

BEGINNING BUDGET FY09 GENERAL BUDGETING INSTRUCTIONS

Table of Contents

Due Dates	page 1
Required Submissions	page 1
Beginning Budget Terminology	page 1
Budgeting Rules & Guidelines	page 2
Revenues & Other Sources	page 2
Expenditures & Other Uses	page 3
Information Relevant to Specific Funds	page 4
BRP Contact Information	page 6

Due Dates

Dept due date: May 21st (check with your RU for verification of this date)
RU due date: May 27th

Required Submissions to BRP

1. All Responsibility Units: After the budget has been entered into the BRP website and confirmed as complete, a summary budget print-out with an approving signature from the Dean or Director should be submitted to your BRP analyst.
2. Auxiliaries and Service Centers: Submit the details of how you arrived at your projected revenues to your BRP analyst. There is no set format for this submission. Examples would be: revenues estimated on enrollment projections and/or estimated on and historical percentage increase and/or estimated sales volume and established fee rates.

Beginning Budget Terminology

1. Preliminary Base Budget: This is the FY08 Beginning Base Budget plus any permanent budget adjustments made in Banner FIS through the close of Period 8 and/or by the Office of Budget and Resource Planning after Period 8 (entered as Period 13). This is the data used in the Beginning Budget Application on the BRP website.
2. Adjusted Budget: This is the Preliminary Budget plus any adjustments made by you through the BRP Beginning Budget Application. The Adjusted Budget figures will always be displayed in the far right column of the application's budget work screen.
3. Beginning Base Budget: This is the Adjusted Budget plus any final adjustments made by BRP or requested by your Vice President (you will be notified if any of these changes occur). The final adjusted budget is uploaded to Banner FIS as the Beginning Base Budget for the new fiscal year. This base budget is often the one from which budgetary decisions are made during the new fiscal year, so it is important that the budget reflects your anticipated revenues and expenditures as accurately as possible.

Budgeting Rules and Guidelines

- Budget in WHOLE dollars only (i.e., no cents).
- The Beginning Budget Application will allow you to budget only in specific account codes.
 - The list of budget entry account codes can be found on the BRP website in the section *Other Relevant Information*. The Excel file is called Beginning Budget Account Codes.
- Budgets **must balance by fund**, but not necessarily by index. This means Total Revenues & Other Sources must equal Total Expenditures & Other Uses at the fund level. For non-revenue generating funds the Total Adjustments column in the Beginning Budget Application must be zero.

For revenue-generating funds, expenditures should equal revenues so that they net to zero. If you anticipate more expenses than revenue or budget, discuss how to resolve this shortfall with your Dean or Vice-President. If you plan to spend the revenues made from prior years, you will be given the opportunity to budget those expenditures during the Carry-forward process in August.

- **Budgeting for Revenues & Other Sources**

Different fund types have difference sources. All revenue and source codes are shown as negative in the budget application and must be entered as such when making adjustments:

- Revenues from external sources (account codes 0xxxx).
- Revenues generated from internal sources by Service Centers & Auxiliaries only (account codes 09xxx).
- Internal Sales or Service Reimbursements (ISRs) from internal sources by units **other than** Service Centers & Auxiliaries (account codes 79xxx).
- Transfers-In are sources from other funds that are included under expenditures as offsets (account codes 91xxx).

As was instituted last year, you may budget in any Revenue account code.

If you are unsure of what account code to use, you can find a complete listing of revenue account codes and descriptions at the OUS website: http://www1.ous.edu/owfp/plsql/fpm.index_list .

No revenue may be budgeted in General Fund, ICC, State Match, and Matriculation Fee funds except by central administration personnel. Starting with FY09 Ed Tech and Registration funds budget have been moved into the General Fund.

To assist with budget estimates a four-year history of revenues, expenditures and transfers is available in the *Revenue and Expenditure History* section of the BRP website. The two revenue files are: Funds with Revenue--Detail and Funds with Revenue--Summary. These Excel files have drop-down filters along the top row. You can refine your selection through the filters to get an idea of the financial history of your funds with revenue.

For units that receive resource fee revenues based on enrollment, BRP has created a worksheet called Resource Fee Revenue Projections in the section *Other Relevant Information*. These worksheets are based on the latest enrollment projections from Institutional Research staff.

For gift fund revenue coming in from the UO Foundation, be sure to reference the latest information supplied by the Foundation regarding your units' endowment earnings. There may be changes in the distributions based on changes in earnings.

Interest revenue on both Restricted and Unrestricted gift funds are collected centrally to fund the UO development campaign. For background information, see the two links on gift assessment in the *Other Relevant Information* section on the BRP website.

▪ Budgeting for Expenditures & Other Uses

Labor (account codes 101xx through 109xx)

Personnel costs comprise the bulk of most units' expenditures and should be budgeted as accurately as possible. This means budgeting for any anticipated salary increase and the attendant OPE.

**new
new
new
new**

- 1. There are three OPE budgeting options: at account code level 1, level 2, or level 4. (see "What's New", OPE Account Budgeting).**
- 2. Do NOT budget any Unclassified salary increases in the General Fund; they will be budgeted centrally.**
- 3. Estimated PEBB augments for FY09 are included in Preliminary Budget.**
- 4. Augment calculations now include budgets in the Pay account codes 102xx and 104xx.**

Personnel Account Codes: Historically, people have placed most of their personnel budgets in account code 10100 or 10300. This results in account codes 102xx and 104xx being millions (yes, millions) off of actual expenditure over the course of a year. While we realize that there are some expenditures in 102xx and 104xx that are unpredictable (e.g., pay-out of vacation time at termination) others are more predictable (summer pay or shift differential).

Please look at where you actually expend your salaries and budget accordingly. For those of you with budgets on the General Fund, we are now including these two account codes when calculating personnel budget augments

Unclassified Increases: The likelihood and/or amount of any unclassified increase is not known at this time. NEW this year: Do ***not*** budget any unclassified salary increases in the General Fund; they will be budgeted centrally. For personnel on non-General Funds, you may ***choose*** to budget an increase. If so, we suggest using the Portland CPI rate with an effective date no sooner than January 1, 2009. (Link to CPI: <http://libweb.uoregon.edu/govdocs/cpi.html>)

The Unclassified Budget Worksheet, located in the *Employee Information* section of the BRP website, will calculate any percent increase and its associated OPE increase. A separate set of instructions for the worksheet is available on the website. Use of the worksheet is not mandatory and does not substitute for your own review of your employee budgets.

Classified Increases: We are in the second year of the classified contract, therefore all numbers are firm, so all funds may budget the same. What's new is that the General Fund augments have already been built into the preliminary budget numbers.

The Classified Budget Worksheet, located in the *Employee Information* section of the BRP website, will calculate the 3.2% COLA increase and associated OPE increases based on each employees' range, step, and merit increase date AND labor distribution. A separate set of instructions for the worksheet is available on the website. Use of the worksheet is not mandatory.

PEBB Increases: Medical charges are expected to increase from between 9 to 11 %, but the final amount won't be known until fall. A 9% increase is incorporated into both the Unclassified and Classified Budget worksheets.

For the General Fund, this anticipated 9% increase is included in the preliminary budgets. If necessary, an adjustment to the percentage will be made once the actual rate of increase is known (early in 2009). For non-General Funds budgets, you may change the beginning budget personnel worksheets to estimate a higher percentage if you wish to construct a more conservative budget.

There are no anticipated increases to retirement costs on the immediate horizon.

Services and Supplies (account codes 2xxxx through 8xxxx)

new Do NOT budget a negative amount for services & supplies.

Since we are not asking you to budget for salary increases (unclassified will be budgeted centrally and classified have already been added to your preliminary budget) there should be no need to budget a negative in a general fund S&S account code. Any negative budget in S&S will need to be accompanied by a written explanation for approval. If you have any questions, please contact your financial analyst.

Negative budgeting in account code 28700 for depreciation offset (explained below) IS still allowed for Service Centers and Auxiliaries only.

Transfers Out (account codes 92xxx)

Budget for transfers out only if you intend to move money (not budget) to another fund on a **recurring** basis. Transfers may be budgeted at the detailed account code level. Please let your Financial Analyst know which fund(s) will be receiving the Transfer-In.

Information Relevant to Specific Funds

new New Overhead Assessments Policy effective 7/1/08. Service Centers and Auxiliaries will be assessed on their expenditures, excluding depreciation, other UO assessments and transfers. The new assessment will replace assessments for general administrative support, BAO, SOS, and property insurance. View the policy documents in the *Other Relevant Information* section.

Continuing Education (fund codes 016xxx) and **Designated Operations** (fund codes 05xxxx)

Funds of these types should include a budget for the 8% overhead charge in account code 70000 unless you have been granted a waiver.

Auxiliaries and Service Centers (fund codes 1xxxxx and 09xxxx)

Revenue: OUS policy requires Auxiliaries and Service Centers to post internal sales and service revenues (those collected from other university units) to the 09xxx series of account codes and post external sales and service revenues (those collected from students or outside entities) to the 06xxx series of account codes.

Depreciation Expenses (account codes 8xxxx): Depreciation is a non-cash operating expense that must be budgeted on the operating ledger. You will find the depreciation schedule with estimated FY09 expenses on the BAO website [Service Center/Auxiliary Asset Listing.xls](http://baowww.uoregon.edu/propertycontrol.htm) at <http://baowww.uoregon.edu/propertycontrol.htm>

Reserves: The State Board for Higher Education requires that auxiliaries and service centers set aside funds for building repair and equipment replacement into designated reserve funds. The reserves are funded by cash transfers from operating funds to the equipment or building reserve fund. These transfers occur in the general ledger only and do not appear on the operating ledger. The amount to be transferred each year is stipulated in the Capital Asset Management Plan (CAMP) for your unit.

Budgeting for an expense that does not affect cash, and having a cash transfer occur that does not affect the operating ledger creates a bit of a budgeting challenge when trying to budget a fund to a zero balance (sources equal uses). Below are three scenarios to help you budget these transactions.

1. When the CAMP cash transfer *equals* depreciation expense, the budgeting is straightforward.

Account Titles	Account Code	Expected
Projected Cash Revenues	0xxxx	\$750,000
Projected Cash Expenses	1xxxx	\$600,000
Projected Cash Expenses	2xxxx	\$100,000
Depreciation Expense	80xxx	\$50,000
<hr/>		
<i>Transfer to Reserve (not budgeted)</i>	<i>F0002</i>	<i>\$50,000</i>

2. When the CAMP transfer is *greater than* your depreciation expense for the year, offset the difference with a positive entry in account code **28700** "Fiscal Management Expense".

Account Titles	Account Code	Expected
Projected Cash Revenues	0xxxx	\$800,000
Projected Cash Expenses	1xxxx	\$600,000
Projected Cash Expenses	2xxxx	\$100,000
Budget Adj to Expenses	28700	\$50,000
Depreciation Expense	80xxx	\$50,000
<hr/>		
<i>Transfer to Reserve (not budgeted)</i>	<i>F0002</i>	<i>\$100,000</i>

3. When the CAMP transfer is *less than* your depreciation expense for the year, offset the difference with a negative entry in account code **28700** "Fiscal Management Expense".

Account Titles	Account Code	Expected
Projected Cash Revenues	0xxxx	\$750,000
Projected Cash Expenses	1xxxx	\$600,000
Projected Cash Expenses	2xxxx	\$100,000
Adjusted Expenses	28700	(\$50,000)
Depreciation Expense	80xxx	\$100,000
<hr/>		
<i>Transfer to Reserve (not budgeted)</i>	<i>F0002</i>	<i>\$50,000</i>

Knight and Faculty Excellence Chairs

Knight and Faculty Excellence endowed chairs are handled by Academic Affairs. These budgets will NOT appear on the beginning budget at the department level.

State Match funds (008xxx)

Sources for the State Match funds are Transfer In (91xxx). This is a FIXED amount and CANNOT be increased or decreased. You may adjust the expenditure account codes, but you may not change the total amount available.

BRP Contact Information

If you have any questions about any of these procedures, please contact your Financial Analyst:

Randy Hale	x 2011
Cynthea McIntosh	x 2004
Cherie Yasami	x 2008
Robilyn Eggertsen	x 2159
David Landrum	x 3181

Not sure who your analyst is? Link: http://brp/brp_files/budget_general_ru.xls