds from existing revenue sources and to identify new revenue sources, all to ensure the most efficient and effective use of the resources.” Expenses associated with units, those units that cannot generate revenue but are critical to the operation of the University, are then allocated out to the units that do generate revenue.

Indirect Cost Recovery: Revenue generated by sponsored activities, commonly referred to as “F&A”.

Instructor of Record: The individual(s) recorded in Banner as the instructor(s) of a course.

Other Income (OI): Revenue not directly related to tuition and research. Examples of OI include lab fees, vending fees, student application fees and the revenue generated by income expense activities both large and small such as the Luse Center in the College of Nursing and Health Sciences and Residential Life.

9 Source: Hexter, Ralph J., Provost & Executive Vice Chancellor, UC Davis, letter to Deans and Vice Chancellors dated July 29, 2011.
Responsibility Center (RC): Responsibility Centers, such as colleges and schools, are primarily defined by their revenue-generating capability and their use of and dependence on centralized services.

1. College of Agriculture and Life Sciences
2. College of Arts and Sciences
3. College of Education and Social Services
4. College of Engineering and Mathematical Sciences
5. College of Medicine
6. College of Nursing and Health Sciences
7. Grossman School of Business
8. Rubenstein School of Environment & Natural Resources
9. UVM Extension

Responsibility-Centered Management (RCM): Another term for incentive-based budgeting that is used by some institutions of higher education.

Student Credit Hour (SCH): Per the Common Data Set, a unit of measure representing an hour (50 minutes) of instruction over a 15-week period in a semester.

Subvention: A budgetary tool available to the Provost that allows for the rebalancing of revenues to guide the direction of the University, and to ensure a broad portfolio of academic programs, some of which will require strategic, differential investment and support.

Undergraduate Net Tuition: Gross undergraduate tuition less institutional financial aid (the netting occurs before the revenue is allocated to the RCs).
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Appendix D – Summer Session Operations

Under IBB, CDE will continue to administer the Summer Session in collaboration with the deans of the schools/colleges.

Course Planning: CDE will provide operational support by assisting the RCs in determining summer course offerings. CDE will work with the RCs to determine the format and type of detail needed for the financial management of these courses.

Instructional Appointments: CDE will administer the process for all instructional appointments, including teaching assistants (TAs) are requested (including proposed pay rate), hired, and paid.

Enrollment Reports: CDE will send weekly summer enrollment reports to Deans’ Offices and provide RCs with a section-by-section summary on a monthly basis throughout the summer.
**Header Revenue Recognition:** Header revenue, for those sections associated with July and August of a given summer, will be recognized by the Q1 IBB financial report. FAB will use the revenue recognized for the Header by UFS and the census from OIR for the Header to determine the allocation. For example, the revenue from the July and August portion of Summer 2015 would be recognized in the FY16 Q1 report.

**Footer Revenue Recognition:** Footer revenue, for those sections associated with May and June of a given summer, will be recognized by the Q4 IBB financial report. FAB will use the revenue recognized for the Footer by UFS and the census from OIR for the Footer to determine the allocation. For example, the revenue from the May and June portion of Summer 2015 would be recognized in the FY15 Q4 report.

**Process for Header and Footer Revenue Recognition:**

1. OIR will create a census for the Footer sections by June 30 and provide the data to FAB and CDE by the first week in July.

2. CDE will provide the breakdown of aggregate footer revenue (previous fiscal year) versus aggregate header revenue (new fiscal year) to the Controller’s Office by the second week in July. The Controller’s Office will make the entries necessary to put the revenue into the appropriate years.

3. FAB will combine the SCH data from Step #1 and the revenue data from Step #2 to determine each College/School’s share of Summer revenue for the previous fiscal year (fiscal year ending June 30) by the second or third week in July.

**Process for Recognizing Instructional Expenses:** CDE will charge summer instructional expenses directly to RCs using chartstrings provided by each RC. Expenses will be allocated based on when they are actually incurred/recognized (as opposed to the Header/Footer methodology used for revenue). CDE will know which college or school to charge based on OIR’s student census data which contains the Instructor of Record. The major of the student will not be considered in the instructional expense allocation.

- Expenses for cross-listed courses taught by a single instructor will be charged to the home college of the instructor of record.
- TA expenses will be treated the same as instructional expenses and allocated to the RCs

**Process:**

1. By the end of March each year, CDE will provide each RC an outline of the work process for Summer from course ask through approval, execution through final reconciliation and report.

2. Each spring, CDE will ask each RC for the individual chartstrings associated with Summer session.

3. CDE will provide each RC with a Summer Project ID, which will be used for the entire Summer session (both old and new fiscal year).
4. There are five chartstrings involved each summer that each RC will need to zero-budget at the OPS Child and Project levels. On behalf of the RCs, CDE will run an automated process to upload all CDE chartstrings from an Excel spreadsheet. The chartstrings are:

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<th>Category</th>
<th>Chartstring Details</th>
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<tr>
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</tbody>
</table>

5. As expenses come in (payroll and non-payroll related), CDE will charge them directly to these chartstrings, and the units will see their expenses as they are incurred.

6. CDE will reconcile all expense activity that hits the Summer Project ID, including faculty payroll. CDE will provide a final comprehensive report of all summer financials to each College/School by the end of September.

Course Fees: The generic “summer lab fee” detail code will be replaced with course-specific detail codes with the funding going to CDE to cover the associated direct expenses. Summer course fee revenue will continue to be divided into the naming convention of “Current” and “Next” fiscal years.

Travel: CDE will continue to receive travel course fees and pay associated direct expenses and will continue to manage any risk of overage/underage. The RC will pick up the difference if the minimum enrollment pre-agreed upon by CDE and the RC is not met.

Summer Academy Program Fee: CDE will continue to receive this fee and pay associated direct expenses associated with housing, field trips, etc...

Faculty-led Programs Abroad/Domestic (FLPA/Ds): CDE will continue to receive the student fees intended for travel expenses and will assume the associated direct expenses.
Appendix E – Global Gateway and Pre-Masters Program

I. For all ESOL sections; for EDSS “US Academic Culture”; for MATH 019 and 021; and any GGP-only D1 or D2 sections during the academic year:

- The faculty members providing the instruction will have home departments in the appropriate academic unit and will be paid by the academic unit (Responsibility Center).

- GGP and PMP will proportionately reimburse the corresponding Dean’s Office for the actual cost of instruction (salary and benefits) plus any related IBB cost pool assessment for the instructor.

- GGP and PMP students will be coded as “GGP” and “GMxx”, respectively. Accordingly, all of the revenue generated by GGP/PMP enrollments will be allocated to the GGP/PMP, and these students will not be factored into the academic units’ cost pool assessment related to students.

- For any course listed above not scheduled and staffed from within GGP, the academic department will be in communication with the GGP director as section(s) are mounted and staffed in order to enable efficient and effective curricular scheduling.

The benefits of this approach:

- The GGP Director will have a more direct role in creating instructional experiences that will support the success of the GGP and PMP students (smaller sections, selection of instructors prepared to teach international students, etc.).

- It is consistent with the pro forma that guided the development of the GGP and PMP.

- The academic unit has access to any extra capacity in sections that are not restricted to GGP students only.

- The academic unit bears no expense burden for hosting the GGP/PMP sections.

- The GGP students are included in the calculation of the academic unit’s ratio (reflects additional productivity at no additional expense).

- Allows curricular scheduling to follow standard Registrar’s Office planning timeline.

II. For enrollment of GGP/PMP students in all other courses, including summer header/footer classes:

- The faculty members providing the instruction will have home departments in the appropriate academic unit and will be paid by the academic unit (Responsibility Center).
• The GGP/PMP will pay $400 per SCH to the academic unit providing the instruction for their respective students.

• The GGP Director will track these enrollments for GGP students (and the PMP Director for PMP students) and have the ABSC disburse payments from their respective source codes to the academic units at the end of each semester.

• The GGP and PMP students will be coded as “GGP” and “GMxx”, respectively. Accordingly, all of the revenue generated by GGP/PMP enrollments will be allocated to the GGP/PMP, and these students will not be factored into the academic units’ cost pool assessment related to students.

• Where enrollment warrants, instead of providing $400 per SCH, GGP and/or PMP could instead fund mounting an additional section of the course, which would provide the academic unit with access to any extra capacity this creates.

*The benefits of this approach:*

  o The GGP and PMP can take advantage of capacity in existing degree sections to help meet its less concentrated enrollment needs.

  o The academic unit receives financial support for providing the instruction.

These funding arrangements may be reconsidered as the Global Gateway Program, and the Pre-Masters program both of which are new/evolving university initiatives are more fully understood.
Appendix F – History of Revisions

June 2016
Added language to Unusable Space section within Algorithm 6:

*The space will be removed from the inventory on the same timeframe as any other space that is removed/changed on the inventory. To maintain consistency with other space changes, its removal will not be expedited. While it is on the inventory, the RC will still be responsible for paying the space charges associated with the space.*

June 2016
Added the section to Algorithm 6:

*Change in Designation of Space:* A Space Request Form must also be submitted for requested changes in the “type” designation of a space. For example, an RC may desire to stay in a space but to change the “type” designation of the building from Standard/Office to Garage/Greenhouse. Such changes have budgetary impacts across the University and will therefore be evaluated on a case by case basis and will require the Provost’s approval after such evaluation. Such changes in designation, if they are approved, will be done in a budget neutral fashion.

June 2016
Updated Appendix C

July 2016
Changed the timing of Algorithm 7 drivers from just the Fall census for Faculty and Staff Headcount/FTE and Student FTE to Fall and Spring average.

August 2016
Added the underlined language to Algorithm 6.

*Responsibility Centers and other units (with the exception of Res Life in specific instances) may not “rent” or lend spaces on a long-term or short-term basis to either internal or external constituents.*

August 2016
Replaced the “New Construction/Major Renovation” paragraph listed below.

*When new construction or major renovations require RCs to occupy temporary space, it is anticipated that departments will occupy and be responsible for the allocations for their temporary space. Once construction or renovations activities are completed, departments will be assigned to the newly constructed or renovated space once they move into the space.*

With the following

*Situations where new construction or major renovations require RC’s to occupy temporary space, will be reviewed on a case by case basis by Campus Planning Services, FAB, and the Provost’s Office.*

August 2016
Added the following language to Algorithm 6:

*The unit responsible for the space for IBB purposes will be captured in the IBB_Subcategory field.*

August 2016
Added section on Global Gateway and Pre-Masters Program.

Added the following language to Algorithm 7c section

Global Gateway and Pre-Masters Program students will be excluded from this calculation.

October 2016
Added the following language to the Graduate Section

Note also that a Graduate Student is one whose primary enrollment is in a Graduate Program or a Graduate Certificate Program.

October 2016
Added the following language to Algorithm 7b in the section about Headcount.

Clinical Practice Physician are also excluded from this calculation.

May 2017
Deleted the following language and added the text in blue

In FY16, the sponsored awards are assigned to the RC of the grant and not the RC of the PI. This methodology of expense allocation in Algorithm 4b is not currently aligned with the methodology of revenue allocation in 4a. Sponsored Project Administration (SPA) is in the process of aligning this component of Algorithm 4b with 4a. This alignment will be in place for sponsored awards from FY16 on. Sponsored Awards from FY15 or prior will not be changed.

Until this alignment is complete, Because of this, the F&A revenue may be allocated between two RCs, but the expense allocation is allocated to only one of the RC’s. In these instances, SPA has enabled the Colleges/Schools to split the F&A differently in the routing form so as to account for this. In this fashion, a College that is picking up more of the allocated costs of Algorithm 4b can work with the other unit to receive more of the F&A revenue via Algorithm 4 than what would have automatically been determined.

May 2017
Added the following language to the Algorithm 1 text on SCH’s:

In addition, SCH’s associated with courses beginning with a prefix of SINT will also be excluded from any calculation.
June 2017
Replaced the old graphic (shown below) with one that incorporates subvention.

![Diagram](image)

July 2017
Updated Appendix C

July 2017
Added the following language to Algorithm 7d:
Graduate students in Interdisciplinary Graduate Programs will be excluded from the calculation of student headcount.

August 2017
Added the following language to Algorithm 6:
Starting in FY18, if a Responsibility Center’s request to abandon space or relinquish space to a Cost Center or Hybrid Cost Center is approved, the Responsibility Center will continue to pay 75% of the value of the space on an annual basis. This will remain constant at 75% of the value of the space on the trade date. For example, if the targeted space is 1,000 ASF and valued at $34/ASF, the relinquishing Responsibility Center is required to pay $25,500 per year going forward (75% of $34,000). The Responsibility Center will make this payment into a Space Stabilization Fund on an annual basis, the proceeds of which are redistributed out to all the Responsibility Centers in the same proportion as their Algorithm 6 allocations. This redistribution ensures that the impact of the trade minimizes the financial impact on other units while still providing units with an incentive to utilize space efficiently. The incentive (savings) to the relinquishing unit include 25% of the value of the space, as well as the value of the future annual increases on 100% of the space.

January 2018
Added the following language to Algorithm 5.
*Starting in FY18, patent revenue (after inventor fees are paid for) will be directed back to the Colleges/Schools.*
May 2018
Replaced the following language for Algorithm 3c
The CDE expense budget not covered by the revenue it receives in Algorithm 3a and 3b—as well as other forms of revenue generated by CDE—will be allocated to the RCs via Algorithm 3c using the Adjusted Student-Credit-Hour based FTE driver.

New language:
The CDE expense budget is comprised of base funds that are allocated to the RCs via Algorithm 3c using the Adjusted SCH FTE driver and through revenue received in Algorithm 3a, 3b and other revenue generated by CDE. Revenue generated by CDE is intended to cover CDE’s expenses beyond the General Fund allocation.

September 2018
Added “All paid” to the sentence below within Algorithm 7b:

All paid Post-docs, hourly (non-exempt) employees, and part-time employees (even if they carry 0 FTE within PeopleSoft HCM) will be included.