

Budget Development Overview

The EIU Budget is a financial plan for EIU's expected revenues and expenditures for a fiscal year. The Board of Trustees' (BOT) approved budget provides the expenditure **authority and constraints** for EIU to fulfill its academic mission.

Eastern Illinois University's fiscal year runs from July 1st through June 30th. The process for developing the University's budget begins 1.5 to 2 years prior to the final budget approval date in June. It should be noted that the operating budget cannot be finalized until the state appropriation for EIU is approved by the Illinois State Legislature and signed by the Governor. This typically happens in early to late June.

The EIU **appropriated (i.e., tax dollar and tuition income supported) budget request** is developed for three distinct areas: operating, capital and program priority requests. The chronology of development for the appropriated budget is as follows.

- **June:** BOT approves the budget for the fiscal year starting July 1; BOT also approves the tentative budget for the subsequent fiscal year to be submitted to the Illinois Board of Higher Education (IBHE) in October in the Resource Allocation and Management Program (RAMP) document.
- **July-August:** Current fiscal year appropriated budgets are loaded.
- **September:** After 10th day enrollment numbers have been determined, financial forecasting for the subsequent two fiscal years commences. This includes tuition and fees modeling for rate determinations. (Forecasted data beyond 2 years is also developed for planning support purposes).
Historical RAMP; Technical Tables 4 and 5—due to IBHE in September.
- **October:** RAMP complete document submitted to IBHE. (This document includes Operating, Capital Technical, Program Priority Requests and Narratives).
- **October-January:** The next two years' actual and tentative Tuition and Fee Rate Structures are developed for President's Council and BOT Approval.
- **December:** EIU's budget is submitted to the Governor's Office of Management and Budget. This is usually referred to as the GOMB Budget Book.
- **February:** ISL (Illinois State Legislative) Budget Document is submitted 48 hours after the Governor's budget address. This document is submitted to both legislative houses and their respective GOP/Democrat budget analysts.
- **May-June:** Legislature approves funding, and Governor signs the state budget document.

The **non-appropriated** budgets are developed by the entities' directors and financial managers, with PBIR collaboration. The respective VP's and the President sign off on their budget documents. The timelines are largely congruent with the appropriated budget development. For example, EIU's Bond and Local units (e.g., Housing, Recreation Center, Textbook Library, Health Service, Shuttle Bus, etc.) undergo a thorough, internal fee review process in October-December. Comprehensive financial forecasts and recommendations for fee adjustments are

ratified by the Student Government Association, President's Council, and BOT. The non-appropriated budgets are integrated with the appropriated budget in the June BOT budget document.

Funds are budgeted in Banner "organizations" (orgs), and these organizations are grouped by ledgers. The Banner description is included in parentheses:

- Ledger 1 (General Revenue and Income Funds): This ledger consists of organizations which are funded with state appropriated (tax revenue) dollars and income fund (tuition) dollars. This ledger provides the primary funding for the academic mission of the university.
- Ledger 2 (Local Funds): This ledger includes self-supporting organizations funded with, for example, student fees, fundraising, and athletic ticket sales. Service orgs are also included in Ledger 2 for billable activities such as telecommunications, fleet, renovations and alterations, postage, etc.
- Ledger 3 (Auxiliary Enterprise Funds): This ledger consists of self-supported organizations whose capital structures were funded by bonds. These entities (residence halls, Martin Luther King student union, student recreation center, and textbook rental) collect revenue which is used for debt service and support operations.
- Ledger 5 (Restricted Funds): Grant and donor gift funded entities.
- Ledger 6 (Foundation Funds): These funds derive income from endowments and their related earnings. Funds are used exclusively for scholarships.
- Ledger 7 (Plant Funds): Equipment reserves.
- Ledger 8 (Agency Funds): Funds that are managed by the university in behalf of other entities.
- Ledger 9: Closed account organization.

Within organizations, funds are budgeted by accounts. Accounts are categories used to distinguish the types of revenues and expenditures being budgeted. Funds used to pay salaries are budgeted in the personal services accounts (61XXX), while non-salary dollars are often referred to as "operating" or direct expenditures (71XXX). Revenue accounts (5XXXXX) are used for budgeting revenue.

Several tools are available for financial managers to monitor and control their budgets accounts. The Budget Office actively engages budget by position controls for Ledger 1 and Ledger 3. Financial manager responsibilities, reporting and control tools, and Budget Office support activities are further described in separate sections on this website.