



UNIVERSITY OF  
**South Carolina**

**BUDGET MODEL USER GUIDE**

**SUPPORT UNITS**

**Updated FY2026**

**University of South Carolina**  
**Budget Model User Guide**  
**Support Units**

**I. Budget Model Overview**

**A. Introduction**

The University of South Carolina Columbia introduced a redesigned budget model in FY2021 and implemented an updated version in FY2026. This data-driven framework for resource allocation is designed to foster entrepreneurial initiative, enhance operational efficiency, and improve transparency. While the model does not create or eliminate resources, it increases clarity and provides deeper insight into the University's internal economy.

**B. Unit Categorization**

Under the budget model methodology, each Columbia operating unit is categorized into one of four groups based on its capacity to drive revenue-generating activities. Primary units, including academic and auxiliary units, have the ability to influence revenue generation directly. In contrast, central support units have limited or no capacity to impact revenue.

Unit Categories	Units Included
Auxiliaries	Athletics, Housing, Parking, Student Health
Academic Units	All areas with Academic Deans are considered academic units except for Libraries, Honors College and Graduate School
Pass-Through Units	Units supported with state appropriations and self-generated funds
Support Units	All other Columbia campus areas not classified above (primarily administrative units)

Within the Support Unit category—which includes areas such as HR, Finance, Facilities, IT, and others—units are further organized into cost pools based on the similarity of their activities. Each cost pool is assigned an allocation metric that serves as a proxy for the costs associated with the services provided by the support units in that pool. These expense allocations are applied exclusively to academic units. Refer to the chart below for details on the support unit cost pools and their corresponding allocation metrics.

Cost Pool	Support Units Included	Allocation Metrics
University Services & Operations	University Technology Services (DoIT), Financial Systems, General Fund, Admin & Finance, Law Enforcement, Business Affairs, Development, Communications, External Affairs, Postal Services	Total Direct Expenses
Facilities	Facility Services, Facilities Projects, Utilities	Net Assignable Square Footage
Student Services & Undergraduate Affairs	Honors College, Palmetto College, Enrollment Mgmt, Scholarships, Student Affairs, University 101, Health Services	UG Student FTE
Academic Affairs	Provost, Graduate School, University Press, OIRAA, Faculty Senate, International Programs, Evening/Weekend, Distributed Learning, Libraries, Koger Center	Student FTE + Faculty FTE
Research	Office of Research/Research Administration	Contract & Grant Revenue
Executive Affairs	President, Civil Rights & Title IX, Legal, Economic Engagement, Board of Trustees, System Affairs, Audit, Org. Excellence	Total FTE (Student + Employee)
Employee Services	HR, Finance, Staff Senate	Total Employee FTE

**University of South Carolina  
Budget Model User Guide  
Support Units**

**I. Budget Model Overview**

**C. Model Methodology & Decision Points**

A key feature of the budget model is the removal of the traditional static base budget (i.e. 31900). For support units, it is replaced primarily by a support unit costs allocation. Additionally, some support units receive revenue allocations. See below for a summary of model allocation decisions and other major model decision points.

<b>Decision Point</b>	<b>Model Treatment</b>	<b>Updated in FY2026?</b>
Model Application	Applies to USC Columbia (not including SOMs), however, other system institutions are included in reporting to allow for reconciliation to financial statements.	N
Support Unit Allocations/Cost Pools	Grouped all support units into 7 cost pools based on similarities of activity “Net Cost” (i.e. expenses less direct revenues) are allocated based upon metrics/drivers agreed upon as adequate “proxies”	Y
Direct State Appropriations	100% to the appropriation recipient based on actual revenue from the current fiscal year.	N
Indirect Cost Recovery (IDC) Revenue	Allocated 100% to units generating IDC.	N
Strategic Initiative Funding (SIF)	Strategic Initiative Funding (SIF) is the funding generated from the participation fee after subvention is allocated. It is distributed to support the University's academic priorities and mission.	N
Carryforward	Units generally are permitted to maintain carryforward built by retained surpluses and to be used to mitigate unforeseen losses or one-time strategic initiatives.  In the event that surpluses are larger than expected or agreeable, it is assumed that conversations would be initiated with those impacted to discuss adjustments, but with intent of not limiting incentives.	N

University of South Carolina  
Budget Model User Guide  
Support Units

II. Model Allocations

A. Account Codes

In order to record each of the model allocations within PeopleSoft, the 71XXX account series has been created. Each model allocation is associated with a unique 71 account code. See below for a mapping of model allocations to account codes.

Account Category	Unrestricted	Restricted	Model Accounts <sup>2</sup>	Total
Direct Tuition	100,000	0		100,000
Direct State Appropriations	5,000,000	0	71490, 71493	5,000,000
Indirect Cost Recovery (IDC)				
Revenue	500,000	0		500,000
Grants, Contracts & Gifts	0	2,000,000		2,000,000
Sales, Services & Other	250,000	0		250,000
<b>Total Revenue</b>	<b>5,850,000</b>	<b>2,000,000</b>		<b>7,850,000</b>
<b>Total Direct Expenses</b>	<b>(10,000,000)</b>	<b>(2,000,000)</b>		<b>(12,000,000)</b>
<b>Total Contrasts &amp; Transfers</b>	<b>650,000</b>	<b>0</b>		<b>650,000</b>
<b>Margin Prior to Support Unit Allocations</b>	<b>(3,500,000)</b>	<b>0</b>		<b>(3,500,000)</b>
Support Unit Allocations	3,500,000	0	715% <sup>1</sup>	3,500,000
Strategic Initiative Funding	0	0	7182%	0
<b>Margin (Change in Fund Balance)</b>	<b>0</b>	<b>0</b>		<b>0</b>

<sup>1</sup>Includes account codes 71500-71514 (one account code per cost pool)

<sup>2</sup>Account categories without a corresponding 71xxx model account are not impacted by model allocations

University of South Carolina  
Budget Model User Guide  
Support Units

## II. Model Allocations

### B. Model Allocation Entries FAQs

#### 1. What drives changes to my unit's support unit allocation amount?

Support unit allocations only change year to year due to initiatives approved by SUAC during the annual solicitation process, funding for state mandates, or recurring transfers to/from another unit.

#### 2. Do changes in allocation metric data impact my unit's budget (i.e. support unit cost allocation)?

No. The allocation metrics drive how support unit budgets are charged to academic units. The metrics do not impact the support unit budgets themselves.

#### 3. How can a support unit request an increase to its support unit allocation amount?

Support unit initiative solicitation will occur in the Fall of each fiscal year. Initiative requests will be reviewed by the Support Unit Allocation Committee (SUAC). The committee will make recommendations to the Budget Update Group (BUG). The Budget Update Group (BUG) will review before ultimately making final proposals to the President and Board of Trustees.

#### 4. Which of my departments will be impacted by 71XXX entries?

Most 71XXX model allocations (budget and actual) will be recorded to each unit's main "A" fund department.

#### 5. Will I ever need to record budget or actual entries to model allocation (71XXX) accounts?

No, model allocation (71XXX) accounts must net to zero across the Columbia campus. Therefore, the central budget office will make all budget and actual model allocation entries.

#### 6. Will 71XXX series journal entries to the Actuals ledger be based upon current year actuals or beginning budget? What is the timing of these entries?

Most model allocation journal entries will be based upon the approved Budget. See the chart below.

Model Allocation	Journal Entry Source:	
	Budget vs. Actuals	Timing of Entry
Support Unit Allocations	Budget	Load 100% in July
Direct State Appropriations	Budget	Load 100% in July
SIF	Budget	As Awarded

#### 7. What is the data source for model allocation journal entries?

Most model allocation journal entries will be based upon the approved Budget. See the chart below.

Model Allocation	Primary Data Source
Support Unit Allocations	Budget Document
Direct State Appropriations	Budget Document
SIF	Budget Document

University of South Carolina  
Budget Model User Guide  
Support Units

III. Unit Budgeting Guide FAQ

**1. Since the legacy base budget allocation model is removed, will budgeted 3XXXX accounts still be used? How can I transfer budget between my departments and/or to another unit?**

Yes, budgeted 3XXXX's will still exist in the budget model. Some of the rules related to 3XXXX's (budget allocations) will change, while some will remain consistent with the legacy model. See the summary below of how 3XXXX's will be used in the updated model.

- 36400 / 36500: One-time departmental budget transfers within an Operating Unit will use accounts 36400 & 36500. No changes will occur for this process.
- 363XX / 368XX: One-time budget transfers between Operating Units will use the 363XX & 368XX account sequence. No changes will occur for this process.
- 37400 / 37500: Permanent departmental budget transfers within an Operating Unit will use accounts 37400 & 37500. No changes will occur for this process.
- 373XX / 378XX: Permanent budget transfers between Operating Units will become more irregular in the new budget model. Funding transfers that were previously received using the 373XX & 378XX account sequence, will largely be replaced with 71XXX model allocations (e.g. support unit allocations). However, when a permanent adjustment between units is required during a fiscal year, it will be recorded using the 373XX / 378XX account sequence.
- 31900: Although the base budget will be removed, the 31900 account will continue to be used. 31900 now nets to zero within each Operating Unit (rather than across all Columbia Operating Units as was the case under the legacy budget model).

Per the legacy model, 31900 represented each unit's permanent allocation of central "A" Fund tuition and appropriations. Although units were not able to record entries to 31900, units were able to make permanent departmental transfers (37400 / 37500), which then rolled into 31900 during the subsequent year's budget development cycle.

Within the current budget model, the central tuition and appropriation funding previously allocated using 31900, will now be allocated using model allocation (71XXX) accounts. Each allocation entry to 71XXX accounts will be recorded to each unit's main "A" fund department. Therefore, units will still need the ability to shift budget between departments on a permanent basis.

Units will continue to use 37400 and 37500 to make these recurring adjustments. In the current model, there is no positive 31900 amount to pull the funding from. Therefore, a negative 31900 amount will be created in each unit's main department offsetting the departmental base budgets. The main department with a negative 31900 base will remain positive due to offsetting 71XXX model allocations. Note that the 31900 account will net to zero within each operating unit. See chart below.

Accounts	Department A	Department B	Unit Total
<b>31900</b>	\$ (5,000,000)	\$ 5,000,000	\$ -
<b>71XXX</b>	\$ 9,000,000	\$ -	\$ 9,000,000
<b>5XXXX</b>	\$ (4,000,000)	\$ (5,000,000)	\$ (9,000,000)
<b>Budget Total / Net</b>	\$ -	\$ -	\$ -

University of South Carolina  
Budget Model User Guide  
Support Units

III. Unit Budgeting Guide FAQ (continued)

**2. Do the legacy "A" Fund balancing rules apply under the current budget model?**

Yes, the same rules apply, with the addition of 71XXX accounts being included in the balancing equation (i.e.,  $3s + 4s + 8s + 7s = 5s + 6s$ ).

**3. Explain budgets loaded to non-"A" funds. What balancing rules exist for these fund types?**

- Budgets are loaded to non-"A" funds using the budget as submitted in Anaplan during unit budget development.
- If budgets were not allocated from BUD000-%999 during budget development, then they will be loaded at the unit (not department) level.
- Non-"A" unrestricted funds are allowed to be budgeted with a change to fund balance and balanced using account 31000.
- Budget entries can be made to non-"A" unrestricted budgets; however, budgeted 3XXXX's will still only relate to "A" funds.

**4. How will support unit mandates be funded?**

Mandate costs will be covered on a one-time basis in Year 1 through budget transfers. In the following budget cycle, the mandate expense will be reflected as an increase to the support unit's cost allocation.

#### IV. Financial Review

##### A. Budget Review in the New Model

###### 1. Can you explain how to "read" my "A" Funds budget in the updated model?

Under the updated budget model, Model Allocations (71XXX) is a new account category included in each unit's budget. The total budgeted Model Allocation (71XXX) amount is the sum of revenue allocations and support unit allocations. Direct revenues will continue to be budgeted in 4XXXX accounts. No changes will take place to expense (5XXXX), contra-expense (6XXXX), or transfer (8XXXX) budgets. The 3XXXX's budget will continue to include "A" fund carryforward. Additionally, 3XXXX's will include any transfers to/from other operating units. "A" Fund budgets will continue to balance at the unit, department, and project (if applicable) levels.

##### B. Actuals Review in the New Model

###### 1. Can you explain how to "read" my "A" Funds actuals in the updated model?

Under the updated budget model, Model Allocations (71XXX) is an account category included in the calculation of each unit's margin (i.e. change in carryforward). The total actual Model Allocation (71XXX) amount is the sum of revenue allocations and support unit allocations. Note that unlike legacy 3XXXX's, for which the budgeted amount served as budget and actuals, 71XXX's will have amounts in the budget and actuals ledgers. Therefore, only the actual 71XXX's amount is included in the ending carryforward calculation. No changes will take place to direct revenues (4XXXX), expenses (5XXXX), contra-expenses (6XXXX), or transfers (8XXXX). Budgeted 3XXXX's will continue to be included in the ending "A" fund carryforward calculation.

###### 2. What is the "A" funds carryforward calculation?

Beginning Carryforward	31534
+/- Budget Transfers	(e.g., 363XX)
+ Actual Revenues	(4XXXX)
+ Actuals Model Allocations (net)	(71XXX)
+/- Actual Net Transfers	(8XXXX)
- Actual Expenses	(5XXXX)
+ Actual Contra-expenses	(6XXXX)
Ending Carryforward	

See the next page for screenshots.



University of South Carolina  
Budget Model User Guide  
Support Units

IV. Financial Review

Finance Intranet screenshot:

	Actual Open Balance	Life to Date Budget	Current Month Actual	Fiscal Year Actual	Life to Date Actual	Pre Enc.	Enc.
1 ASSET	113,064		87,803	87,803	200,867		
2 LIABILITY	89,935		(89,285)	(89,285)	650		
3 FUND BALANCE	23,129	151,363			23,129		
4 REVENUE		1,063,749	233,792	233,792	233,792		
5 DIRECT EXPENSE		11,600,039	306,387	306,387	306,387	3,646	16,136
59 INDIRECT EXPENSE		120,000					
6 CONTRA-EXPENSE		(48,000)					
7 MODEL ALLOCATIONS		10,132,296	195,378	195,378	195,378		
81 TRANSFER IN		424,631	55,805	55,805	55,805		
86 TRANSFER OUT		100,000	1,500	1,500	1,500		
A0001 UNRESTRICTED OPE	23,129		177,089	177,089	200,217	(3,646)	(16,136)
CL0XX SUPPORT UNIT	23,129		177,089	177,089	200,217	(3,646)	(16,136)

Anaplan screenshot:

	PY YTD Actuals	PY Year End	CY Budget	CY YTD Actuals	% Budget to Actual	% Chg Actual	YTD Changes
Total Revenue	1,000,000	12,000,000	15,000,000	1,500,000	10.00%	50.00%	500,000
Subtotal Personnel	(2,500,000)	(30,000,000)	(34,950,000)	(2,350,000)	6.72%	(6.00%)	150,000
Subtotal Non-Personnel	(1,000,000)	(4,000,000)	(5,000,000)	(1,500,000)	30.00%	50.00%	(500,000)
Total Direct Expenses	(3,500,000)	(34,000,000)	(39,950,000)	(3,850,000)	9.64%	10.00%	(350,000)
Total Contrs & Transfers	(100,000)	(50,000)	(50,000)	(75,000)	150.00%	25.00%	25,000
Support Unit Allocations	2,500,000	25,000,000	25,000,000	2,500,000	10.00%	-	-
Total Model Allocations	-	-	-	-	-	-	-
Margin (Change in Fund Balance)	(100,000)	2,950,000	-	75,000	-	175.00%	175,000

University of South Carolina  
Budget Model User Guide  
Support Units

V. Timeline and Governance

A. Timeline

**General Budget Development Calendar**

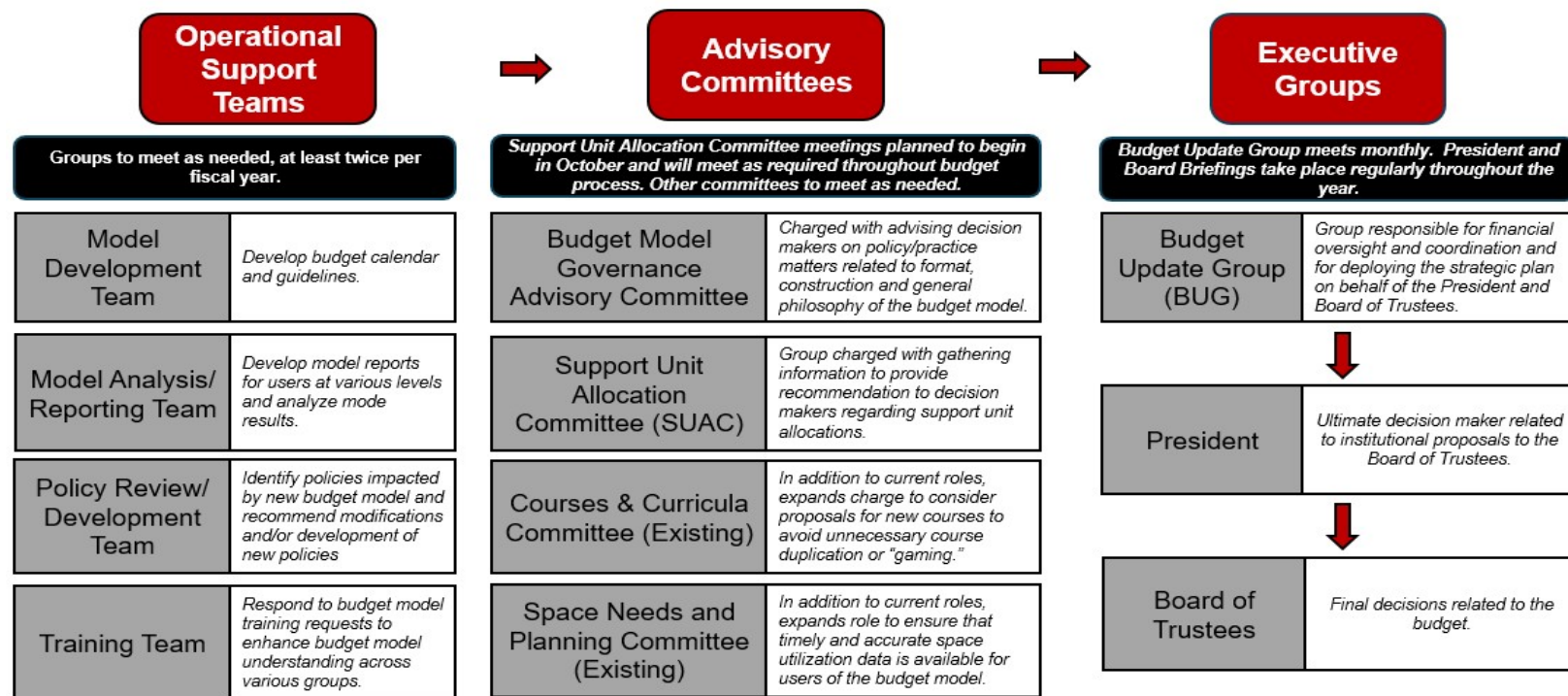
Budget Development Activity:	Month / Period
Support Unit Initiative Solicitation	September – October
Support Unit Allocation Committee reviews initiative requests and submits recommendations to the Budget Update Group (BUG)	November – December
The Budget Update Group (BUG) reviews initiative requests	January
Central Budget Office forecasts general revenues (e.g. tuition, appropriations) and expenses (e.g. benefits) for budget development guidelines. Columbia units develop budgets using the unit budget development tool in Anaplan	January – February
Conduct University budget hearings (i.e. Blueprint meetings)	March – April
Budget reviewed/adopted by Board of Trustees	May – June

**University of South Carolina  
Budget Model User Guide  
Support Units**

**V. Timeline and Governance**

**B. Governance**

The budget model governance structure is built to provide increased transparency and collaboration in decision making to engage multiple levels of the University. The operational support teams provide foundational work related to populating the model, reviewing and developing policy, and training. Their work informs advisory committees related to support unit costs, curricular decisions and space. Ultimately, advisory committees then make recommendations to executive groups such as the Budget Update Group (BUG), the President, and the Board of Trustees. It is important to note that the governance structure is designed to include Deans, faculty and faculty senate as integral voices in the process.



University of South Carolina  
Budget Model User Guide  
Support Units

VI. Definitions

<b>Definitions:</b>
<u>Allocation Metrics</u> – A driver that is used to allocate costs and revenues to academic units (e.g. square footage, FTE, direct expenses, etc.).
<u>Cost Pools</u> – Combinations of support units with similar activities.
<u>Support Unit Allocations</u> – Distribution of cost pools to academic units using an allocation metric.
<u>Strategic Initiative Funding (SIF)</u> – Remaining funding sourced by the participation fee after subvention dollars are distributed.