

Oklahoma State University E&G Funds and Auxiliary Funds

Background:

Oklahoma State University's financial accounts are made up of several different types of funds – Educational & General (E&G), auxiliary, stores, plant funds, grants, debt service, etc. E&G funds consist primarily of state appropriations and tuition and fees. Auxiliary funds are for those enterprises that are generally self-supporting (for example, student housing, dining, athletics, parking, etc.). These enterprises typically charge a fee for the goods or services.

E&G and Auxiliary Funds

According to state law and the Oklahoma State Regents for Higher Education, E&G funds cannot be used to subsidize auxiliary expenses. E&G funds cannot be transferred to cover auxiliary expenses.

Support

Oklahoma Statutes, Title 70. Schools

70 O.S. §3901 Establishment of Revolving Funds for State Educational Institutions and Agencies - Legislative Intent

(a) There are hereby established two revolving funds for each state educational institution and for each agency thereof. The Educational and General Operations Revolving Fund shall consist of any appropriations made by the Legislature for such purpose and shall include income received from student fees, sales and services of educational departments and all other income available to the institution or agency for educational and general purposes as defined in the uniform budget and accounting classifications recommended by the publications of the National Association of College and University Business Officers. The Capital Improvements Revolving Fund shall consist of any appropriations made by the Legislature for such purposes. Such revolving funds may be used for the specified purposes when allocated and allotted as provided by the Oklahoma Budget Law of 1947, Sections 41.1 et seq. of Title 62 of the Oklahoma Statutes.

(b) It is the intent of the Legislature that the State Regents promulgate appropriate rules and regulations for accomplishing prescribed procedures of this section. Said rules and regulations shall include requirements that regular maintenance and utility costs and other operating expenses of auxiliary enterprises not be paid from education and general-purpose funds without documented adequate reimbursement and that the use of fees and other charges be restricted to the purpose for which collected.

Oklahoma State Regents for Higher Education Red Book

4.3.3 Auxiliary Budget An auxiliary enterprise is generally defined as a self-supporting activity that provides services to students, faculty and/or staff. Auxiliary units charge fees for their services. The fees relate to, but are not necessarily equal to, the cost of the service (CUBA, 1992). The Auxiliary Budget is included in the annual budget to the State Regents so that funds to operate such activities (auxiliary enterprises) may be allocated and allotted in a lump sum for expenditure through the 700 Fund, which is an agency special account (explained below). In general, the various governing boards may establish and operate auxiliary enterprises. These enterprises include dormitories, student housing, cooperative group housing, adult education facilities, kitchens, dining halls, auditoriums, student union buildings, field houses, stadiums, public utility plants, and systems for the supplying of water, gas, heat, or power to the governed institution, and other self-supporting projects and other revenue producing buildings deemed necessary by the governing board for the comfort, convenience, and welfare of their students and suitable for the purposes for which the institutions were established. (Title 70 O.S. 2001, Sections 3305, 3412, 3510, 3606, 3706, 3806, and 4001.) The educational and general funds of the institution may not be used to subsidize auxiliary enterprises.