

Medgar Evers College

An Overview of the Operating Budget



BUD 101 – Introduction to Budget

Topic To Be Covered

- ▶ An Overview of the MEC Operating Budget
- ▶ What is a Budget?
- ▶ What is a Tax Levy Budget?
- ▶ What is a Non-Tax Levy Budget?
- ▶ Why to Transfer Budget
- ▶ What are the expenses categories in CUNYFirst?
- ▶ The Purchasing Process
- ▶ Independent Contractors Agreements
- ▶ Modest Meals and Light Refreshments
- ▶ Travel
- ▶ Accounts Payment Process
- ▶ Summary

MEC Budget Structure and Allocation Process

Tax Levy Funding Sources

- ▶ CUNY provides an initial allocation of our annual budgets at the beginning of the fiscal year. Subsequent allocations are made during the year to adjust for revenue collections and to disburse additional funds. (**State Aid – Tax Levy Funding**)

- ▶ The allocation starts with the base budget follow by the allocation of various lump sum appropriations. Additional allocations for College initiatives and other miscellaneous items are added throughout the year.
 - Items that are paid for centrally, such as fringe benefits, energy, building rentals, and student financial aid, are not allocated to the colleges but expended centrally on their behalf.

 - The colleges have the opportunity to generate additional operating funds by achieving savings from the energy budget. Savings remain with the campus; conversely, deficits must be funded within college budgets.

Budget Allocation Process, cont'd

- ▶ **Lump sum allocations:** These include child care, collaborative programs with the NYC Dept. of Education, Coordinated Undergraduate Education, Language Immersion Programs, SEEK, ASAP, College Now and Services for the Disabled. Throughout the year, the colleges may receive additional allocations for various miscellaneous items. **(City Support – Tax Levy)**
 - **Programmatic Lump Sums**

The majority of these are determined by the Office of Academic Affairs and Office of Student Development and are based on existing or planned activities at the colleges.

- ▶ **Tuition Revenue Policy:** The tuition revenue budget is appropriated by the State to the senior colleges. Because tuition revenue represents a component of the college's budget, it is critical that colleges collect revenue at or above their established targets. **(Tuition & Fees – Paid by Students)**

Non-Tax Levy Funding Source

- ▶ **Auxiliary Enterprises, Inc.:** Funds generated by the corporation e.g. Parking Services, Bookstore, Food Service, etc.
- ▶ **MEC Educational Foundation:** Tax deductible voluntary contributions, fund raising, and donations
- ▶ **MEC Student Faculty Association:** Student Activity Fees
- ▶ **Research Foundation:** State, City, Federal and Private Grants
- ▶ **Child Development Center:** UPRE-K, Block Grant & Student Tuition and Fees

Tax Levy Funds

- ▶ The Tax Levy funds are the primary operating budget of the college: Funds come from New York State, New York City and tuition paid by students
- ▶ Fiscal year 2025 operating budget was \$ 62.5 million (excluding fringe benefits, energy, rent and other expenses paid by CUNY Central Office)
- ▶ All transactions must comply with state, city and CUNY guidelines

What is a Budget

- ▶ A budget represents funds available to be spent
- ▶ A budget is allocated at the beginning of each fiscal year can be modified between account or expense category
- ▶ A budget is reduced each time salaries are paid and goods and/or services are purchase.

Budget Term

- ▶ **Allocated Budget:** Funds available to be spent during the Fiscal Year (July 1st thru June 30th)
- ▶ **Open Encumbrance:**
 - **Pre-Encumbrance** is a requisition entered in CF for goods and/or services that has not been processed by the Purchasing
 - **Encumbrances** signifies that the requisition was processed and a purchase order was generated and issued to the vendors
- ▶ **Expenditures:** Payment was made to the vendor or employee
- ▶ **Available Balance:** Allocated Budget minus (Expenditures and Open Encumbrances)

Tax Levy Expenses Categories

- ▶ PS – Regular (Full Time Faculty and Staff)
- ▶ Teaching Adjuncts (Part-time faculty hired semesterly)
- ▶ Temp Services (College Assistant, Tutors and Administrative Adjuncts)
- ▶ OTPS – Other Than Personnel Service

Operating Timeline

- ▶ **July 1** – New Fiscal year begins
- ▶ **June 30** – Fiscal year ends
- ▶ The fiscal year is identified by the June 30 end date

Take Away Action

- ▶ Understanding the budget processes
- ▶ Attending training sessions and reading email announcements
- ▶ Managing transfers and purchases effectively
- ▶ Review your budget reports in CUNYfirst and Sharepoint to monitor your activities
- ▶ Utilize the Budget and Finance Departments and its resources for planning and decision making

Remember if you fail to plan, you plan to fail.

Q & A

