

# **Western Oregon University**

## **Budget & Planning Office**

### **Budget Management Processes**

Effective July 1, 2026

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## **I. Summary of Changes**

- E&G S&S budgets will be based on Budget Commitments & Obligations plus approved Budget Requests (no longer following the incremental model)
- E&G Budgets are no longer managed to the bottom line – salary, student pay, and OPE budget cannot be commingled with S&S budget
- No intrafund charges (E&G areas will not charge other E&G areas)
- Interfund charges (including General Administration Overhead) have been reduced and simplified (GAO rate updated to include recurring telecommunication and RM insurance charges)

## **II. Budget Background**

WOU's operating budget includes two major fund types: Education & General (E&G) and Auxiliary Enterprises (please note there are other fund types such as grants, capital, and agency funds that are not included in the operating budget). The budget development process and management of that budget differs depending on the fund type. In general, each budget is composed of revenues, expenses, and transfers, although the nature of those components differs by fund as well. Taken together (revenues less expenses plus net transfers), this results in either a balanced, deficit, or surplus budget, which impacts fund balance.

### **II. a. Education & General Fund Overview**

#### **II. a. i. E&G Revenues Overview**

WOU has two main revenue components: state appropriations and tuition revenues. These, along with Other Revenues, make up the revenue side of the budget.

State Appropriations: Oregon Legislature allocates funding to the Public University Support Fund (PUSF) on a biennium basis; running from July 1 of an odd-numbered year to June 30 of the next odd-numbered year. There are three major phases to the state budget process. It begins early in even-numbered years with the development of Agency Request Budgets. Together, the seven public universities work together to submit a PUSF request to the Higher Education Coordinator Commission (HECC), who then submits their Agency Request Budget to the Governor's Office. The Governor then presents their Governor's Recommended Budget (GRB) to the Legislature when it meets at the start of the next calendar year. Then, legislative committees review the proposed budget. The budget bills that are enacted into law make up the Legislatively

Adopted Budget, which is when the final determination is made for the level of funding of the PUSF.

The PUSF is then allocated among the Oregon public universities based on the Student Success and Completion Model (SSCM); 49% in year 1 and 51% in year 2. The SSCM is comprised of three components: Mission Differentiation, Outcomes-Based, and Activity-Based. The Mission Differentiation funding allocation is completed first and supports a public university's activities consistent with regional, mission, and research support. The remaining funds are then allocated 60% to Outcomes-Based and 40% to Activity-Based. Outcomes-Based is determined by the most recent three-year average total cost weighted degrees produced, student type, and priority area. Activity-Based is determined by the most recent three-year average total, cost weighted, completed, resident student credit hours (SCH). Since the SSCM is based on three-year rolling averages, even once the level of PUSF funding is known, the individual allocation for WOU is not known until the SSCM is updated, typically in the early fall.

Within the fiscal year, the SSCM allocation is distributed to the university on a quarterly basis; 36% in Q1, 24% in Q2 and Q3, and 16% in Q4, which are received in July, October, January, and April, respectively. The Q1 distribution is based on an estimated allocation, which assumes the same level of underlying data for the most recent academic year as the prior year. The SSCM is then updated for actual most recent academic year data, resulting in a true-up allocation, which is made up for in the Q2 distribution.

Apart from the SSCM, we also receive one other recurring allocations from the state within E&G: Engineering Technology Sustainability Funds (ETSF). ETFS funds are used to subsidize the cost of the Computer Science program. Small-Scale Energy Loan Program (SELP) funds and the associated debt payment were moved from E&G and to a debt service fund in FY26.

Tuition Revenues: Tuition revenues are comprised of tuition, fees (certain types of fees such as matriculation, course fees, application fees, etc.; other types of fees such as incidental and health service support auxiliary operations), and fee remissions (institutional discount given to students as part of financial aid). These are driven by two factors: tuition rates and enrollment levels.

Tuition & Fee Advisory Committee (TFAC) is comprised of student, faculty, and staff with the formal task (as mandated by HB4141) of recommending to the President the resident undergraduate tuition rate and mandatory fees. There is also a Graduate Committee that proposes graduate tuition rate changes to the Vice President of Finance

& Administration/President for consideration. Proposed tuition (based on the various levels – undergraduate by residency (resident, WUE, and non-resident) and graduate (OTD and all others) and fee rates are presented to the Board of Trustees for final approval.

Determining enrollment levels to incorporate into budget revenues is done in collaboration with the Assistant Provost of Enrollment Management & Student Success. Determining the fee remission budget is done in collaboration with the Director of Financial Aid. Determining other tuition (including summer) and fee budgets is done based on historical analyses, taking into consideration known changes impacting the current year.

Other Revenues: Other revenues are composed of investment (interest earned on treasury balances as well as outstanding debt on student accounts), gift grants and contracts (indirect revenue from grant expenses as well as reimbursement from the foundation), sales & services (lease income), and other miscellaneous revenues. Together, these other revenues comprise a small percentage of E&G revenues. Determining the budget for these revenues is done based on historical analyses, taken into consideration known changes impacting the current year.

## **II. a. ii. E&G Expenses Overview**

WOU's expense side of the budget has three main components: personnel, services & supplies, and transfers.

Personnel: Personnel is comprised of faculty, unclassified, and classified salaries; classified and unclassified pay (stipends, temporary employees, allowances, differentials, overtime, etc.); student pay; and Other Payroll Expenses (benefits, including health, retirement, and other).

The personnel budget is re-based each year to reflect current faculty/staff rates of pay. Each individual (T/TT, Instructional, Classified, and Unclassified) and their rate of pay are included on the budget roster. Adjunct positions are allocated by FTE to Division/Dean/Provost and based on a pooled rate of pay. If the upcoming rate of pay is known (for T/TT – WOUFT CBA, for Classified – SEIU CBA, for unclassified – if a decision has been made by the President), that is reflected in the rates for each individual. If raises for any group of employees has not yet been determined, a pooled budgetary sum will be included in the operating budgetary reserve to be allocated once a decision has been reached.

Vacant positions are analyzed for replacement by HR & Budget Authorities. If determined to remain in the budget, vacant positions are reduced to step 3 for both faculty and classified; unclassified positions are re-based to the lower level CUPA range. Classified Pay, Faculty & Unclassified Supplemental Pay, and Student Pay budgets are left at the same levels as prior year. Other Payroll Expense (OPE) rates are updated to incorporate any known changes in rates. Health OPE is budgeted and expensed at a flat rate per eligible individual (rate is allocated based on employee's FTE allocation, and is the same rate for all eligible employees regardless of actual plan cost or utilization). For 9 month employees, their indices are charged an additional 1/3 of the rate each of the 9 months, to make up for the 3 months that are not charged. Actual Retirement expense (a component of OPE) varies on the individual and their retirement plan, but the budget is based on a composite retirement percentage. This results in some individuals' retirement expense being greater than the budget, while others are less; it is the expectation that overall, the retirement budget compared to actuals evens out and any shortages in one area will be covered by excesses in others.

Services & Supplies: Service & Supplies budgets are determined from the Budget Commitments & Obligations worksheet, plus any approved Budget Requests. Please see the Budget Commitments & Obligations worksheet for full instructions on how to complete. Internal Sales (a contra to Service & Supplies) are based on best projections for the upcoming year for applicable areas (Facilities, UCS, General Admin Overhead).

There will be no intrafund charges for services provided by one E&G area of campus to another. When filling out the Budget Commitments & Obligations worksheet, areas should only include the amounts they are anticipating paying to external vendors (or funds other than E&G). The following areas will pay for the following costs centrally:

- HR: recruitment advertising and background checks
- UCS: IT equipment (including printers & computers) and software
  - For a department to purchase IT equipment or software using E&G funds, the department will need to complete an IT justification form. UCS will review the submitted IT justification form for approval by the CIO before the acquisition.
- Facilities: labor and supplies for approved campus projects
- Printshop: printing costs
- Mailroom: postage

The GEN indices also include a Services & Supplies budget for bad debt expense (what is expected to not be collected from revenues), debt payments for Natural Science and SELP (the portion in excess of the state appropriation), and a small contingency for unexpected expenses (requiring Presidential approval).

Transfers: Budgeted transfers out of E&G include the athletics subsidy, a Child Development Center subsidy, and a transfer to WUC for E&G use. Any funds transferred out of E&G must have the office of Budget & Planning's approval. Budgeted transfers into E&G include support from University Housing and Public Safety. See Section IV. c. Interfund Charges for more detail.

## **II. a. iii. E&G Fund Balance Overview**

WOU's Board of Trustees has directed that the E&G fund balance as a percentage of revenues should be 5-15%, with a target of 10-12%.

## **II. b. Auxiliaries Overview**

Listed below are our main auxiliaries and their general nature of funding:

Athletics: Athletics receives funding from many sources, including general fund (for athletics personnel and the applicable GAO), lottery (88% of lottery funds are routed to athletics, 12% are routed to support graduate scholarships), incidental fee, summer camps, ticket sales, and the NCAA.

Bookstore: The campus bookstore is outsourced, with commissions and campus expenses routing through this fund.

Campus Dining: Campus Dining is composed of both Residential (Valsetz) and Retail (Press, Allegro, Summit, catering). Residential revenues are generated through board overhead and meal plans, as well as conference events and guests who dine at Valsetz. Retail revenues are generated through service at the various locations.

Child Development Center: The Child Development Center generates revenue through tuition assessed for childcare, as well as various grant funds, funds from IFC to reduce WOU students' childcare tuition, and a subsidy from E&G.

Incidental Fee: Incidental Fee Committee (IFC) is a student committee that determines the incidental fee to be assessed as a mandatory fee to students, as well as how to allocate that funding. The incidental fee supports Abby's House/Food Pantry, Access, ASWOU, Athletics, Campus Recreation, Childcare, Creative Arts, Student Engagement, Student Activities Board, Student Media, and WOLF Ride.

Parking: Parking receives funding through selling parking permits as well as parking fines.

Student Health & Counseling Center: Student Health & Counseling Center generates revenues from the Health Service Fee and Health Service Building Fee (mandatory enrollment fees), as well as fees for specific services provided.

University Housing: University Housing's primary source of revenue is through room collected from students living on campus. University Housing also generates revenue through conference services and hosting guests, primarily during the summertime.

### **III. Budget Process**

As outlined by ORS 352.087 (2), the budget shall be prepared in accordance with generally accepted accounting principles and adopted by the governing board. As outlined in WOU's Board Statement on Delegation of Authority, the Board retains sole authority for and shall adopt the budget of the University. Business and administrative transactions described in Section 1.6 of the Board Statement on Delegation of Authority do not require separate approval if they are included, in sufficient detail, in the University budget adopted by the Board.

#### **III. a. General Budget Timeline**

See the most up-to-date budget timeline on the budget website under 'Resources'.

#### **III. b. Education & General Fund Budget Process**

Setting the expense side of the budget is a collaborative process between Budget & Planning and other stakeholders across campus. The Education & General Fund budget process begins in October for the budget of the following fiscal year, with UBAC making recommendation to the President on budget priorities for upcoming year. HR & Budget Authorities will also review all currently vacant positions and assess whether to replace the position for the upcoming budget year.

In November, the President & SLC will establish the budget priorities. Enrollment management will provide preliminary enrollment estimates to be used for tuition & fees projections. HR & Budget will partner to provide preliminary estimates for salary (for faculty, classified, and unclassified) & OPE (health, retirement, and other) rates to be used.

In December, the President & VPFA will issue budget development instructions (encompassing the preliminary enrollment projections and salary & OPE assumptions to

be used). The Budget & Planning office will disburse the budget worksheet (updated for current staffing and decisions on vacant positions from HR & Budget Authorities, with S&S based on prior year commitments w/s) to budget authorities to be used in the development of their budget. The President & VPFA will issue a call for budget requests (utilizing a template), as well as the commitments & obligations worksheet to be filled out by budget authorities for the upcoming fiscal year. The Budget & Planning office will conduct a budget manager workshop to provide training on the process as well as all the forms.

In January, budget requests and commitments & obligations from budget authorities are due. The President, SLC, & UBAC will conduct an initial review of the budget requests, and a budget request summary will be communicated at a UBAC town hall.

In April, the Tuition & Fee Book will go to the Board of Trustees for approval. Enrollment management will finalize enrollment estimates to be used for the upcoming year; HR & Budget will finalize salary/OPE rate estimates to be used. The President, SLC, & UBAC will finalize budget request decisions, and the Budget & Planning office will communicate those decisions out. Budget & Planning will finalize a draft budget (incorporating finalized revenue projections, salary/OPE budgets, and S&S, composed of budget commitments & obligations as well as approved budget requests).

In May, President, SLC, & UBAC will review the draft budget for it to be finalized, and the finalized proposed budget will be communicated to campus via UBAC Town Hall.

In June, the proposed budget will be submitted to the Board of Trustees for approval. Pending approval, the budget will be loaded into Banner for the upcoming fiscal year beginning in July.

### **III. c. Auxiliary Budget Process**

Setting auxiliary budgets is a collaborative process between Budget & Planning and the budget authorities from the respective area (note, Incidental Fee funded areas go through the Incidental Fee Committee budget process).

The process begins with the issuance of budget development instructions in December, which outlines tentative enrollment, salary increase, OPE, and GAO assumptions to be used in the creation of the budget. Budget & Planning Office will also send out a draft budget based on last year's budget and updated for a current staff roster. Meetings (or communication via email) are set up with each area to review and update the budget. Revenue assumptions and calculations are reviewed by the Budget & Planning office



for reasonableness, and expense budgets are updated based on the area's assessment of what will be spent next year. The expectation is that Auxiliary budgets will either be positive or break-even; if an area is expecting a budget deficit, a plan to cover that deficit will be discussed.

#### **IV. Budget Management**

Budget management principles vary greatly between different types of funds. For each fund type, budget is allocated and loaded to Banner on an index level basis. The budget account code allocation levels are:

##### Revenues:

- 01000 – Enrollment Fees (Auxiliary only)
- 01100 – Tuition (E&G only)
- 01200 – Study Resource Fees (E&G only)
- 01700 – Other Student Fees (E&G only)
- 01900 – Fee Remissions (contra-revenue) (E&G only)
- 02510 – State Resource Redistribution
- 03000 – Gift Grants & Contracts
- 05100 – Investment/Interest & Royalties
- 06000 – Sales & Services
- 08000 – Other Revenues
- 09000 – Service Dept Sales Reimbursement (Auxiliary only)

##### Expenses:

- 10102 “TENT” – T/TT Faculty Salaries (E&G only)
- 10102 – NTT Faculty Salaries (E&G only)
- 10103 – Unclassified Salaries
- 10200 – Faculty & Unclassified Supplemental Pay
- 10203 – Academic Pay Summer (E&G only)
- 10301 – Classified Salaries
- 10400 – Classified Pay
- 10500 – Student Pay
- 10964 – Unclassified Health/Life OPE
- 10967 – Unclassified Retirement OPE
- 10968 – Unclassified Other OPE
- 10974 – Classified Health/Life OPE
- 10977 – Classified Retirement OPE
- 10978 – Classified Other OPE
- 10988 – Student OPE

- 20000 – Services & Supplies
- 28204 – General Administrative Overhead (Auxiliary only)
- 28811 – Bond Debt (Auxiliary only)
- 50000 – Student Aid
- 60000 – Merchandise for Resale (Auxiliary only)
- 79000 – Internal Sales Reimbursement (contra-expense) (E&G only)
- 80500 – Depreciation (Auxiliary only)
- 91000 – Transfers In
- 92000 – Transfers Out

#### **IV. a. Education & General Fund Budget Management**

For the Education & General Fund, the budget dictates what can be spent for expenses (except for course fees, which are detailed below). While revenues may be routed to specific indices, those revenues do not have an impact on what is allowed to be spent. Although budget is allocated to the account code levels noted above, Budget Authorities are expected to manage Labor (1XXXX) and Service & Supplies (20000-79999) budgets separately. The Budget & Planning Office sends out a monthly Budget Status Report (after the close of the month, approximately 10 days into the next month) that summarizes the budget, actuals, encumbrances, and available balances (as well as prior year actuals for the same time period) for each index based on a high-level account code summary (account type level 2) to assist with Budget Management. The Budget & Planning Office also provides Banner training to anyone interested in utilizing Banner to monitor the status of their budget/spending.

##### **IV. a. i. Budget Oversight Hierarchy**

Each President's Senior Leadership Member is responsible for all indices within their purview. At the end of the year, the Budget & Planning office will prepare a final budget status report that shows budget and spending for each index, aggregated for the following areas:

- President's Office
- Human Resources
- General Counsel
- Diversity Equity & Inclusion
- Academic Affairs
- College of Liberal Arts & Sciences (under Academic Affairs)
- College of Education (under Academic Affairs)

Library (under Academic Affairs)  
Enrollment Management & Student Success (under Academic Affairs)  
Finance & Administration  
Student Affairs  
Development in Advancement  
Marketing & Communications  
General Institution

Budget overdrafts will not be tolerated, see the Budget Authority Accountability Policy. As such, each budget authority for an index should be in active communication with their respective Senior Leadership Member Representative of their expected budget status at year end. If a budget area believes they are trending toward an overdraft situation, they should immediately notify their respective Senior Leadership member and the office of Budget & Planning to create a plan.

#### **IV. a. ii. Course Fee Indices**

Within E&G, course fee indices do not follow the E&G budget management principle that the expense budget determines what can be spent, but rather actual revenues combined with rollover from prior years determine spending levels. These indices have unique fund numbers (to track cash balances), automatically rollover their funds (with no need to complete rollover requests), and do not have budgets loaded in Banner (as budgets do not determine what can be spent). The monthly budget status reports that are sent by the Office of Budget & Planning summarize these course fee indices separately to reflect what is available to be spent.

#### **IV. b. Auxiliaries Budget Management**

Unlike E&G funds, budget does not dictate what can be spent for Auxiliaries. Rather, actual revenues and available cash determines what can be spent. As such, budget authorities for these areas need to actively assess their current revenues and projections for the remainder of the fiscal year, along with their levels of expenditures. If revenues are projecting lower than what was budgeted, the budget authority needs to plan how to reduce expenses or cover the resulting deficit from the revenue shortfall. These shortfalls may also be communicated to the respective Senior Leadership member and office of Budget & Planning to work towards a plan.

#### **IV. c. Interfund Charges**

Auxiliaries are intended to be self-supporting business-like operations. However, they rely on the University for many functions. As such, General Administrative Overhead (GAO) is charged to contribute to the cost of these functions. The GAO rate is currently assessed at 10.25% (subject to change each fiscal year) This percentage is applied to expenses paid by auxiliaries, with certain accounts being exempt (interest expense, student aid, depreciation – for official exemptions consult the Accounting & Business Services office).

GAO is inclusive of the following support/services:

- Recurring telecom charges for employees
- RM insurance
- HR/Payroll
- Business Services
- VPFA/Budget
- Public Safety
- University Computing Solutions (including computing support, campus software)
- President's Office
- Marketing
- General Counsel

Routine interfund charges apart from GAO include (amounts subject to be evaluated and changed each fiscal year):

- Custodial services for Campus Rec, Child Development Center, and Student Health & Counseling Center (TBD by facilities)
- Utilities (based on actual usage)
- Facilities labor/supplies for projects (based on actual usage)
- Grounds maintenance (based on actual usage)
- Housing telecom charge for residents per term (\$38/resident/term)
- Parking support of public safety (\$85K annually)
- Housing support of public safety/UCS/student conduct (\$280K annually)
- Dining support of public safety/UCS (42.5K annually)
- E&G subsidy of athletics (~\$5.01M annually)
- E&G subsidy of CDC (up to \$154K annually)
- E&G usage of WUC (~\$152K annually)
- Telecom charges for requested items, such as cell phones or hot spots

Note: Athletics general fund, lottery, and recruitment indices will be exempt from GAO.

## **V. Other Budget-Related Items**

### **V. a. Budget Management Tools**

The Budget & Planning website ([wou.edu/budget](http://wou.edu/budget)) has many resource tools available, including instructions on how to navigate Banner to review budget status (Budget & Planning staff will also meet with you to go over Banner training). Monthly Budget Status Reports are emailed out to interested campus members, as well as automated COGNOS reports. Management Reports are also provided at each Finance & Administration Subcommittee meeting, as well as via UBAC Town Halls, that report on current activity by fund as well as projections for the fiscal year. If any budget-related questions arise, the Office of Budget & Planning is happy to assist.

### **V. b. Budget Journal Vouchers (JVs)**

Requests for Budget JVs can be sent to the Budget & Planning Office staff. Budget JVs can be done to move funding from one index/account code to another. It is important to understand when a Budget JV versus when an Actual JV is appropriate. Budget JVs move the funding; actual JVs move the actual expense. Some examples of this:

- The Dean has agreed to contribute \$2,000 of funding for a faculty member to go to a conference. A budget JV should be done to move the \$2,000 of funds.
- Conference travel was incorrectly booked to the Dean's index when the expense actually belongs to a department. An actual JV should be done to move where the expense sits. For specific instructions related to how to do a budget JV, please see the Budget & Planning website ([wou.edu/budget](http://wou.edu/budget)).

Budget JVs cannot transfer budget between fund types. If an E&G funded area wishes to support an activity outside of E&G, this would need to be done through an actual JV (utilizing transfer account codes) and would need to be approved by the Budget & Planning Office.

### **V. c. Index Requests**

Requests for new/changes to Education & General and Auxiliary indices should be sent to the Office of Budget & Planning or discussed during budget meetings.

## **VI. Glossary**

**Auxiliary Enterprises** – An auxiliary enterprise exists to furnish goods or services to students, faculty, or staff as individuals and charges a fee directly related to the cost of the goods or services. Auxiliaries may also furnish services incidentally to the general public. WOU auxiliary enterprises include student incidental fee funded activities, Student Health and Counseling, Athletics, Bookstore, Child Development Center, and Housing and Dining.

**Education & General (E&G) Fund** – The portion of budget that is devoted to instructional and support services for students and faculty, including managerial and administrative functions needed to provide the services.

**Fund Balance** – The difference between the assets and liabilities of a fund. Given this definition, fund balance can be described as the available resources of the fund, which can be significantly different than cash balances due to accrual accounting.

**General Administrative Overhead (GAO)** – Auxiliaries are intended to be self-supporting business-like operations. However, they rely on the University for many function. As such, General Administrative Overhead (GAO) is charged as a percentage of expenses to contribute to the cost of these functions.

**Lottery Funds** – HECC receives lottery support to fund athletics, scholarships, and capital debt service payments. Athletics and scholarship funding is distributed 88% and 12% respectively. Distributions for athletics are required to be allocated 70% for non-revenue producing sports and at least 50% for women's athletics. Lottery funding is used to fund principal and interest debt service payments on lottery bonds from capital projects.

**Tuition & Fee Advisory Committee (TFAC)** – The Tuition and Fee Advisory Committee advises the University President on the President's recommendations to the Board of Trustees regarding resident tuition and mandatory enrollment fees for the upcoming academic year. As required by HB4141, the Committee consists of two members from the student government (ASWOU), two students from historically underserved populations, two faculty members, and two administrators; in addition, several at-large students serve on the Committee as well. All meetings are public.

**University Budget Advisory Committee (UBAC)** – The University Budget Advisory Committee (UBAC) is an advisory group consisting of representation from faculty, classified staff, unclassified exempt staff, students, and administrators. This body is

advisory to the President and all members shall be appointed by the President based on recommendations from appropriate constituencies. The UBAC will make recommendations to the President prior to finalizing budget recommendations from the President to the Board of Trustees. Final funding recommendations are expected to have clear linkages to the University's *Strategic Plan*.