



Maximizing State Funds

2024 USAS Workshop

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Overview

- Maximizing State Funds is a core function of the budgeting and accounting teams
- Each A&M member may budget differently, but we all have the same goal
- Good to understand the requirements by funding source (fund)
- Review the mechanics of how TAMU navigates this process
- Tracking Needs
- Any input is welcome



How does your member spend state funds?

- At TAMU, 95% of state funds are spent on payroll and payroll related costs
- Over the years, the departments were trained to place payroll expenses on state accounts, when possible
- Why? Additional General Revenue appropriations are provided for benefit expenses...it is a good budgeting practice to place payroll costs on state accounts since these benefit appropriations are also provided
 - We are given additional state budget for OASI, TRS and ORP
 - We are given 80% of Group Insurance appropriations, so most of this expense is covered; however, some expenses might need to be recorded on GR and the main appropriation



Annual Spending Rules for State Funds

- Fund 0001 General Revenue funds appropriated under Article III must be spent for appropriation year in which they are received
 - Check for exceptions included in riders
 - Example of exception for 711 is funding for the Virtual Production Institute
 - GAA, Article III-101, Rider 3

3. Virtual Production Institute. Out of funds appropriated above to Texas A&M University in Strategy C.1.1, Virtual Production Institute, \$12,500,000 in General Revenue in fiscal year 2024 and \$12,500,000 in General Revenue in fiscal year 2025 will be used for the Virtual Production Institute. Any unexpended balances remaining as of August 31, 2024 are appropriated to the institution for the same purpose in the fiscal year beginning September 1, 2025.



Annual Spending Rules for State Funds

- Fund 02xx General Revenue - Dedicated funds as appropriated under Article III
 - These are collected budgets and are an estimate as part of your institution's method of finance
 - Have authority to roll forward remaining cash deposited in the state treasury, but unused collected budgets must be lapsed per APS018
- Fund 0047 Available University Fund (AUF)
 - Held by agencies 710, 709, 711, and 715
 - Unobligated and Unexpended Budget and cash can be rolled forward
 - GAA, Article III-74-75, Rider 9

Annual Spending Rules for State Funds

- Some State funds we have Unavailable Budget (UB) authority to roll budgets forward
 - Fund 0210 (Appn 13127) and 0001 (Appn 13009) – Hazlewood
 - *GAA, Article III-77, Rider 3*
 - Fund 0001 Texas Research University Fund (TRUF; Appn 13061)
 - *GAA, Article III-293, Section 54.1*
 - Fund 0001 Comprehensive Research Fund (CRF; Appn 13161)
 - *GAA, Article III-293, Section 54.2*
 - Fund 0802 Texas Collegiate License Plates
 - *GAA, Article III-292, Section 53*

**GENERAL APPROPRIATIONS ACT
FOR THE 2024-25 BIENNIUM**

**Eighty-eighth Texas Legislature
Regular Session, 2023**

Text of Conference Committee Report on House Bill No. 1
(incorporating other bills that affect 2024-25 biennial appropriations)



Lapsing State Funds

- The State Comptroller's Office requires institutions and agencies to return unused state funds...this process is defined as 'lapsing'
- The concept of lapsing funds means we have been provided more budget than what we need...we have excess, and we need to send back
 - Is this the case?
 - Do we have excess cash?
- More often the issue is the funding between the banks
- GR covers between 18-26% of our operating costs



How does your budget office budget state funds?



- The budget office at TAMU pools all state funds that are not for a specific purpose, GR, Fund 2xx, Higher Ed Affordability, Hazlewood, TRUF, etc., into one budget pool and distributes budget to the E&G accounts
- There are exceptions...
 - If the funds are for a specific purpose like the Virtual Production Institute or the Space Facilities, a separate account is set up along with a bank and accounting analysis code and funds are spent specifically for that purpose through those accounts
 - These funds are not included in the pool the budget office allocates to the E&G accounts

E&G Accounts

- The E&G accounts have the GR bank and an accounting analysis code for GR associated with them
- Since this pool has more than just GR, we must spend up the other funds that are in the pool while keeping an eye on the GR balance. We do this by overriding the accounting analysis (AA) codes

	Appn	Fund	State Bank	AA Code	Program Cost Account (PCA)
GR	10711	0001	B14001	various	3701x; 3702x; 3706x; 3074x; 37126; 37137; 3021x; 3023x; 3031x; 3081x
Fund 0242	various	0242	various	various	3701x; 3702x; 3705x; 3712x
Higher Ed Affordability	28358	0001	B14358	0570	3701x; 3712x; 3097x
Hazlewood – GR	13009	0001	B14009	0550	13009
Hazlewood – MVE	13127	0210	B14127	0555	13127
Texas Research University Fund	13061	0001	B14500	0500	30971

Accounting Analysis Codes (AA Codes)

- At main campus, AA codes for GR, Fund 2, and AUF are grouped by division/college so we have smaller amounts of payroll to move around
- Each institution will need to switch between GR and Fund 02xx
 - How is this completed at your campus?
 - What is the trigger?
 - Sometimes this is completed at set times during each year
- We all use different terms while accomplishing the same task

TAMU E&G Accounting Analysis Table					Accounting Analysis Code			
					GR 0001	Fund 2 0242	AUF 0047	Local 7999
Exev	Div	Coll	Dept	Dept Desc				
PR	AD	-	PRAD	President's Office-Administration	0411	0911	0011	5211
FN	AD		VPFN	Chief Financial Officer	0412	0912	0012	5212
MC	AD		VPMC	Vp For Marketing And Communications	0413	0913	0013	5213
IT	CI		CSCN	Texas A&M Information Technology	0414	0914	0014	5214
SS	AD		VPSS	Vice President For Student Affairs	0415	0915	0015	5215
AA	AD		PROV	Executive Vice President And Provost	0416	0916	0016	5216
AA	AS		AST	Academic Services Team	0417	0917	0017	5217
AA	RG		URES	Vice President For Research	0418	0918	0018	5218
PR	RC		MASD	University Risk And Compliance	0419	0919	0019	5219
UN	AD		UNIV	University Wide Accounts	0420	0920	0020	5220
AA	CD	AG	CLAG	College Of Agriculture - Admin - Dean	0421	0921	0021	5221
AA	CD	AR	CLAR	College Of Architecture	0422	0922	0022	5222
AA	CD	BA	CLBA	Mays Business School - Admin - Dean	0423	0923	0023	5223
AA	CD	ED	CLED	College Of Education - Admin - Dean	0424	0924	0024	5224
AA	CD	EN	CLEN	College Of Engineering - Admin - Dean	0425	0925	0025	5225
AA	CD	GE	CLGE	College Geosciences - Admin - Dean	0426	0926	0026	5226
AA	CD	LA	CLLA	College Liberal Arts - Admin - Dean	0427	0927	0027	5227
AA	CD	SC	CLSC	Dean Of Science	0428	0928	0028	5228
AA	CD	BU	SGPS	Bush School Of Government & Public Svc	0429	0929	0029	5229
AA	CD	LW	CLLW	College Of Law	0430	0930	0030	5230
AA	CD	VM	CLVM	College Of Vet Medicine - Admin - Dean	0431	0931	0031	5231
AA	LI		LIBR	Tamu Libraries	0432	0932	0032	5232

The GR AA is entered on screen 8 for any "1" account/E&G account in the department listed.

Accounting Analysis Codes (AA Codes)

- Each of the other funds have their own AA code and bank. The AA codes are setup for the entire range of E&G accounts to make things easier to move one AA to another AA

	Appn	Fund	State Bank	AA Code	PCA
GR	10711	0001	B14001	various	3701x; 3702x; 3706x; 3074x; 37126; 37137; 3021x; 3023x; 3031x; 3081x
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FAMIS Screen 725 Accounting Analysis Override

This screen is used to move

- biweekly
- monthly
- both payrolls

from one AA code to another one by
pay date

This screen allows you to move

- an entire AA code
- one SL
- one SL-SA
- just one UIN

This does not change the bank on screen 6 or the AA on screen 8. It only overrides it for the pay date specified when payroll is processed.

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725 Accounting Analysis Override                                05/14/24 13:55
                                                            FY 2024 CC 02

Screen: ___ Fiscal Year: 2024 Show All: N
Pay Cycle: _ Date: _____ Account: _____
Effective Pay Dates Accounting Analysis New
F Cycl FY From Thru Account Code (5-16) AA UIN
1 _ All 2024 01/02/2024 03/01/2024 138301 ***** 0430 ***** 0500
  _ All 2024 01/02/2024 03/01/2024 144003 ***** 0431 ***** 0500
  _ All 2024 01/02/2024 03/01/2024 144004 ***** 0431 ***** 0500
2 _ Mon 2024 12/01/2023 12/01/2023 ***** 0411 ***** 0011
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0412 ***** 0012
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0413 ***** 0013
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0414 ***** 0014
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0415 ***** 0015
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0416 ***** 0016
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0417 ***** 0017
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0418 ***** 0018
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0419 ***** 0019
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0420 ***** 0020
  _ Mon 2024 12/01/2023 12/01/2023 ***** 0421 ***** 0021

** Press ENTER to Continue **
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
Hmenu Help EHelp
  
```

1. Moving biweekly and monthly payrolls with pay dates between 1/2/24 and 3/1/24 that hit account 138301 from AA 0430 (GR) to AA 0500 (TRUF)
2. Moving the monthly payroll with 12/1/23 pay date from AA 0411 (GR) to AA 0011 (AUF)

Tracking

- Create a spreadsheet to track payroll projections and actual expenses for each fund by month, ensuring the ending balances reconcile with USAS each month
- Project future months activity using a business objects report by pay date for monthly and biweekly payrolls by the AA that is on screen 8 for the SL based on prior year activity
 - This is an example of the business objects report for monthly payrolls

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.
0010	1,214,158.08	1,237,100.10	1,219,683.78	1,227,153.67	1,269,157.46	1,314,532.74	1,323,482.56	1,333,577.69	1,364,329.98	815,455.25	863,463.35	737,947.18
0052	11,170.79	8,857.50	5,703.02	5,002.02	10,168.69	10,168.69	10,168.69	9,168.69	9,168.69	5,719.50	5,810.56	5,764.42
0210	2,264.58	2,264.58	2,264.58	2,264.58	3,429.45	3,589.23	3,589.23	3,589.23	3,589.23	20,824.63	28,498.24	21,453.15

Tracking



- Keep in mind the projections are based on prior year activity
 - Things could have changed
 - It's not a bad idea to confirm the ones you want to move are still close to the same amount by looking at the previous month in the current year before overriding the AA codes on screen 725
- The goal is to move payroll from GR to the other funds to spend them up while keeping an eye on GR to ensure it remains positive
- The tracking spreadsheet is key to the process



Get It Close

- It's hard to spend down to zero using this method...almost impossible
- This is where Kristina comes in and spends down to zero
 - Are there expenses that can be moved from funds with UB authority like fund 02xx , fund 0047, Hazlewood, TRUF, or CRF?
 - Do you have UB authority to roll the funds forward to the next appropriation year?

Handling Smaller Appropriation Balances to Prevent Lapsing Funding

- Appropriation Expenditure Authorization for E&G Appropriations
 - GAA, Article III-274, Section 6.8
 - Provides authority for expenses related to Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, Scholarships, Staff Benefits, Organized Activities, and Patient Care
 - Excludes major repairs of buildings and facilities unless expressly identified or allocated for such purposes
 - Excludes any funds to be expended for auxiliary enterprises, unless specifically authorized

Handling Smaller Appropriation Balances to Prevent Lapsing Funding

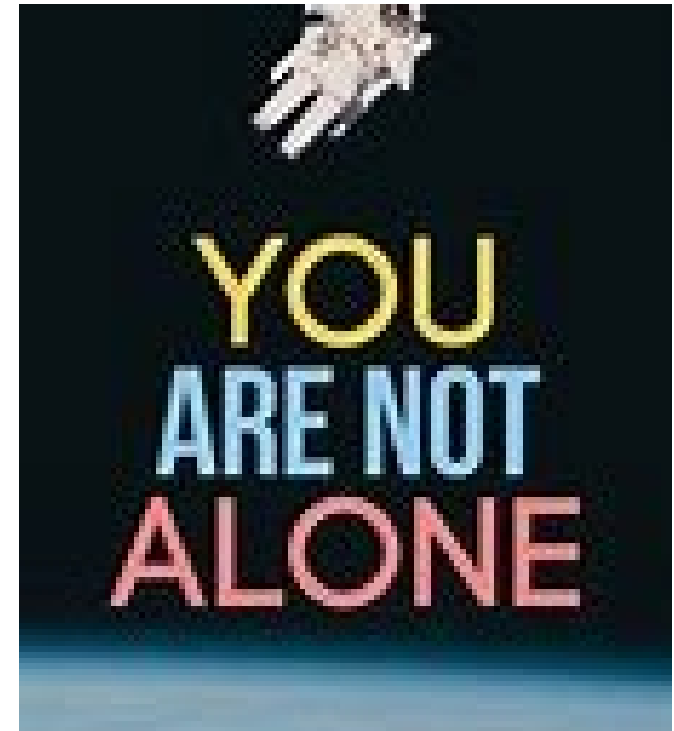
- Since fund 02xx and Fund 0047 can be rolled forward each year, this is typically where expenses will be identified, and those expenses will be moved to GR to spend down larger balances
 - Identify non-benefit related vouchers paid from these funding sources and request AP voucher corrections
 - Manual entries for moving payroll can be done to move payroll only to spend up larger balances
 - Keep in mind these expenses stay on the same department SL
 - In FAMIS, AFR accounts that mirror the original account attributes are used to process screen 13/13 'C' entries to change the bank
 - In USAS, 407/408 entries are processed to move expenses between funding sources

Handling Smaller Appropriation Balances to Prevent Lapsing Funding

- Do you have UB authority for the funding source?
 - Analyze the GAA for the various types of funding you receive
 - Review riders under your appropriated budget
 - Review article III Special Provisions Relating Only to State Agencies of Higher Education
 - Work with your budget office to identify thresholds for allowing UB of balances
- When making Expense transfers ensure FAMIS and USAS stay in sync
 - Review your state bank reconciliations to make sure USAS and FAMIS cash are in balance
 - Review your ABEST reconciliation to make sure program codes are still matching between USAS and FAMIS

Not Alone

- These state rules and requirements are a challenge
 - Do we have to know everything?
- There are a team of experts here at the System Office, TAMU and other members who can help
 - If you are stuck, reach out



Summary

- Understand your budget office's needs and processes on spending State Funds
- Ensure each fund is spent accurately and timely
- Move funds to the new AY...UB forward
- Do NOT lapse state funds if possible...you might not get them again next year



ANY QUESTIONS?

WHEN?

HOW?

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