

## Departmental Base Budget Overview

Department **Legislative Audit Costs**

Executive **Institutional Cost Centers**

Index **401004**

Program **06**

**Base Budgets:**

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
51,292	0	30,032	30,032	62,412	62,412	43,361	43,361	56,407	43,361	50,954	-0.66%

This is a fixed cost of the institution that is set by the State Legislative Audit Office, and mandated by the Legislature. This represents approximately 50% of the audit fees we will be invoiced, by the State, for auditing our accounts and operations. The remaining costs of the State audit are paid with other funds, such as those from our Auxiliary operations.

## Departmental Base Budget Overview

Department **Institutional Memberships**

Executive **Institutional Cost Centers**

Index **4A1006**

Program **06**

**Base Budgets:**

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
39,083	39,083	39,083	39,083	39,083	39,083	39,083	39,083	44,253	48,988	52,044	33.16%

These memberships benefit the institution as a whole. For the most part, the membership dues continue to increase annually.

Institutional Memberships include the following:

Name	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Full Name
NWASC	5,800	5,800	7,250	8,700	9,135	10,449	10,658	10,871	11,306	11,871	Commission on Colleges
ACE	5,894	5,894	6,192	6,192	6,378	6,761	7,129	7,325	7,325	7,545	American Council on Education
CHEA	2,000	2,000	2,000	2,000	300	300	300	400	400	455	Council for Higher Education Accreditation
MCC	7,508	7,508	7,508	7,538	7,538	7,538	7,538	7,538	8,500	8,500 est.	Montana Campus Compact
WICHE	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	Western Interstate Commission for Higher Ed
NASULGC	9,276	9,276	9,554	9,841	10,136	10,440	10,753	11,076	11,408	11,750 est.	Natl Assoc State Univ & Land-grant Colleges
IACC								3,000	3,000	3,000	NASULGC-International Agriculture Coordinating Committee
AACU										4,500 *	American Association Colleges & Universities

\* A base budget adjustment in this amount has been approved.

## Departmental Base Budget Overview

Department **Service Costs**

Executive **Institutional Cost Centers**

Index **4A6110**

Program **06**

**Base Budgets:**

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
145,000	161,000	233,600	265,960	315,163	361,975	361,975	361,975	398,899	398,899	502,393	246.48%

The funds in this budget pay the merchant fees for credit card payments made to the Controller's Office for student tuition and fees. This payment option is becoming more popular each year. When tuition and housing charges rise, merchant fees increase accordingly, as they are charged based on a percent of sales.

Web payment, which will be available in 2006, will likely result in an increase in the service costs due to an increase in the number of credit card payments.

## Departmental Base Budget Overview

Department **Benefit Pools**

Executive **Institutional Cost Centers**

Index **401301 - 401307**

Program **01 - 07**

**Base Budgets:**

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
10,290,828	10,897,748	11,567,254	12,634,385	13,471,503	15,326,454	16,431,596	17,480,368	18,640,848	19,915,706	22,331,691	117.01%

This series of accounts records all statutory benefit costs associated with the salaries of all positions in our General Operating budgets. Also included are retirement costs and sick leave termination payouts.

## Departmental Base Budget Overview

Department **Student Services Overhead Cost Distribution**

Executive **Institutional Cost Centers**

Index **401015**

Program **05**

**Base Budgets:**

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
(100,000)	(243,852)	(100,000)	(100,000)	(100,000)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)	60.00%

Each year the University implements a process to distribute overhead costs to entities that receive centralized services from University General Operating departments. Overhead cost allocations are an accepted cost accounting practice which records where costs should appropriately reside, and which reflects more accurately each entity's true cost of doing business. The State of Montana maintains a similar practice to distribute proportionate shares of its centralized overhead costs to each State agency.

Over 20 different centralized services are provided by General Operating departments of the University for four other MSU and State agencies, as well as five major non-appropriated entities on the campus. The State expects us to distribute the costs of our central services to all non-educational entities, so that neither the State educational appropriation, nor our tuition revenue, is used to pay for central services that are being provided to others.

All overhead costs distributions are calculated on specific services and levels of use, and the resulting fund transfers are used only for the purpose of reducing the overall cost of those service departments within the MSU budget. The Student Services Overhead Costs Distribution Index records the fund transfers for services provided to Residence Life & University Food Services, by the Office of the Vice President for Student Affairs.

In FY99, Student Services budgeted beyond their total allocation. A base reduction of \$143,852 was processed once Student Services departments had their budgets adjusted.

## Departmental Base Budget Overview

Department **Institutional Support Overhead Cost Distribution**

Executive **Institutional Cost Centers**

Index **401016**

Program **06**

### Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
(1,360,239)	(1,929,828)	(1,897,396)	(1,948,565)	(2,039,457)	(2,154,470)	(2,511,712)	(2,561,819)	(2,561,819)	(2,617,270)	(4,768,876)	250.59%

Each year the University implements a process to distribute overhead costs to entities that receive centralized services from University General Operating departments. Overhead cost allocations are an accepted cost accounting practice which records where costs should appropriately reside, and which reflects more accurately each entity's true cost of doing business. The State of Montana maintains a similar practice to distribute proportionate shares of its centralized overhead costs to each State agency.

Over 20 different centralized services are provided by General Operating departments of the University for four other MSU and State agencies, as well as five major non-appropriated entities on the campus. The State expects us to distribute the costs of our central services to all non-educational entities, so that neither the State educational appropriation, nor our tuition revenue, is used to pay for central services that are being provided to others.

All overhead costs distributions are calculated on specific services and levels of use, and the resulting fund transfers are used only for the purpose of reducing the overall cost of those service departments within the MSU budget.

The Administrative Overhead Costs Distribution Index records the fund transfers for centralized services such as the Controller's Office, Personnel & Payroll Services, President's Office, Affirmative Action Office, University Police, and Campus Mail. This is also the Index in which we post all collections from the University's four percent Administrative Fee on expenditure activity in designated indexes.

### \*NOTE

The significant budget increase from FY03 to FY04 is largely due to the increased insurance costs to the University. FY04 insurance costs increased by approximately 250%. Also, VP Research is beginning to contribute dollars toward overhead costs. They contributed an additional \$200,000 to overhead costs in FY04.

## Departmental Base Budget Overview

Department **Physical Plant Overhead Cost Distribution**

Executive **Institutional Cost Centers**

Index **4A7200**

Program **07**

### Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
(1,185,947)	(1,179,910)	(1,255,549)	(1,316,584)	(1,417,975)	(1,581,184)	(2,063,598)	(2,470,333)	(2,874,806)	(2,776,986)	(3,701,237)	212.09%

Each year the University implements a process to distribute overhead costs to entities that receive centralized services from University General Operating departments. Overhead cost allocations are an accepted cost accounting practice which records where costs should appropriately reside, and which reflects more accurately each entity's true cost of doing business. The State of Montana maintains a similar practice to distribute proportionate shares of its centralized overhead costs to each State agency.

Over 20 different centralized services are provided by General Operating departments of the University for four other MSU and State agencies, as well as five major non-appropriated entities on the campus. The State expects us to distribute the costs of our central services to all non-educational entities, so that neither the State educational appropriation, nor our tuition revenue, is used to pay for central services that are being provided to others.

All overhead costs distributions are calculated on specific services and levels of use, and the resulting fund transfers are used only for the purpose of reducing the overall cost of those service departments within the MSU budget.

The Physical Plant Overhead Costs Distribution Index records the fund transfers for centralized services such as Custodial Services, Landscape & Grounds, Trash Collection, and Building Maintenance. This is also the index in which we post all collections made by Facilities Services for the reimbursement of extra services provided to customers, upon request.

### \*NOTE

This budget also includes OFS Reimbursements (MDOT rent, AgBio's share of general operating funded O&M, OFS Non-State Funded Project Fees, and OFS Services that are provided in addition to the level of services assessed through the Overhead Cost Distribution process). The significant budget increase from FY03 to FY06 is largely due to the increased insurance costs to the University. Insurance costs have increased by approximately 400% (\$1 million). Also, VP Research is beginning to contribute dollars toward overhead costs. They contributed an additional \$225,000 to the Physical Plant overhead costs in FY06.

## Departmental Base Budget Overview

Department **Fee Waivers**

Executive **Institutional Cost Centers**

Index **401030 - 401066 Except 401048**

Program **08**

**Base Budgets:**

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
2,971,060	3,184,858	3,346,743	3,601,243	4,093,705	5,035,380	5,876,158	7,332,730	8,364,866	10,640,141	10,360,455	248.71%

This is not a cost in the sense of a reduction of revenue – but actually a record of waived tuition revenue. Management oversight of this budget is the responsibility of the Fee Waiver Committee, which is chaired by the Director of Financial Aid. The dollar amount of this budget increases each year, at the rate that tuition is increased.

This budget includes Fee Waivers for the following categories:

- In-State Mandatory (Indian Students, Veterans, War Orphans, Senior Citizens, Community College, High School Honor Students, and National Merit Students)
- In-State Discretionary (University Honors, Music, Presidential, Rodeo, Undergrad Scholars, Advanced Honors, and International Education)
- Faculty
- Staff
- Athletics
- GTAs
- PhDs

The increase from FY04 to FY05 is to accommodate the addition of non-resident achievement discounts and the new employee dependent fee waivers.