

# Procedures to Budget Local Departments

---

Presented by Irene Pedraza, Budget Analyst  
Boise State University  
Budget Office  
March 2009

# The Basics

---

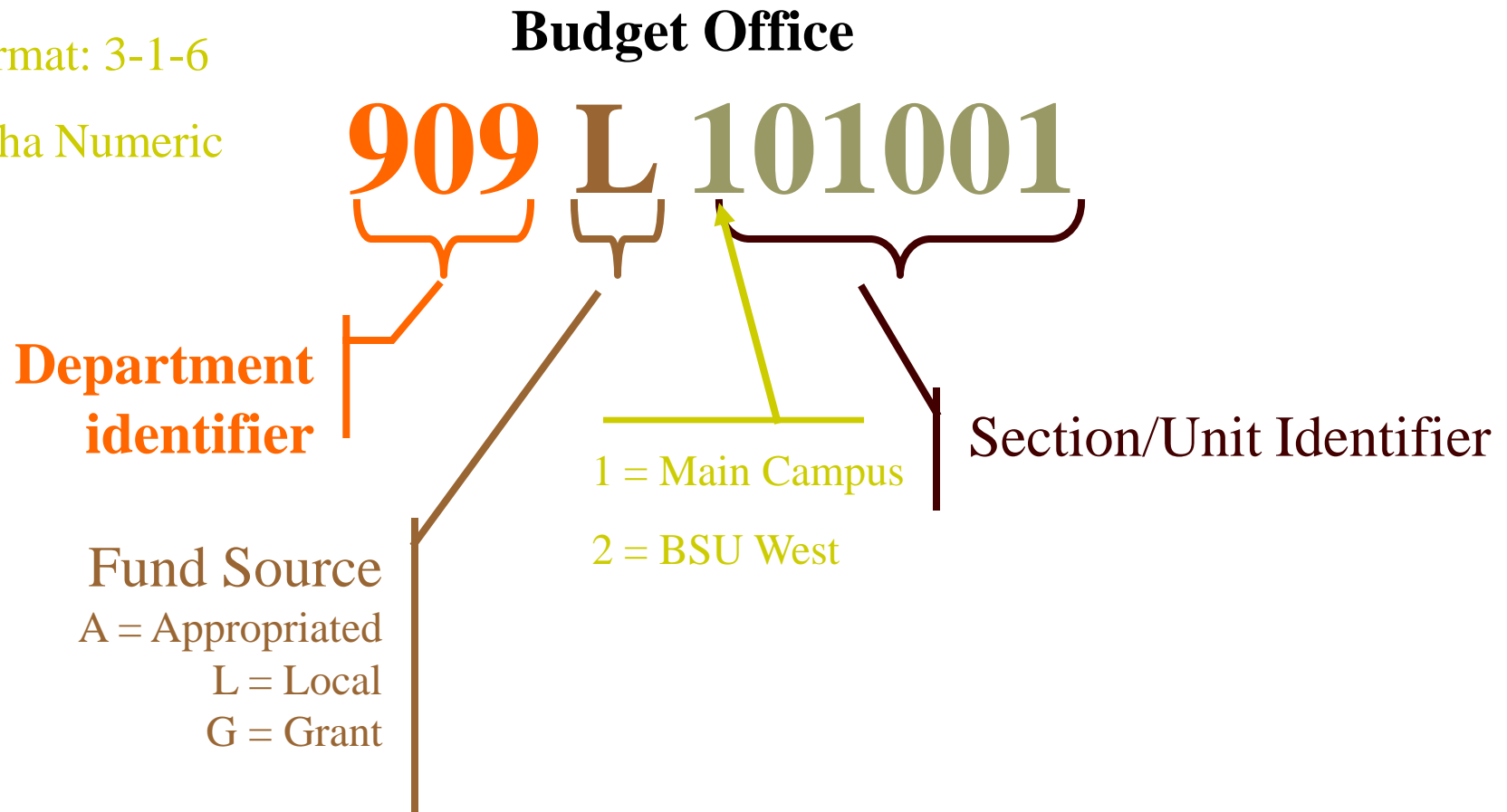
- Terminology
  - Department
  - Account
    - Budget Rollup Account
    - Account (actual activity)
- Two meanings of “Budget”
  - Appropriated Budget
  - Local Budget

# Department

---

Format: 3-1-6

Alpha Numeric





# Budget Rollup Accounts

---

<u>4</u> 10000	Regular Salary
<u>4</u> 11000	Part-Time/Irregular Salary
<u>4</u> 12000	Student Salary
<u>4</u> 20000	Fringe Benefits
<u>5</u> 00000	Operating/Other Expenses
<u>5</u> 30000	Travel
<u>6</u> 00000	Capital Outlay

# Accounts

---

- 6 Digit Numeric (Actual Activity)
- “Buckets”
- 3\*\*\*\*\* = Revenue
- 4\*\*\*\*\* = Personnel Costs
- 5\*\*\*\*\* = OE & Travel (53\*\*\*\*\*)
- 6\*\*\*\*\* = Capital
- 9\*\*\*\*\* = Fund Balance

# Appropriated Budget/Departments

---

- Budget = Spending Authority
- Spending authority is at budget account level
- Look at individual budget account (i.e. 410000, 411000, etc)
- Most common meaning on campus
- Guaranteed \$
- Can't go over Budget
- Budget Transfers

# Local Budget/Departments

---

- Budget = a plan or estimate
- Look at fund balance not individual budget account\*\*
- Most common meaning for business
- Budget is not a guarantee
- Look at the bigger picture\*\*
- No Budget Transfers but rather Fund Balance Transfers (there is a difference)

\*\*Think of: Fund Balance = Spending Authority



# Ideally

---

Budget = Fund Balance + Anticipated \$ in

# How does a Local Budget work with the Fund Balance?

---

**Fund Balance**

---

3,000

**Budget**

<b>Salary</b>	<b>OE</b>
5,000	5,000

---

# How does a Local Budget work with the Fund Balance?

---

## Fund Balance

---

3,000
(3,000)

## Budget

Salary	OE
5,000	5,000
(3,000)	

# How does a Local Budget work with the Fund Balance?

---

<b>Fund Balance</b>	<b>Budget</b>	
	<b>Salary</b>	<b>OE</b>
<hr/>	<hr/>	<hr/>
3,000	5,000	5,000
(3,000)	(3,000)	
<hr/>	<hr/>	<hr/>
-	2,000	5,000

BOISE STATE UNIVERSITY  
 Department Detail Report

For Period: 01-JUL-2005 to 30-JUN-2006

410000	Reg Salaries	
410500	Regular Salaries	
	Prior months activity -->	
HR	HR00360000 208 7/17/2005	Payroll Interface
		-3,000.00
		<u>\$-3,000.00</u>

Budget Totals for:	Budget	\$5,000.00
Reg Salaries	- Exp/Rev:	\$-3,000.00
	- Encum:	<u>\$ 0.00</u>
	Remaining Budget:	\$2,000.00

=====Department Totals for xxxL101001=====

Revenues:	\$0.00
- Expenses:	\$-3,000.00
+ Transfers:	\$0.00
+ Balance Forward:	<u>\$3,000.00</u>
= Fund Balance:	\$0.00
- Encumbered:	<u>\$0.00</u>
= Fund Balance with Enc:	\$0.00

BOISE STATE UNIVERSITY  
 Department Detail Report  
 For Period: 01-JUL-2005 to 30-JUN-2006

410000	Reg Salaries		
410500	Regular Salaries		
	Prior months activity -->		
HR	HR00360000 208 7/17/2005	Payroll Interface	-3,000.00
		Totals for 410500	<u>\$-3,000.00</u>

Budget Totals for:	Budget	\$5,000.00
Reg Salaries	- Exp/Rev:	\$-3,000.00
	- Encum:	\$ 0.00
	Remaining Budget:	<u>\$2,000.00</u>

=====Department Totals for xxxL101001=====

Revenues:		\$0.00
- Expenses:		\$-3,000.00
+ Transfers:		\$0.00
+ Balance Forward:		<u>\$3,000.00</u>
= Fund Balance:		\$0.00
- Encumbered:		<u>\$0.00</u>
= Fund Balance with Enc:		\$0.00

BOISE STATE UNIVERSITY  
 Department Detail Report  
 For Period: 01-JUL-2005 to 30-JUN-2006

410000	Reg Salaries		
410500	Regular Salaries		
	Prior months activity -->		
HR	HR00360000 208 7/17/2005	Payroll Interface	-3,000.00
		Totals for 410500	<u>\$-3,000.00</u>

Budget Totals for:	Budget	\$5,000.00
Reg Salaries	- Exp/Rev:	\$-3,000.00
	- Encum:	\$ 0.00
	Remaining Budget:	<u>\$2,000.00</u>

=====Department Totals for xxxL101001=====

Revenues:	\$0.00
- Expenses:	\$-3,000.00
+ Transfers:	\$0.00
+ Balance Forward:	<u>\$3,000.00</u>
= Fund Balance:	\$0.00
- Encumbered:	<u>\$0.00</u>
= Fund Balance with Enc:	<u>\$0.00</u>



# Why Budget Local Departments?

---

- **Required** to submit Local Budgets to the State Board of Education
- Current Environment
- Estimate Activity
- Ensure strategic plans are met
- Make better planning decisions
- Gives you something to compare current activity against

# Local Budget Book

---

## ➤ Two Sections in Budget Book

### ➤ Section 1: Budget Overview

- By Activity (Program Code: Instruction, Research, etc)
- By Revenue & Expense Class
- By College (Transfers, Revenue, FTE, Personnel Expense, OE, Travel, Capital, Change in Fund Balance)
- Budget Summaries Activity, college & prefix code
  - Instruction, College of Arts & Sciences, 001Ls, 002Ls, 006Ls, etc

### ➤ Section 2: Budget Detail

- Activity, College, Department ID by prefix
  - Example: Instruction, College of Arts & Sciences, 001L101020, 001L101050



# The Details

---

- FY10 Local Budget Templates
  - Business Managers or Dean/VP – Gatekeepers (Distribute & Collect Templates)
  - Grouping by Prefix
- Changes to templates
- How to use templates

# Changes to Templates

---

- Added College/Area & Program Code to each template
- Added Questions – Is dept id closing Y/N and if closing, when FY09/FY10 drop down menus
- Added link in template for Department ID/Maintenance Request Form (for closures or department name changes)
- Added Box - Check FY10 Ending Fund Balance
  - If highlighted in pink, provide brief explanation for any deficits or balances greater than \$100,000

# How to use the Template

---

- Maneuver through a large prefix in Excel file
- Condense/Expand Account Detail
  - Don't have to budget at account detail level – actual historical information provided for review
- Can use orange column to help get to FY10 budget, or
- Go right to yellow column to do FY10 budget
  - Adjusted formulas - FY10 current environment
  - 100% compliance; must review FY10 budget – review/make changes; if no changes made, the amounts in FY10 becomes department's budget



# Excluded Budgets

---

- Computer Lab Fee, PR & Alcohol Departments
  - Janet Hurd will do budgets
- West Campus Departments
  - Karen Wargo will close out these departments

# New for FY10 – Local Departments

---

- Discussions between Budget Office & Admin Accounting
  - Changes to Department ID/Maintenance Request Form
  - Adding more detail information (i.e. purpose, description of revenue, expense, transfers) to Request Form
  - Submit form to Budget Office first
  - Must have some type of budget; no zero budgets allowed



# Program Types / Activity Type

---

- Program 01: Instruction
- Program 04: Research
- Program 06: Public Service
- Program 07: Library
- Program 08: Student Services
- Program 09: Physical Plant
- Program 10: Institutional Support
- Program 11: Academic Support
- Program 12: Auxiliary Enterprises (Athletics)
- Program 13: Scholarships

# New for FY10 Local Budget

---

- FY10 Ending Fund Balance
  - Brief explanation required
    - Is there a fund balance deficit?
    - Is the fund balance greater than \$100,000 +?

# Current Environment

---

- Possible impact to local budgets
  - Fund source changes (split funding – less appropriated, more local)
    - Submit EAFs for professional; effective date 6/14/09
    - Submit EAFs for faculty; 9 month faculty effective date 7/26/09
    - Submit BPARs for classified; effective date 6/14/09
  - If switching funding to local, ensure have sufficient fund balance, do fund balance transfer or have revenue in local department

# Key Dates

<b>Key dates for the Local Budget development timeline:</b>	
Week of March 15	<b>Local Budget Templates sent to Business Managers or Deans/Vice Presidents</b>
March 24	<b>9 am – 10:30 am Local Budget Template Workshop SMITC 210</b>
March 26	<b>2 pm – 3:30 pm Local Budget Template Workshop SMITC 210</b>
April 1	<b>9 am – 10:30 am Local Budget Template Workshop SMITC 210</b>
April 2	<b>2 pm – 3:30 pm Local Budget Template Workshop SMITC 210</b>
April 6	<b>State Board of Education Sets Tuition/Fees</b>
April 16	<b>State Board of Education will allocate the FY10 operating budget</b>
April 23	<b>Follow up Budget Discussions from President Kustra &amp; Stacy Pearson - 3:00 pm located at Jordan ABC, SUB</b>
<b>April 27</b>	<b>Employee Actions Forms (EAFs) for new hires, title changes, or fund source changes due to Budget Office if you want the changes reflected in the Budget Books</b>
<b>April 27</b>	<b>FY09 Local Budget Templates due to Budget Office</b>
Early July	<b>FY09 Local Budget Book Distributed (electronically)</b>

# Web Sites

---

[www.boisestate.edu](http://www.boisestate.edu)

Faculty & Staff / Finance & Administration/Budget Office

Budget Impact-

<http://www.boisestate.edu/finad/budgetimpact/discussion.shtml>

