Revenue Budget Training

4/1/15
What is Revenue?

• Resources provided to the university as a result of a service and/or product provided.

• For higher education institutions, any spending authority provided that is limited to the amount of dollars received or earned is considered revenue.
Types of Revenue

Allocations - spending authority provided without any specific action on the part of the department. For example, a department’s funding level is not based on number of students served.

- State Appropriations
- General Tuition
- Capital MRR Funding
- Institutional Fee
- Special State Funding Initiatives
Types of Revenue

Earned Revenue

• Special Tuition Categories (eTuition, Graduate Professional Program Differentials, Web programs, etc.)
• Course Fees
• Mandatory Fees
• Housing Fees
• Sales of Goods & Services (i.e. Bookstore)
• Gifts
• Grants
Revenue Responsibility

• Applies to “Earned Revenue” Only
• Departments are responsible for managing any earned revenue belonging to them
Budgeting Earned Revenue

• A budget must be established before spending earned revenue. The budget amount is referred to as Spending Authority.

• For existing revenue sources, the spending authority estimate is based on earnings history.

• For new revenue sources, the spending authority is based on a conservative estimate of anticipated revenue earned.
Realized/Actual Revenue

**Some PeopleSoft screens and reports use these terms.**

- Revenue that you earn during the fiscal year.
- The USG has set up PeopleSoft reports to show revenue earned and collected as the same amount.
- The revenue collected amount may not relate to cash received.
Budgeted vs. Realized Revenue

- If the department does not “realize” their estimated or budgeted amount of revenue, the department’s spending authority must be decreased.

- If the department exceeds or “realizes” more revenue than estimated or budgeted, the departmental spending authority *may* be increased.
  - Department needs to submit a budget amendment.
  - Appropriate documentation = Revenue Summary Report. Copies of deposit slips are not considered appropriate documentation.
Example A

• The Biology Department has estimated that they will receive $20,000 in fees for lab courses. The Biology Department has been budgeted $20,000 in lab course fee earnings to spend on supplies for the labs.

• On March 1, the Biology Department has realized $25,000 in fees due to increased enrollment in the courses.

• **IF** the Biology Department wants to spend the increased revenue, submit a budget amendment to recognize the additional $5,000 (increase revenue and increase spending authority).
Example B

• The Biology Department has estimated that they will receive $20,000 in fees for lab courses. The Biology Department has been budgeted $20,000 in lab course fee earnings to spend on supplies for the labs.

• On March 1, the Biology Department has realized only $13,000 in fees due to decreased enrollment in the course.

• The Biology Department must reduce its spending authority by $7,000 in order to maintain a balanced budget. This is done by submitting a budget amendment to recognize the reduced earnings (decrease revenue and decrease spending authority).
Revenue Reductions for State Appropriations/Tuition

• The same scenario applies when we receive budget cuts from the State or we have a reduction in tuition dollars.

• We must reduce our spending authority when we are made aware that we will not realize or receive the amount of state appropriated dollars/tuition dollars that we originally budgeted.
Revenue Account Numbers

• All Revenue account numbers begin with the number “4”.

• Revenue accounts are associated with a complete chart string (account – fund – department – program – class).
Revenue vs. Expense Credits

• Revenue is money received for fees, goods or services sold.

• An expense credit (*negative expenditure*) is a deposit directly into your departmental expense account to offset an expense.

• *Example:* You receive a refund for a conference registration fee where you did not attend the conference. This is deposited back into your departmental account as an expense credit rather than recorded as revenue.
Agency Accounts

• Do not contain revenue-type transactions.

• Deposited funds are recorded in a “holding-type” account—not revenue. Use chart string:
  
  241100 – 600000 – Axxxxxx
  (Account) (Fund)  (Department)

• Funds should not be deposited into an agency or foundation account unless the funds were generated for the specific purpose of the account.
Agency Accounts (cont’d)

• Salary, fringe, or employee-related travel expenditures can **not** be charged to agency accounts (account codes 5xxxxx and 6xxxxx).

• May process expenditure transfers or request reimbursement through petty cash **except** for salary, fringe, or employee-related travel expenditures.

• Refunds from a vendor may be credited back to the agency account that paid for the item.
Agency Accounts

• Divisional Budget Managers have permission to access the PeopleSoft Ledger Inquiry report to run an Agency Account Report.

• Instructions can be found on the Budget Services website under the heading “PeopleSoft Reports.”
Depositing Revenue

• All revenue actually received at the department level should be deposited at the Cashier’s Window in Aycock Hall.

• Utilize the Deposit Form on Controller’s website

• The Cash Handling policy should be followed by any department receiving revenue.

http://www.westga.edu/assetsDept/controller/bfcnas-05_Cash_Handling_101209(1).pdf
Depositing Revenue

• When depositing revenue, you should utilize the proper Banner detail code which will in turn feed into the correct revenue account.
• Contact the Business & Finance cashier if you don’t know your Banner detail code.
• Bursar can create a code if you don’t have one and you will be making deposits on a regular basis.
• Be sure to check your budget to ensure the revenue being deposited is going into the proper revenue account.
Identifying Revenue Received

Step 1: If you do not know your 6-digit revenue number, run the Budget Overview for the DETAIL Ledger to see all revenue accounts in particular Department ID.
Identifying Revenue Received

- Revenue account numbers will be listed in the Budget Overview Results. They begin with a “4”
Identifying Revenue Received

• Step 2: Revenue Summary Report should be utilized to see the actual amount of revenue realized. *This is the official record for the amount of revenue earned.*
## Identifying Revenue Received

### REVENUE SUMMARY REPORT
University of West Georgia

<table>
<thead>
<tr>
<th>Business Unit:</th>
<th>54000</th>
</tr>
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<tbody>
<tr>
<td>Fiscal Year:</td>
<td>2015</td>
</tr>
<tr>
<td>From Acct. Period:</td>
<td>1</td>
</tr>
<tr>
<td>To Acct. Period:</td>
<td>12</td>
</tr>
<tr>
<td>Fund:</td>
<td>10600</td>
</tr>
<tr>
<td>Department:</td>
<td>1045103</td>
</tr>
<tr>
<td></td>
<td>Office of the Controller</td>
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<table>
<thead>
<tr>
<th>Class:</th>
<th>11000</th>
<th>Gen Ops - General</th>
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</thead>
<tbody>
<tr>
<td><strong>409000 - Other Fees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>409700</td>
<td>Student Returned Checks Fee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-8,452.52</td>
<td></td>
</tr>
</tbody>
</table>

| **470000 - Other Miscellaneous Revenues** |       |               |
| 470100         | Other Miscellaneous Revenues |
| 470128         | #Fees, ID Card Replacements |
|                | -462.69 |
|                | -505.00 |

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Class Sub-Total</td>
<td>-9,420.21</td>
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<tr>
<td>Dept Total</td>
<td>-9,420.21</td>
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</table>
Identifying Revenue Received

• Step 3: Run the Budget Overview for the REVEST ledger to view the budgeted amount of revenue. Please note: Budget Overview contains data entered but not finalized.

Enter the Ledger Group: REVEST and DEPTID
Identifying Revenue Received

Ledger Totals (2 Rows)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Revenue Estimate</td>
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<tr>
<td>Recognized Revenue</td>
<td>9,420.21</td>
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<tr>
<td>Available Budget</td>
<td>-2,420.21</td>
</tr>
<tr>
<td>Collected Revenue</td>
<td>11,020.21</td>
</tr>
<tr>
<td>Uncollected Revenue (Rec-Coll)</td>
<td>-2,500.00</td>
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</table>

Net Transfers: 0.00

Budget Overview Results

<table>
<thead>
<tr>
<th>Ledger Group</th>
<th>Account</th>
<th>Fund</th>
<th>Dept</th>
<th>Program</th>
<th>Class</th>
<th>Bud Ref</th>
<th>Project</th>
<th>Budget Period</th>
<th>Revenue Estimate</th>
<th>Recognized Revenue</th>
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<tbody>
<tr>
<td>REVEST</td>
<td>409000</td>
<td>10600</td>
<td>1045103</td>
<td>16200</td>
<td>11000</td>
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<td>2015</td>
<td>0.000</td>
<td>967.690</td>
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Return to Criteria

*Notes

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Revenue Received vs. Amount Budgeted

• The process for reviewing revenue should take place on an on-going basis.

• If the amount of revenue received is **less than** the amount budgeted, you need to ask yourself the following questions:
  • Will additional funds be received prior to fiscal year end?
  • When will additional funds be received to meet my revenue budget?

• Immediately submit a budget amendment if you see that your revenue projections are over-stated. Otherwise you are at risk for overspending.

• If the amount of revenue received is **more than** the amount budgeted, you should initiate a budget amendment to request the excess revenue be amended to increase your spending authority.
Course Fee Revenue

• Departments are responsible for monitoring their course fee revenue and amending it as necessary.
• You should not review or amend course fee revenue until at least one week after the last drop/add day (census date).
• This will allow time for withdrawals/ refunds to take place for dropped courses.
• Course Fees can be seen in Banner if you have the appropriate Detail Code
Viewing Revenue Amendments

• The Budget Transaction Review can be used to view revenue budget amendments.
• Utilize the REVEST_BD ledger
• These information will assist you in knowing how much revenue has already been amended.
Viewing Revenue Amendments

<table>
<thead>
<tr>
<th>Budget Ref</th>
<th>Account</th>
<th>Fund</th>
<th>Department</th>
<th>Program</th>
<th>Class</th>
<th>Project/Grant</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>909000</td>
<td>10600</td>
<td>1045103</td>
<td>16200</td>
<td>11000</td>
<td></td>
<td>-7,000.00</td>
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<table>
<thead>
<tr>
<th>FY</th>
<th>Acct Pd</th>
<th>Journal Date</th>
<th>Journal ID</th>
<th>JE Ledger</th>
<th>Auto-Gen</th>
<th>Description</th>
<th>Operator ID</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2015</td>
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<td>01-JUL-2014</td>
<td>B201500646</td>
<td>REVEST</td>
<td>N</td>
<td>Original from Budget Module</td>
<td>kristins</td>
<td>-7,000.00</td>
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</tbody>
</table>

Department Total = -7,000.00
Budget Services Website

- Visit the Budget Services website for budget information and budget management tools [www.westga.edu/budget](http://www.westga.edu/budget)
Demonstration

• Now, we will walk through the Revenue Process in detail by utilizing the Revenue Budget Training Course Handout.

• If you wish, log into PeopleSoft and go through the steps as highlighted in the handout for your revenue accounts.
Questions???