Revenue Budget Training

The content of this presentation was the most up-to-date information available at the revision date. However, policies, procedures and guidelines may be updated during an academic year. Please refer to the University Policy website for the most current version of these policies, procedures and guidelines.

5/31/2016
Learning Outcomes

- Understand the different types of institutional revenue and how the institution records its revenue
- Understand the responsibility of a departmental budget manager regarding revenue amendments
- Understand how to correctly deposit revenue collected
- Identify departmental revenue accounts
- Identify the amount of revenue collected in a particular revenue account
- Identify the amount of revenue that has been budgeted in a particular revenue account
- Identify what revenue budget amendments have been submitted previously
- Perform a review and evaluation to calculate the dollar amount of the needed revenue budget amendment
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.

Enter the Ledger Group: DETAIL

Enter the Dept ID
Identifying Revenue Received

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

Enter the Fund Code and Dept ID for periods 1-12.
### Identifying Revenue Received

**REVENUE SUMMARY REPORT**  
*University of West Georgia*

<table>
<thead>
<tr>
<th>Business Unit:</th>
<th>54000</th>
</tr>
</thead>
<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>Office of the Controller</td>
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**Class:** 11000  Gen Opns - General  
**Project/Grant:**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>409000</td>
<td>Other Fees</td>
<td>-8452.52</td>
</tr>
<tr>
<td>409700</td>
<td>Student Returned Checks Fee</td>
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</tr>
<tr>
<td>470000</td>
<td>Other Miscellaneous Revenues</td>
<td>-462.69</td>
</tr>
<tr>
<td>470100</td>
<td>Other Miscellaneous Revenues</td>
<td>-505.00</td>
</tr>
<tr>
<td>470128</td>
<td>#Fees, ID Card Replacements</td>
<td></td>
</tr>
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Class Sub-Total: -9,420.21  
Dept Total: -9,420.21
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.*

![Budget Overview screenshot](Image)
Identifying Revenue Received

Ledger Totals (2 Rows)

<table>
<thead>
<tr>
<th>Revenue Estimate</th>
<th>Recognized Revenue</th>
<th>Available Budget</th>
<th>Collected Revenue</th>
<th>Uncollected Revenue (Rec-Coll)</th>
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</thead>
<tbody>
<tr>
<td>7,000.00</td>
<td>9,420.21</td>
<td>-2,420.21</td>
<td>11,820.21</td>
<td>-2,500.00</td>
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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>
<th>Co Re</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 REVEST</td>
<td>409000</td>
<td>10600</td>
<td>1045103</td>
<td>16200</td>
<td>11000</td>
<td>2015</td>
<td></td>
<td>2015</td>
<td>7,000.00</td>
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<td>10</td>
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<tr>
<td>2 REVEST</td>
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<td>10600</td>
<td>1045103</td>
<td>16200</td>
<td>11000</td>
<td>2015</td>
<td></td>
<td>2015</td>
<td>0.00</td>
<td>967.690</td>
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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

Budget Transaction Review
University of West Georgia

<table>
<thead>
<tr>
<th>Report ID:</th>
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<tr>
<td>Business Unit:</td>
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<td>Ledger:</td>
<td>REVEST_BD</td>
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<tr>
<td>Account:</td>
<td>All Values</td>
</tr>
<tr>
<td>Fund:</td>
<td>All Values</td>
</tr>
<tr>
<td>From Department:</td>
<td>1045103</td>
</tr>
<tr>
<td>To Department:</td>
<td>1045103</td>
</tr>
<tr>
<td>Program:</td>
<td>All Values</td>
</tr>
<tr>
<td>Class:</td>
<td>All Values</td>
</tr>
<tr>
<td>Project/Grant:</td>
<td>All Values</td>
</tr>
<tr>
<td>Budget Ref:</td>
<td>2015</td>
</tr>
</tbody>
</table>

<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>809000</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>
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<tbody>
<tr>
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<td>01-JUL-2014</td>
<td>B201500646</td>
<td>REVEST</td>
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<td>Original from Budget Module</td>
<td>kristins</td>
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</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???