

Budgeting for Guelph Humber in Colleges

- Introduction

Departments may be compensated for Guelph Humber (G-H) actual expenses under two methods:

1. Direct Cost Allocation (DCA):

- Departments receive an annual budget allotment for specific costs to be incurred (similar to the MTCU budget allotment). The reporting fund will be 103 but is not to be used in the Colleges.

2. Standard Rate Recovery (SRR):

- Departments receive a transfer of funds (cost recovery) based on a per course or some other output measure multiplied by a predetermined rate for that particular college teaching activity. The reporting fund will be 100.

Budgeting for G-H

Direct Cost Allocation

Fund 103 - Dean's Office/Departments

	<u>YTD Actual</u>	<u>Budget</u>	<u>Variance</u>
Expense Objects	\$ XXX	\$ XXX	\$ XXX

- Departments will be responsible for variances; carryforwards will be subject to approval by G-H.

Budgeting for G-H Standard Rate Recovery

<u>Fund 100 - Dean's Office</u>		<u>YTD Actual</u>	<u>Budget</u>	<u>Variance</u>
G-H Revenue Transfer ¹	51561	\$ XXX	\$ XXX	\$ XXX ⁶
G-H Cost Recovery Offset - Budget Only ²	66009	N/A	\$ XXX	\$ XXX ⁶
G-H Allocated Budget - Budget Only ³	66010	N/A	\$ XXX	\$ XXX ⁶

1. Establish annual course recoveries and other approved cost transfers.
 2. Setup Cost Recovery offset equal to annual Revenue Transfer (object 51561).
 3. Allocate budget dollars to college departments for personnel and operating costs (should equal total budget transfers to departments from Dean's Office).
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<u>Fund 100 - Departments</u>		<u>YTD Actual</u>	<u>Budget</u>	<u>Variance</u>
Salaries & Benefits ⁴	61XXX	\$ XXX	\$ XXX	\$ XXX ⁶
Operating Expenses ⁵	6XXXX	\$ XXX	\$ XXX	\$ XXX ⁶

4. Establish new RFT G-H positions in the department. Provide funding from the Dean's Office.
5. Setup expense budgets and record actual costs in department expense objects.
6. Departments will be responsible for variances; carryforwards will be subject to Dean's approval.

Budgeting for G-H Fund and Object Coding

Fund 103	Operating Guelph Humber	DCA	Valid for all Depts.
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* The Direct Cost Allocation (DCA) method requires an annually approved budget from Guelph Humber.

Fund 100	Operating MTCU	SRR	Valid for all Depts.
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Object 51561	G-H Revenue Transfer	SRR	Record transfers and recoveries in Dean's Office.
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Object 66009	G-H Cost Recovery Offset - Budget Only	SRR	Setup Expense Budget in Dean's Office.
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Object 66010	G-H Allocated Budget - Budget Only	SRR	Allocate Expense Budgets from Dean's Office.
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* The Standard Rate Recovery (SRR) method proposes that all G-H cost recoveries and transfers be received in the Dean's Office. Departments will receive budget funding from the Dean's Office and record expenses in each department as normal.

Budgeting for G-H Project Coding

Fund 103	Operating Guelph Humber	Project is Mandatory
Fund 100	Operating MTCU	Project is Optional
Project 810500	Guelph Humber – Academic Admin	
Project 810501	Guelph Humber – Distance Education Devlp	
Project 810502	Guelph Humber – Curriculum Devlp	
Project 810503	Guelph Humber – Library	
Project 810504	Guelph Humber – Registrarial Serv & System Devlp	
Project 810505	Guelph Humber – Recruitment & Admissions	
Project 810506	Guelph Humber – Course Delivery	
Project 810507	Guelph Humber – Recovery of U of G Costs	
Project 810508	Guelph Humber – Central Admin	

* This list of projects is centrally controlled.

Budgeting for G-H

Example of Standard Rate Recovery

<u>Fund 100 - Dean's Office</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Variance</u>
51561 G-H Revenue Transfer	(\$ 200,000)	(\$ 225,000)	(\$ 25,000)
66009 G-H Cost Recovery Offset - Budget Only	0	\$ 225,000	\$ 225,000
66010 G-H Allocated Budget - Budget Only	0	(\$ 175,000)*	(\$ 175,000)
	(\$ 200,000)	(\$ 175,000)	\$ 25,000**

<u>Fund 100 - Departments</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Variance</u>
61101 Faculty - RFT	\$ 120,000	\$ 120,000	0
62306 Benefit Allocation	\$ 21,900	\$ 21,900	0
62403 Recruitment Costs	\$ 15,000	0	(\$ 15,000)
63853 Eq-Compt. Hardware Over \$5000	\$ 25,000	0	(\$ 25,000)
63761 Total Operating Expenses – Budget Only	0	\$ 33,100	\$ 33,100
	\$ 181,900	\$ 175,000*	(\$ 6,900)**

* Total departmental budget allocations are funded from the Dean's Office budget account 66010.

** Any surplus or deficit to be carried forward will be the responsibility of the College.