

# Revenue-based Budgeting

## QUICK REFERENCE GUIDE

This guide outlines the RBB model at the Budget Center or College level. Leadership in Revenue/College and Support Units determines budget allocations at department levels.

### 1 Tuition, Fees and State Appropriations

#### Undergraduate Tuition and Fees

- Define the base revenue allocation as the sticker price less mandatory fees. Do not break out tuition by residency.
- Allocate base academic revenues **80% to the college of instruction and 20% to the college of major.**

#### Graduate Tuition and Fees

- Define the base revenue allocation as the sticker price less mandatory fees.
- After **100% allocation of graduate revenues to the program college, transfer teaching revenues to the instructing college.** The transfers are done at the teaching credit hour amount rate of the instructing college after financial aid.

#### State Appropriations

- Define the base as recurring state appropriations not specifically designated. There may be some funds required to be used for specified purposes and are removed from the initial consideration of the base (e.g., Center for Human Genetics, Deep Orange, Energy Systems and the President).
- A **split between the undergraduate allocable base (25%) and sponsored research expenses (75%).**

#### Other Tuition and Fees

- **100% of other self-generated revenue** (i.e., academic program fees, lab fees, tuition remission) is allocated to the revenue center.

### 2 F&A Returns

- Allocate **100% of F&A to the appropriate revenue or support unit that generated it** [in the case of the University, the senior executive of the revenue or support unit (i.e., Dean); in the case of PSA, the senior executive of PSA (VP PSA)].
- Allocate SVPR overhead as a support unit.
- Fund large enterprise-wide research investments through the strategic investment pool.
- Allocate **100% of sponsored graduate tuition remission to the revenue or support unit that generated it** [in the case of the University, to the senior executive of the revenue or support unit (i.e., Dean); in the case of PSA, to the senior executive of PSA (VP PSA)].

### 3 Financial Aid

- Set **undergraduate** financial aid assessment to cover institutionally funded financial aid and exemptions. i.e., what Enrollment and Financial Aid manages centrally.
- Set **graduate** financial aid assessment to cover “true” exemptions.
- Distribute tuition and fees to revenue centers after financial aid and exemption amounts are deducted.
- Non-sponsored graduate tuition remission (previously known as “Institutional GAD”) will be covered by revenue centers.

---

## 4 Administrative Overhead

The following summarizes the four cost pools, associated drivers, and assigned support centers.

### Academic and Student Support

**Driver: instructional credit hours**

- Provost Office
  - Includes CURF (with 3-year review)
- Clemson Libraries
- Student Affairs

### Space

**Driver: net assignable square feet**

- Facilities
- Utilities
- Planned Maintenance
- Leases
- Land and Capital Asset Stewardship
- External Debt Service
- Minimum Quality Standards (*instructional spaces*)
- Specific Sites (*ex: Botanical Gardens, Clemson Experimental Forest*)

### Research

**Driver: sponsored research expenditures**

- CURF
- Post-Award Research
- Research Safety
- Division of Research

### General and Administrative

**Driver: employee headcount**

- Board Secretary
- CAMP
- CCIT
- Development/Advancement
- Economic Development & Governmental Affairs
- Finance and Operations (*excl. auxiliaries*)
- General Counsel
- Community, Engagement, Belonging and Access
- Institutional Excellence
- Marketing and Communications
- President's Office

---

## 5 Participant Support Pool, Including Strategic Investments

The Participation Support Pool will be **funded through a participation support fee**. This pool will support “hold-harmless” for revenue centers and strategic investments. With a review of reference institutions and for planning assumptions, the **initial recommendation for the size of this pool is \$10mm**.

---

## Revenue-based Budgeting at Clemson: Guiding Principles

- Support the land-grant mission, leading to the achievement of the goals as defined in Clemson’s strategic plan.
- Be simple to articulate, and ensure transparency.
- Be data-driven, and enable predictability that allows for multi-year planning.
- Align budgetary authority with responsibility and accountability.
- Incentivize efficiency, collaboration, innovation, and entrepreneurship in line with Clemson’s strategic plan.