

ACCOUNTING FOR STATE APPROPRIATIONS

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STATE APPROPRIATIONS

- Funds received for specific purposes
- Come with guidelines on how they can be spent
- Subject to laws that control how they are spent



STATE APPROPRIATIONS

- Considered “unrestricted” funds
- Financial Oversight provided by the Budget Office and Unrestricted Accounting Office
- Limitations **are** placed on the usage of these funds

STATE APPROPRIATIONS

	Fiscal year 2009-2010	I & G Portion	I & G Percentage
Main Campus	\$201,000,000	\$ 187,000,000	93%
HSC	100,000,000	62,000,000	62%
Branch Campuses	<u>20,000,000</u>	<u>20,000,000</u>	100%
Total UNM	\$321,000,000	\$ 269,000,000	84%

STATE APPROPRIATIONS - THREE TYPES -

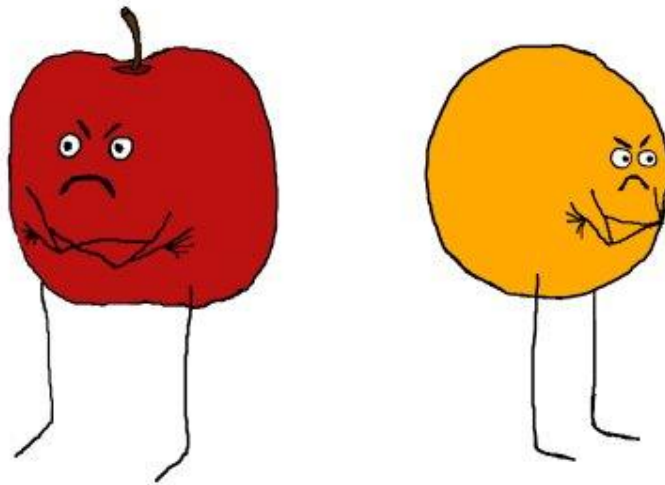
- Recurring Operating Funds
- Non-recurring Operating Funds
- Capital Funds

RECURRING FUNDS & REVERSION OF FUNDS

- One Legislature cannot commit Future Legislatures
- Reversion is complex-contact your budget office

BUDGETING ISSUES

- Funds must stay in the correct Program Code, even if moved to a different index.



BUDGETING ISSUES

- State Appropriations are adjusted by the legislature.
- Budget Office provides detailed information
- Your index receives the appropriate distribution



ADJUSTMENTS CAN INCLUDE

- Compensation Distribution
- Operating Expense increases
- Programmatic cuts
- Elimination of the Appropriation!



F&A-IS IT CHARGED?

- **HSC**
 - Yes. Most new state appropriations are assessed 5% for F&A
- **Main & Branch Campus**
 - Not at this time

SPENDING STATE APPROPRIATIONS

- Must be spent within the guidelines given
- Be aware of your appropriations' guidelines
- General Guidelines are in Appendix 6 of your Manual



SPENDING GUIDELINES

- Alcohol cannot be charged
- Lobbying costs cannot be charged
- Cost Share is discouraged but may occasionally be allowed

PAYROLL FRINGES

State Appropriations

I&G funding:

For Non-Self Supporting Instructional and General Units (or units with I&G Pooled revenue sources posted to account code 1640) use Pooled Fringe Benefits.

For Self Supporting Instructional and General Units (or units with revenue sources posted to account codes 0720 or 0740) Fringe Benefits are budgeted and charged to the same index as the labor expense.

Line Item Appropriations:

May be in any program code based on the purpose or intent (units with revenue sources post to account codes 0720 or 0740) Fringe benefits are budgeted and charged to the same index as the labor expense.

PAYROLL FRINGES

State Appropriations

- With **I&G funding**, most units (revenue posted to account code 1640) will use pooled fringe benefits.
- These benefits will not appear in the same index as the labor expense
- With **Line Item Appropriations** (revenue posted to account code 0720 or 0740) fringe benefits are posted to the same index as labor expense. This includes I&G funded self supporting units.

INCENTIVE COMPENSATION

- Incentive compensation that is earned based upon clinical work must be paid out of clinical revenue and cannot be paid out of state appropriations

STATE REPORTING

- Line Item Appropriations REQUIRE programmatic reporting
- Requirements increased by the Accountability in Government Act (AGA) of 1991
- Process is coordinated by the Higher Education Department
- Form and definitions are in Appendix One through Five

STATE REVIEW

- Legislative Finance Committee has added performance auditors to their staff
- Reviews can be programmatic, financial, or both
- **You** want the results of your review to be good!



FINANCIAL REPORTING ISSUES

- UNM Accounting system is complicated
- Use the correct index, with the correct program and fund code assigned
- Reports are then relatively easy to compile



QUESTIONS?

