1. Revenue Budget Parameters (or Budget Assumptions)

   The two terms above are used interchangeably.

   Budget Parameters/Assumptions are guidelines for the development of future year estimated revenue and expenditure budgets. These are based on historical data, current estimates, and future projections.

2. Fiscal Year Budget

   A fiscal year is a period of time for calculating annual total operating and non-operating revenue and expenditures and the associated budget. The fiscal year for the State of Colorado starts July 1st of each year and ends on June 30th. Since institutions of higher education are state agencies, the college has the same fiscal year as the State of Colorado (July 1st to June 30th). The fiscal year for the Federal government is October 1st to September 30th. The fiscal year for Grants is based on each contract and its specifications.

3. Long Bill

   The Long Bill is the annual legislative bill that lists the future year appropriations and other fiscal criteria for all state departments or agencies.

   Appropriation Process Summary for the Governor’s Office:

   Per OSPB website:

   “The State of Colorado has an annual budget cycle; during late summer and early fall, state departments submit their budget proposals to the Governor’s Office of State Planning and Budgeting (OSPB). The role of the OSPB is to provide the Governor with timely and complete information and recommendations so he can make sound public policy and budget decisions. Per OSPB own website they carry out the following functions:

   • Developing reliable revenue estimates
   • Developing a defensible budget within revenue constraints
   • Developing proposals for new legislation
   • Tracking legislation and monitoring the legislative budget process
   • Advocating for the Governor’s priorities and addressing issues of concern
   • Monitoring budget implementation, anticipating issues, and developing solutions
   • Providing accurate and concise public information
   • Operating efficiently as an office

   The Governor submits a proposed budget to the Joint Budget Committee (JBC, defined in number 4 below) each year in advance of the year’s legislative session. All bills introduced in the General Assembly are evaluated by the non-partisan state legislative services body for their fiscal impact and must be provided for in appropriations legislation if there is a fiscal impact. A state budget, called the “Long Bill” is prepared each year by the Joint Budget Committee of the General Assembly. The House and the Senate alternate the job of introducing the long bill and making a first committee review of it.”
4. State Joint Budget Committee or JBC (in definition include the role of this entity in the budget process)

From their website:

"In most states, the executive branch initiates the main appropriation bill for the ongoing operations of state government. Colorado, however, has a strong legislative budget process. The General Assembly’s permanent fiscal and budget review agency, the Joint Budget Committee (JBC), writes the annual appropriations bill - called the Long Bill - for the operations of state government. The JBC has six members: the Chairman and one majority and one minority member of the House Appropriations Committee, and the Chairman and one majority and one minority member of the Senate Appropriations Committee. Members serve two-year terms and are selected following the general election. Traditionally, the Senate elects its JBC members. In the House, the Speaker appoints the majority party members, and the Minority Leader appoints the minority party member. The chairmanship alternates between the Chairmen of the Senate and House Appropriations Committees. The House and Senate calendars reflect the Joint Budget Committee's schedule during the legislative session.

Departments submit budgets to the Joint Budget Committee by November 1. As soon as practical after November 1, the JBC schedules hearings with the departments. The staff analysts brief the Committee on each budget request a few days prior to the hearing with a department. Briefings and hearings for most departments are scheduled in November and December before the General Assembly convenes in early January."

5. Colorado Commission on Higher Education or CCHE (in definition include the role of this entity in the budget process)

The CCHE is a member of the Governor’s Executive team and represents Higher Education. CCHE works as liaison between institutions of Higher Education and the Joint Budget Committee to prepare the Long Bill as it relates to Higher Education, and establishes or updates Spending Authority (define below in number 6).

The following is from the CCHE website:

"Specific responsibilities include developing long-range plans for an evolving state system of higher education:

- Review and approval of the five-year Financial Accountability Plan (FAP, explained in number 7 below)
- Review and approve degree programs.
- Establish the distribution formula for higher education funding; recommend statewide funding levels to the legislature.
- Approve institutional capital construction requests; recommend capital construction priorities to the legislature.
- Develop policies for institutional and facility master plans."
• Administer statewide student financial assistance programs through policy development, program evaluation, and allocation of funds.
• Develop and administer a statewide off-campus (extended studies), community service, and continuing education program.
• Determine institutional roles and missions.
• Establish statewide enrollment policies and admission standards.
• Conduct special studies as appropriate or directed, regarding statewide education policy, finance, or effective coordination.

Throughout the processes mentioned in numbers 3, 4 and 5 above, the Budget Office provides financial information, budget forecasts and projections for CCHE, JBC, and OSPB. The Budget Office closely monitors the legislation to provide fiscal impact notes, particularly for bills that might negatively impact higher education and the College.

6. Spending Authority
Budget authority provided as part of the legislation process based on total appropriation and revenue estimates for each state agency. State agencies are required to provide explanations for variances between appropriated estimates/projections and actual figures once fiscal year transactions are finalized and whether they need to adjust their estimated financial information.

7. Financial Accountability Plan
Senate bill 10-03 granted Colorado Institutions of Higher Education greater flexibility in setting tuition, while ensuring that institutions provide protection for low and middle income students. Beginning in FY11-12, those governing boards seeking increased flexibility were required to submit a five-year plan, Financial Accountability Plans (FAPs), to the Colorado Commission on Higher Education (CCHE) for review and approval. The following is the link to Metro State’s FAP:
http://www.mscd.edu/collcom/todayatmetro/assets/Metro_Revised_FAP_Respons_Nov4.pdf

8. Board of Trustees (BOT)

On June 7th, 2002, HB-1165 established the independent governing board for the Metropolitan State College of Denver. Prior to HB-1165, Metropolitan State College of Denver, Mesa State College, Adams State College, and Western State College shared one governing board. The nine appointed voting members of Metro State’s Board of Trustees are appointed by the Governor for a four-year term. There is also a one-year term for one appointed Alumni representative (non-voting member), one non-voting faculty member elected by the faculty senate, and one elected non-voting student representative. The College’s trustees have full authority and responsibility for the control and governance of the College, including such areas as finance, resources, academic programs, curriculum, admissions, role and mission, personnel policies, etc. There are various subcommittees of the BOT, including the Finance Committee, and Academic and Student Affairs, to specifically focus on these matters. To assist the BOT in meeting their responsibilities, the Trustees delegate to the President the authority to interpret and administer their policies in
9. Enrollment Projections (in definition looking to see description of how they are made)
The Budget Office uses a five-year projection model, along with one and three year models. The following factors are considered for enrollment projections:

- Past history of the College’s enrollment
- A comparison of previous projections to actual
- Economic conditions (during economic downturns more people return to school to upgrade their skills or to change career)
- Space available for offering classes
- Input from the Office of Institutional Research (OIR), Enrollment Management, and other sources using projection to estimate revenue.

10. College Opportunity Fund (COF)
The College Opportunity Fund (COF), created through the Colorado legislature, is a stipend for resident undergraduate students. Qualifying students may use the stipend for eligible undergraduate classes. The stipend is paid on a per credit hour basis to the institution at which the student is enrolled. A student is eligible for COF up to 145 credit hours. There is an appeal process available for students who may need to seek a waiver for the 145 credit hour limit. For the 2010-2011 school year, the tuition stipend equaled $62 per credit hour for students attending a participating Colorado public college or university. This amount will stay the same for the next fiscal year.

11. Financial Aid, Scholarships, Pell grant, and Student Loans
Financial aid and scholarships are any program (state or federal) that offers assistance to a student for the costs associated with attending College. These aids are either need or merit based. The federal Pell grant program is a Federal program that offers need-based Scholarship to low income undergraduate and certain graduate students. Students do not need to repay Pell grants and scholarship that they receive during their education. Student loans are offered to students to assist them with education related expenses, such as college tuition, room and board at the university, or textbooks. Many of these loans are offered to students at a lower interest rate than market rates, such as the Perkins loan or Stafford loan. In general, students are required to pay back these loans after the end of a grace period, which usually begins after they have completed their education.

12. Free Application for Federal Student Aid (FAFSA)
This is a form required by the federal government for applying for any federal educational financial aid program. The Free Application for Federal Student Aid (FAFSA) is used to determine the expected family contribution based on family financial information. An expected family contribution is calculated for every student, even if the family is not going to contribute that amount. A FAFSA is used to determine the specific Federal Student Aid
programs that can contribute to a student's total financial aid package and in what proportions. Many colleges and universities use the information provided on the FAFSA to determine other grants and scholarships, as well.

13. Auraria Campus
This is the downtown campus, which is occupied by Metro State College, the University of Colorado, and the Community College of Denver. The Auraria Higher Education Center (AHEC) is responsible for non-academic and facility management. Funding by statute for AHEC is appropriated general fund dollars from the three institutions, established through a Memorandum of Understanding (MOU). Additionally, AHEC receives funds from Parking, Bookstore, and other auxiliary activities.

14. North Campus
The college offers extended education courses at a location north of metro Denver also called Metro North. These courses are generally cash funded (receive no state general fund or COF dollars).
The North campus is located at:
11990 Grant ST Suite 102
Northglenn, CO 80223 (near 120th Ave and I-25)

15. South Campus
The college offers extended education courses at a location south of metro Denver also called Metro South.
The South campus is located at:
5660 Greenwood Plaza Blvd, Suite 100
Greenwood Village, CO 80111 (near I-25 and Orchard Rd)

16. Resident Tuition (*in definition include how it is projected*)
Tuition revenue earned through resident students.
Classification is determined by the State of Colorado based on the student establishing a domicile for at least one year in Colorado before applying or enrolling. There are other conditions that may qualify a student as resident, such as a dependent of a faculty member who accepts a job here at Metro per the handbook. Resident students are eligible for College Opportunity Fund (COF) stipends, as explained in number 10 above.
Tuition projections are accomplished by using enrollment projections multiplied by proposed tuition for the next fiscal year. They are adjusted throughout the fiscal year until finalized.

17. Nonresident Tuition (*in definition include how it is projected*)
Tuition revenue earned from students who are not classified under the resident student category (defined in number 16 above).
These projections are accomplished by using enrollment projections multiplied by proposed tuition for next fiscal year. They are adjusted throughout the fiscal year until finalized.
18. Fee for Service (FFS)
   State general fund appropriation to the public colleges through a Fee For Service (FFS) contract for specific purposes. At Metro this contract covers high cost programs such as Nursing that the College Opportunity Fund cannot cover. Other reasons for FFS allocation include: graduate programs (not for Metro), rural, etc.

19. State Support to Metro State
   The total appropriation received through the State of Colorado (Long Bill) is in three categories: 1) College Opportunity Fund (COF); 2) Fee For Service (FFS); 3) Other Than Tuition (certain fees). Please note that from the above categories only FFS is considered direct support from the State, which is less than 10% of our total revenue. This makes Metro State College an “Enterprise” and therefore gives us the authority to issue bonds for financing capital construction.

20. Non-base General Fund
   Any non-base expenses are one-time expenses that by nature are not included as a base continuing budget, such as a one-time remodeling project. Non-base general fund is a state appropriation that does not continue beyond June 30.

21. Fund Balance Forward (Prior Year Fund Balance Roll Forward)
   Unspent cumulative balances remaining at the end of a fiscal year. These balances are available only for one-time uses and the appropriation of these dollars in state funded programs goes through the normal approval process that includes the VP and the Board.

22. Student Fees (in definition include how are they Projected)
   Fees charged to students beyond tuition to cover certain charges, such as the Health Service Fee, Student Affairs Fee, and Intercollegiate Athletic Fee. These are included in the Auxiliary Funds (see number 27 below). Student Fee revenue is projected by using current enrollment increased by the estimated percentage growth and multiplied by the fee amounts per credit hour.

23. State General Fund Appropriation
   This is the same as number 19 above.

24. The Governor’s Office (in definition limit to the role of the office in the budget process)
   Please see number 3 above, for an explanation of the Governor’s role in the appropriation process.
25. College Staffing Pattern (*include explanation of how vacancy money is allocated/used*)
   This is a list of faculty and staff members of the College, showing their salaries, fringe benefits, and total compensation, with the funding sources by NACUBO categories. (NACUBO is explained under Number 43).

26. Metro State Budget Office (*role the office plays*)
   In summary, the role of the Budget Office is to:
   - Provide a variety of internal analytical financial reports to support management decisions and meeting our fiduciary responsibility. These include reporting to the Board of Trustees and its Finance Subcommittee.
   - Ensure the financial integrity of the institution by playing two roles, to develop the institutional budget to cover our costs and at the same time monitor spending to prevent overspent funds, which is especially important during times of State budget constraints.
   - Provide external reports for various State and Federal agencies, including OSPB, JBC, CCHE and reports on Federal Financial Aid and Stimulus funding or American Recovery and Reinvestment Act of 2009.
   - Evaluate and ensure the financial health of our institution by constantly monitoring our fund balances, enrollment fluctuations, State and national economic conditions or other factors affecting the college such as legislature.
   - Act as a liaison among Human Resources, Accounting Services, and divisions fiscal managers to ensure compliance with the state fiscal rules and internal policies. This includes personnel contracts, position controls, and timely recording of budgeted transactions.
   - Work closely with the divisions and departments fiscal managers to assist them with any budgetary issues.
   - Be responsible for institutional position control.

27. Auxiliary Funds
   These are mainly self-supporting activities that generate their own revenue. In these funds expenditures are for specific purposes and should not exceed generated revenue. Most of these activities perform a service for students or faculty and staff. At Metro State College our graduate program has been set up to be a self-supporting auxiliary program. The auxiliary activities may be classified into appropriate groups, such as, the Health Center, Intercollegiate Athletics, Extended Campus, and for institutions other than Metro, this may include Housing, Parking, and Food services. Auxiliary Funds are authorized to budget and spend their fund balance rollforward (please see number 21).

28. Cash Funded Revenues
   The same as Auxiliary Funds.
29. Bad Debt
Accounts receivable from students that will remain uncollected and have to be written off. Student Accounts works with the State Central Collection Services on collecting any receivables and they are written off after they are identified as uncollectible by the State, the Controller, and the VP’s final approval. Uncollectible amounts are approximately 2% to 3% of our total tuition and fee revenues. The College must budget for potential bad debt expense.

30. Credit Hour Production (CHP)
The total number of credit hours produced for Summer, Fall, and Spring terms for a given year. Each section is determined by taking the number of students enrolled times the credit hours for the section and all sections are summed for the term.

31. FTE-F (Full Time Equivalent-Faculty)
For affiliate faculty, 1 FTEF=30 credit hours taught per year. Therefore, the workload of several affiliate faculty members may comprise 1.0 FTEF only when it equals 30 credit hours taught.

Per the June 2011 approved revision to the Personnel Handbook, Tenure Track is calculated using 24 hours (this includes classroom and release time)=1FTEF. Category II faculty will vary according to the negotiated workload. For example, a lecturer or senior lecturer is expected to maintain a 5/5 teaching load with no more than three preparations per semester and no expectation of scholarly activities other than that related to maintaining currency in discipline, or a 4/4 teaching load with service and scholarly activities, including classroom and release time.

32. FTE-S (Full Time Equivalent-Student)
The number of full-time equivalent students, for both graduate and undergraduate, is derived by the entire year CHP divided by 30 hours.
Note: Term or semester FTE is CHP divided by 15.
For example, a student taking 12 credit hours in the fall semester and 18 credit hours in the spring semester would be considered one FTE for the entire year, but would be only .8 FTE for the fall semester.

33. Institutional Reserves
Dollars set aside or not allocated in order to allow for enrollment fluctuations or other emergencies. The college generally allocates these base dollars for one-time necessary uses, if it is clear the reserve is not needed during the current fiscal year.
34. Indirect Cost Recoveries (ICRs)

Colleges and universities may receive funds through external sources such as State and Federal grants for research or specific programs. These grants are restricted funds since their use is only for the specific research or program. According to these research or grant contracts, an approved facility and administrative (F&A) rate is established to cover for the allowable overhead cost by the colleges and universities as it relates to the management of these funds. The F&A rate has to be calculated and approved by the associated Federal audit agency. The F&A charged to these restricted funds is placed in the Indirect Cost Recoveries Fund type. In our Banner financial system these fund types have “ICR” in their title, although they are also called Facility and Administration (F&A) within the Academic Affairs policy.

35. Institution Overhead (OH)

Overhead (OH) are the ongoing expenses related to daily operation of the College that cannot be directly associated with teaching, but are essential to our goals and function, such as some administrative areas and utilities.

36. Budget Allocations (How is the budget allocated to the major group areas)

Base Budget:

Base budget is the budget that is recurring from year to year. For any revision or additional request to the current ongoing budget, the divisions prepare a request for submission to the Budget Office. Each division establishes its own procedure/process for determining budget requests.

Divisions submit their initial base budget revision requests to the Budget Office in early March of each fiscal year for the next fiscal year. The Budget Office compiles the budget requests and submits its recommendation to the Vice President of Administration, Finance, and Facilities (VPAFF). The VPAFF presents the requests to the Vice Presidents at the March meeting and negotiations continue through April. After the Vice Presidents’ approval, the VPAFF submits the final request to the Board of Trustees (BOT) as part of its May or June agenda for its approval. The base budget can be adjusted periodically throughout the fiscal year to reflect changes in revenues. The BOT is responsible for approving all revisions.

One-Time Budget:

The one-time budget is a non-recurring set of expenditures provided to a department, often related to a one-time project, such as the hiring of temporary staff or a special remodeling project. Please note that approved one-time budget in fund 1000 does not roll forward unless it is a special multi-year project or specifically requested to roll. Examples of one-time expenses include:
i. Identified one-time needs for an upcoming fiscal year, such as remodeling, computer replacement, travel, and some day-to-day operations of the department.

ii. Known accrued expenditures (non-recurring) or some recurring expenses typically covered by one-time funding.

Departments have the opportunity to request one-time budget through a two-step process. The first step is the budget request process, which is included in the March budget requests submitted by division fiscal managers to the Budget Office.

The second step provides an additional request process following the close of the fiscal year. Divisions have another opportunity to identify one-time budget needs, primarily for purchases which were planned, but not received or paid for by June 30. These requests need to be submitted to the divisions’ Vice President’s office for approval. The final requests (second step) should be submitted no later than mid-July of each fiscal year for that fiscal year. These requests follow the approval process, which includes the VPs, the President, and the BOT.

37. Outside Group Funding/Mandatory Distributions (*How is Funding to AHEC and Library and such Groups determined*)

Funding requirements that are mandated through statute or Memoranda of Understanding (MOU):

- AHEC
- Library
- Classified salary or benefit increases
- State Risk Management
- State Administrative Recharge (CCHE, etc)
- Benefits, CHIEBA
- Other

38. State Fiscal Rules

The purpose of these fiscal rules is to set forth policies for state agencies and institutions of higher education concerning internal controls, accounting policies, and financial reporting for the State of Colorado. This is to ensure consistency in adoption of best business practices among state agencies and institutions of higher education. These fiscal rules are applicable to all state agencies and institutions of higher education, to all employees of the state, and to all funds in the executive branch of state government. It is the responsibility of the chief executive officer of each state agency or institution of higher education to ensure compliance with these fiscal rules. These rules cover areas such as disbursements, travel, capital projects, internal controls, and accounting. Many areas covered by the fiscal rules are statutory requirements.
39. Accrual (Accrued Expenses)
   This term refers to expenses that should have been paid by the end of the fiscal year but for various reasons the payment was made in the next fiscal year. This term only applies for goods and services that were received by June 30th (end of the fiscal year).

40. Financial Accounting Standard Board (FASB)
   FASB is a private, not-for-profit organization that formulates accounting standards for private sectors. Its primary purpose is to develop generally accepted accounting principles (GAAP) within the United States in the public's interest. FASB accounting standards are followed by private sectors. Metro State Foundation, Inc, a not-for-profit 501(c)(3) corporation, complies with FASB.

41. Generally Accepted Accounting Principles (GAAP)
   A collection of widely accepted rules and standards to which accountants adhere when preparing financial statements. These are established by the Financial Accounting Standard Board (FASB).

42. Governmental Accounting Standard Board (GASB)
   GASB is an organization, similar to FASB, that formulates accounting standards for governmental units. Its main purpose is to improve and create accounting reporting standards for both state and local governments. All public institutions of higher education are required to comply with GASB. In case there is a lack of guidance by GASB on any issue, governmental entities would follow FASB.

43. National Association of College and University Business Officers (NACUBO)
   NACUBO is the authoritative resource for business, accounting, and financial management of higher education and is recognized nationally. NACUBO’s mission is to advance the economic and business practices of higher education institutions (public or private) by issuing guidelines and holding professional seminars. The revenue and expense classifications used in our financial statements and transactions are requirements of NACUBO. For example, included in these classifications are expense program codes such as Instruction (1100 Program Code), Academic Support (1400 Program Code), Student Services (1500 Program Code,) and so forth, which are known as NACUBO’s Program Codes.