



FY12 BUDGET PREP INSTRUCTIONS

Preparing Budgets in the Enterprise Financial System

Budget Entry Final Deadline for RRCs: June 10, 2011

**University Budget and Finance
<http://www.budget.umn.edu>**

MARCH 2011



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I. OVERVIEW

1. Introduction

In the Enterprise Financial System (EFS), budgeting at the University is divided into two distinct budget entry phases: 1) the Budget Development Worksheet, and 2) Final Budget Entry. The Budget Development Worksheet is the high-level, early budget plan that is entered directly into PeopleSoft. This worksheet is intended to provide an early glance at the anticipated revenues and expenses for each unit across the entire University and is used by the President, Senior VP's and Budget Office as a planning tool for initial budget discussions. Final Budget Entry is the mechanism by which annual budget plans for current non-sponsored funds are entered into the Enterprise Financial System and balancing back to the approved revenue and expense target allocations occurs. Final Budget Entry includes Position Budgeting, which is described in further detail in section V. Special Budgeting Issues. A University-wide final budget is approved, balanced, locked and loaded into the EFS at the beginning of each fiscal year.

This document concentrates on building revenue and expense budgets (including "position" budgets) in the Enterprise Financial System Final Budget Entry pages. Resource responsibility center (RRC) managers will guide departments in using the on-line EFS budgeting module to set up their annual budgets. These budgets include revenue and expense allocations approved by deans, chancellors, senior vice presidents, or executive unit heads, as well as resources and expenditures expected in all other current, non-sponsored funds.

The FY12 budget entry process is performed entirely in the EFS UM Budgeting module. Training for Budget Entry and Position Budgeting is provided by Training Services and is required before entering budgets in the EFS. For FY12, the EFS Detailed Budgeting pages and Position Budgeting pages became available on February 1.

There is one critical budget deadline for RRC managers and that is the date by which the budgets must be submitted via the EFS to the central budget office. For FY12, all budgets will be due and must be submitted to the University Budget & Finance Office by **June 10, 2011**. **There is no general user deadline that is centrally mandated by a system "cut-off" date. Each RRC should set their own internal deadline for DeptID budget submission to them to allow enough time for evaluation and balancing prior to submission to the central budget office.**

See **Appendix A** for a list of significant dates in the budget development process. Due to the timing of the state's budget process and uncertainty in the current economic outlook for the state of Minnesota, the FY12 allocation detail for academic units will likely not be distributed to deans, chancellors, and vice presidents until very late in the budgeting process. Preliminary allocation information for FY12 for support units is being distributed in early March but may change as more information becomes available with regard to the University's state appropriations. We will keep units updated on the outlook for the University's allocation as information becomes available. The June 10 submission date will be reviewed in the event of late legislative action.

This document describes changes and provides information for the FY12 budget prep process. Specific instructions on how to enter budgets into the EFS are contained in the *Budget Entry FY 2012 Manual*. Classroom training is required for all users who will be entering budgets. Training on Position Budgeting is incorporated in the Budget Entry training. Returning users may choose to

access the Online Budget Entry and Position Budgeting Refresher courses. Contact Training Services at 612-626-1373 or at trngsvcs@umn.edu for information on Budget Entry and Position Budgeting training.

2. Expected Outcomes of Budget Preparation and Entry

Participants in Final Budget Entry should strive to fully meet the following expectations:

- ❑ All budget input must be completed by the RRC submission date of **June 10, 2011**.
- ❑ All budget information will be entered using the EFS budgeting tool and the procedures described in these instructions.
- ❑ Budgets will be prepared on chartstrings in all current, non-sponsored funds. For departments opting to participate in the equipment replacement/reserves program, budgets should also be entered on equipment replacement/reserve chartstrings in the plant fund.
- ❑ The PeopleSoft budgeting tool is intended for entering approved budgets for fiscal year non-sponsored, current funds and selected plant funds. Budgets should be entered in select plant and agency funds if expenditures are planned that will need to pass system edits (budget checking) in the EFS or if combo codes are required for use in the HRMS or Student systems.
- ❑ All anticipated resources (carry-forward, FY12 allocations, revenues, and transfers-in) and expenditures (including cost pool charges and transfers-out) need to be included in the budget plan. It is acceptable for a budget to have a positive ending balance, representing resources that will not be spent during the fiscal year.
- ❑ Every non-student position and/or person will be budgeted individually using the Position Budgeting tool in the EFS. Position Budgeting is required for FY12. Budgeted amounts shown in the distribution detail, including both salary and fringe costs for each position, will be rolled up and shown in total by Account code in the Final Budget pages in the EFS.
- ❑ Anticipated carry-forward amounts (beginning balances) should be budgeted in Account value 900100.
- ❑ Budgets represent annual plans; so budget adjustments generally should not be necessary during the year. Developing a sound budget plan minimizes, but may not eliminate, the need for adjustments. Adjustments to approved budgets should be made when they serve the same planning or control purposes that are served by setting up annual budgets, thereby resulting in more accurate financial planning and better tracking of revenues and expenses. Questions regarding budget journals and their appropriate use should be directed to your budget officer.
- ❑ University policy states that budgets at the Fund/Budget-Dept ID (Z-DeptID) level cannot be in deficit at fiscal-year-end. In other words, planned expenditures and transfers-out cannot exceed available and planned resources. Actual deficits must be cleaned up prior to fiscal-year-end.
- ❑ Generally, budget plans at any level should not include structural imbalances. A structural imbalance occurs when recurring expenditures and transfers-out exceed recurring revenues and transfers-in, thus resulting in a deficit over time. The imbalance must be corrected by either decreasing recurring expenditures or by increasing recurring resources. However, structural imbalances with an approved plan for spending reductions, funding increases, or intentional investment of reserved or carried-forward resources can be budgeted in the EFS.

- ❑ Academic Unit RRC managers must insure that FY12 budgeted allocations on revenue Account codes 420200, 421200, 460200, and 460250 match the RRC approved allocations. Support Unit RRC managers must insure that FY12 budgeted allocations on revenue Account code 440100 match the RRC approved allocations (see the SPECIAL BUDGETING ISSUES section of this document for further instructions on budgeting for these revenues).
- ❑ Planned revenues and expenditures, and transfers-in and out should be budgeted in the revenue and expense Account codes in which they are expected to occur. **It is not acceptable to budget all revenue in a single revenue Account code or to budget all expenditures in a single expense Account code** even if the total amounts equal the sum of detailed estimates by Account code.
- ❑ Transfers-in should have corresponding transfers-out budgeted when both sides of the transfer are known (Account codes 6XXXXX).

By **June 10, 2011**, RRC managers must insure that their PeopleSoft budgets satisfy the above criteria. The central budget office will work with each RRC manager to identify problems and recommend solutions before the final budgets are balanced and loaded for the fiscal year. Contact your budget officer before submission as problems are identified to ensure timely resolution.

3. Budget Entry Training and EFS Access

Training:

RRC managers are responsible for overseeing the input of budgets for their areas into the PeopleSoft Budgeting Tool. Very small units or departments that do not have PeopleSoft access should request assistance through their RRC manager. Access to enter data in PeopleSoft is limited to individuals who have been authorized by their RRC Managers and who have had Budget Entry and Position Budgeting training through Training Services. Beginning with the courses offered for FY12 budget prep, Budget Entry and Position Budgeting training are combined in a single course: Budget Entry FY2012 (Dept and RRC). Online refresher courses are available for those who have previously attended the Budget Entry and Position Budgeting courses: Budget Entry Refresher and Position Budgeting Refresher. (The refresher courses are not a substitute for the required classroom training.) Budget Entry Labs also will be available during FY12 budget prep, beginning in April. To insure timely budget submission, RRC managers should assign input responsibility to an adequate number of fully trained staff.

Course descriptions, schedules, and updated materials can be viewed in the Financial Management Training section of the Training Services web site:

<http://www1.umn.edu/ohr/trainingservices/financial/index.html>.

Contact Training Services at 612-626-1373 or trngsvcs@umn.edu for additional information. For security information, contact the University Financial Helpline at 612-624-1617 or finsys@umn.edu.

EFS Operating Hours:

The Enterprise Financial System is available 24/7 with the exception of the regular maintenance window which runs from 3:30 a.m. to 12:30 p.m. on Sundays. In addition, the reporting instance is unavailable daily from 4:45 a.m. to 5:45 a.m. to “clone” information from production. If and

when an emergency requires a change in operating hours, the EFS Update e-mail will provide the most current information.

II. BUDGETING FOR CENTRAL ALLOCATIONS

In the current budget model, virtually all revenue is assigned directly to the unit that generates the revenue, and in turn, all costs are allocated to those revenue generating units. This leaves no centrally allocated state support, ICR, or tuition/U fee revenue to directly support the operations of centrally provided services and functions. In order to pay for the cost of these services, sixteen cost allocation pools were created to distribute the costs of these central services across the academic units. Beginning with FY12, Student Aid Undergraduate Twin Cities has been pulled out of the cost pool for Student Services Undergraduate to create a seventeenth cost pool.

The cost allocation pools are:

- Support Service Units System-wide
- Technology System-wide
- Facilities O&M
- Support Service Units Twin Cities
- Technology Twin Cities
- Student Services (All) System-wide
- Student Services (All) Twin Cities
- Research Support
- Library
- Student Services Undergraduate Twin Cities
- Student Aid Undergraduate Twin Cities
- Student Services Graduate
- General Purpose Classrooms
- Debt
- Leases
- Warehouses
- Utilities

As described in the Support Unit and Academic Unit Budget Planning Guidelines, central service and support costs are billed out to academic units, and the payment of those bills funds the services and operations of the central units. Budget preparation for the cost pool allocation process is described in the next section of this document.

1. Academic Units (as identified in the Academic Unit Budget Planning Guidelines)

Resource Allocations:

O&M, State Special appropriations, Tuition, U Fee, Central Reserves, and ICR will continue to be budgeted to match the FY12 allocations approved by the Board of Regents (to be communicated

in the final allocation letter). These targets are entered in the Final Budgeting section of the EFS by the Budget Office as soon as the allocation decisions are made. The RRC can, in turn, allocate these revenues to their DeptIDs. The following example shows how the budgeted revenue should reconcile to your approved allocations/revenue authority:

Approved Tuition – budget in Program UM001, Fund 1000	400100	\$ 1,000,000
Approved Tuition – budget in Program UM001, Fund 1000	420200 *	(\$ 1,000,000)
Approved U Fee – budget in Program UM002, Fund 1000	401100	\$ 1,000,000
Approved U Fee – budget in Program UM002, Fund 1000	420200 *	(\$ 1,000,000)
Approved O&M (Academic Unit) – any Programs, Fund 1000	420200 *	\$10,000,000

* In the above example:

- + Positive 420200 entries = \$10M (total O&M budget in RRC, including tuition and U Fee)
- Negative 420200 entries = \$2M (Tuition and U Fee authority in RRC-level DeptID)
- = Net 420200 entries = \$8M (O&M allocation target)

State Special – budget in any Program, relevant Fund	421200	\$10,000,000
ICR – budget in Program UM003, Fund 1024	460100	\$ 5,000,000
ICR – budget in Program UM003, Fund 1024	460250	(\$ 5,000,000)
ICR – any Programs, Fund 1024	460200	\$ 5,000,000
Central Reserves – any Programs, relevant Fund	600400	\$ 1,000,000

See the SPECIAL BUDGETING ISSUES section of this document for further details regarding these allocations.

Cost Allocations:

There are 16 Account codes to be used by academic units to record allocated cost pool expense:

- 830100 – Cost Alloc Support Svc – Support Service Units System-wide
- 830200 – Cost Alloc Support Svc – Support Service Units Twin Cities
- 831100 – Cost Alloc Info Tech – Technology System-wide
- 831200 – Cost Alloc Info Tech – Technology Twin Cities Only
- 832100 – Cost Alloc Facilities – Facilities O&M Twin Cities Only
- 832201 – Warehouses-TC – Warehouses Twin Cities Only
- 833100 – Cost Alloc Student Services – Student Systems & Services System-wide
- 833200 – Cost Alloc Student Services – Student Systems & Services Twin Cities Only
- 833300 – Cost Alloc Student Services – Student Services Undergrad Twin Cities Only
- 833400 – Cost Alloc Student Services – Student Services Graduate
- 833500 – Cost Alloc Student Aid – Undergraduate Twin Cities Only (new for FY12)
- 834100 – Cost Alloc Research – Research Support
- 835100 – Cost Alloc Libraries – Libraries
- 836100 – Cost Alloc Gen Purp Clsrn – Gen Purp Classroom Twin Cities Only
- 837100 – Cost Alloc Debt Serv – Debt Service
- 837201 – Cost Alloc Leases Cost – Leases

(See Below for more on Utilities)

Each academic unit will budget for the cost pool charges communicated in their allocation letter and entered by the Budget Office in the Final Budgeting section of the EFS along with the approved revenue estimates. Units must balance to the cost pool expense allocations just as they balance to their central revenue allocations. Cost pool allocations may be distributed between multiple chartstrings within an RRC, as long as the total balances to the central allocation.

Cost pool charges will be assessed to each academic unit in March 2012 via an allocation process in PeopleSoft. The allocation will create journal entries based on the budgeted amounts in PeopleSoft.

In developing plans for where these expenses will be allocated within the unit, please note that the targets are not assigned a Fund, but that the cost allocation expenses must *not* be budgeted in Internal Sales funds, in sponsored funds or in any non-current fund (e.g. plant fund or agency funds). In addition, units must respect any relevant restrictions assigned to restricted fund sources and use those resources only for their intended purpose. PeopleSoft Program values created for cost pool charges should use the function type “Institutional Support”.

Budgeting for Utility Charges – Twin Cities Campus:

All utilities charged as part of the cost pool, including electric, heating gas, non-heating gas, steam, water and chilled water, should be budgeted using **Account code 781100 and Program UM005**. Estimates of utility costs for FY12 will be communicated in the final allocation letter.

Utility charges lag one month; charges are based upon meter readings for the month end prior to the statement (e.g., January charges will reflect the meter reading as of the end of December). Actual utility charges will be billed automatically each month. As with any budget, actual monthly utility charges will be different from budgeted amounts. Each month FM will provide a statement summarizing the monthly utility charges for each RRC.

All units should verify that FM has the correct Fund-DeptID-Program for buildings where they occupy space. Expenditures must be budgeted in the designated chartstrings to avoid budget checking errors on utility bills. An RRC may choose to designate only one DeptID for all buildings with utilities charged as part of the cost pool. Because of the impact on reporting by Function, journals using the utility Account codes to move charges from Program UM005 to other Programs are not allowed. If you are charging utilities to a chartstring that will close between now and the end of the fiscal year, now would be a good time to provide FM a chartstring to use when the current chartstring expires.

Charges for utilities are established on a cost recovery basis under an Internal Sales cost structure subject to University guidelines and A-21 policies. Recoveries of deficits or refunds of surpluses at the central level are accounted for in the rates charged in the next budget year (e.g., recovery of a surplus or deficit incurred in FY10 is included in the FY12 rate calculation).

Costs included in the utility charges are reviewed and approved annually by the Budget Office and Board of Regents. The utility rates for FY12:

- are only applicable for those units on the Twin Cities campus which currently pay Facilities Management for utilities or have an arrangement to make such a payment to Facilities Management;
- will be effective July 1, 2011;
- will be used to bill actual consumption;

- are constant for electricity, steam, natural gas, and chilled water (monthly charges vary based on consumption);
- fluctuate for water and sewer based on costs incurred from the municipal utility.

Utility Rates			
	FY10 Current Rate	FY11 Current Rate	FY12 Estimated Rate
Steam – 1,000 lbs. of steam (Mlb)	\$22.50	\$22.32	\$21.95
Electric – Kilowatt Hours (Kwhr)	\$.0817	\$.0976	\$.0991
Gas – Dekatherm (Dkthrm)	\$11.66	\$9.33	\$7.16
Chilled Water – ton/hour	\$0.211	\$0.161	\$0.191
Water & Sewer – Hundred Cubic Feet (CCF)			
Minneapolis Campus	\$7.89	\$7.60	\$8.64
St. Paul Campus	\$4.17	\$3.55	\$4.05

Receiving Monthly Utility Charge Statements On-line:

Details on the units of usage for the billing month can be found on the Facilities Management Compass Self Service Web Site. To access the website, go to www.facm.umn.edu. Click on “Customer Service” and select “Self-Service Login”. New users should contact the FM Call Center at 612-624-2900 to obtain a username and password. To review charges select “Compass Data from 7/1/08 to Current (PeopleSoft)” and “Utility Charges”. Enter your DeptID (Required field) and any additional ChartField values.

Questions on your utility charges can be directed to the following people:

- Electric, Gas or Water Charges – Marie Coleman, Utility Accountant (6-0312)
- Steam or Chilled Water Charges – Christine Dias, Utility Accountant (5-1565)
- Utility budgeting, forecasting, other issues – Arwen Bloomdahl (5-0725)
or Wendy Berkowitz (4-8886).

Although revenue and cost allocations will not be communicated until later in the budget entry period, units can begin entering FY12 budgets for other types of non-sponsored revenue and expenditures immediately.

2. Central Support Units (as identified in Central Support Unit Budget Instructions)

Budgeting the centrally allocated O&M funding for central support units will involve the following:

For the revenue budget, use Account code 440100 –Central Cost Pool Allocation - which was created to budget the approved cost pool allocation to the central support units. This target should be budgeted in Fund 1000.

The preliminary amount to be budgeted by each central support unit was communicated in a letter to the unit head in early March, 2011. Due to the uncertainty of appropriations for 2011-12, however, the allocation may change before the end of the budgeting process. Therefore, the allocation targets may not be entered into PeopleSoft for quite some time. Units may choose to begin entering expenditure budgets and budgets for other types of revenue immediately based on preliminary allocations. If the allocations should change, the entered expenditure budgets may have to be modified as well.

Central support units are not charged costs under the current budget model and therefore should not budget anything in the cost pool Account codes listed in 1. Academic Units.

III. CHART OF ACCOUNTS

1. Updating ChartField Values

The Chart of Accounts (COA) relies on shared ChartField values that are maintained centrally by Accounting Services and the University Budget Office. Departments can request changes, inactivations and/or additions to several ChartFields used for non-sponsored activity.

DeptID, Program, CF1, CF2, FIN EmplID:

Maintenance requests (add, change, deactivate) for the DeptID, Program, CF1, CF2, and FinEmplID ChartFields can be made throughout the fiscal year. Changes to be effective next fiscal year should be submitted now so that the updated values are available during Budget Entry. Instructions for using BPEL to submit COA maintenance requests are posted on the Training Services website under “Chart of Accounts”: (<http://www1.umn.edu/ohr/trainingservices/materials/financial/index.html>).

Inactivation requests should only be submitted after confirming that a value is not currently in use and will not be used in the future by the University community. A ChartField value can only be inactivated if it is not in use in any module of the financial system, including ownership of an asset in the Asset Management module.

Fund, Account:

Due to the impact on processes in the financial system and to financial year-end reporting, changes to Fund and Account ChartFields are evaluated and implemented only on an annual fiscal year basis. Proposed changes are compiled in November and December for the following fiscal year due to the extensive evaluation and review process necessary to have updated values available during budget prep. Recommendations for future changes to Fund and Account values can be submitted at any time by sending an e-mail to: finsys@umn.edu.

There are no new Fund values for FY12. New and changed Account values for FY12 will be distributed to RRC Managers and EFS users (through the message screen) after final approval in early March. The only change that will affect budget preparation for non-sponsored funds is:

- 833500 Stdnt-UF-Student Aid-TC-FB Only
 - Final budget only Account for the new cost pool for undergraduate student aid on the twin cities campus. Target allocations for this Account will be entered by the Budget Office along with other cost pool allocations. Units will need to budget the expenditures as they would expenditures for other cost pools. Actual expenditures will be posted in Account 833501 Student Aid – Undergrad – TC.

PCBU, Project, Activity, CS:

Contact your Grant Administrator in SPA for information on COA maintenance for sponsored projects.

Excluding a Chartstring:

It is possible to prevent spending on a Fund-DeptID-Program combination in FY12 by either excluding or not budgeting for all strings with that Fund-DeptID-Program combination during Budget Entry. If there is no budget in a fiscal year for a Fund-DeptID-Program combination (including any string that contains other ChartFields), then that Fund-DeptID-Program will not be available for expense transactions. To be sure that no budget lines are created, remove a non-sponsored chartstring from the Detail Budget page by clicking the [Exclude] box for that string. Excluding a chartstring rather than budgeting zero dollars also helps to ensure any combo codes related to that string will be inactivated.

2. Reference Materials

The *Chart of Account Manual FY11* published by Training Services provides information on the Chart of Accounts and current values. The FY11 manual is available on the web at: <http://www1.umn.edu/ohr/trainingservices/materials/financial/index.html>. (The FY12 manual will be available in May, 2011.) The COA manual contains the revenue, expenditure, and transfer Account codes that are needed for Budget Entry. New values for FY12 will be communicated as they become available. Current, active ChartField values can always be found in the COA Values pages in the financial system at: Set Up Financials/Supply Chain > Common Definitions > Design ChartFields > ChartField Values.

Contact your RRC manager or the University Financial Helpline (finsys@umn.edu) for additional guidance on COA values other COA questions.

IV. BUDGETING FOR REVENUES, EXPENSES and TRANSFERS

1. Funds Included in Budget Preparation

Enter budgets into the PeopleSoft budgeting tool for revenue, expense, transfer and capital asset purchase Accounts in the following funds:

Centrally Allocated and Attributed Funds:

General Operations and Maintenance:
 State Appropriation
 Tuition and U Fee (RRC level only)
Restricted State Specials
ICR
Central Reserves

Other Current Funds:

Auxiliaries
Internal Service Organizations
Private Practice Clinics
Other Unrestricted Funds
Other Restricted Non-Sponsored Funds

A list of the 4-digit fund numbers associated with each of the current funds is contained in the *Chart of Accounts Manual FY11* located at:
<http://www1.umn.edu/ohr/trainingservices/materials/financial/index.html#efscsa>.

In addition to the current funds outlined above, budgets should also be set up for budgeting transfers-in and equipment expenditures in equipment replacement/reserve chartstrings in plant funds.

2. Funds NOT Included in Budget Preparation

Do not enter budgets into the PeopleSoft budgeting tool for Accounts in the following funds.

Current Funds

Sponsored Funds (3XXX funds)

Non-Current Funds

(You are not required to enter a budget plan for these non-sponsored, non-current funds, however, budgets may be necessary to enable expenditure transactions to pass budget check or to establish combo codes. The general expenditure Account 007000 Expense – Budget Only may be used unless budgeting to establish a combo code. Use the Final Budget Only Accounts if budgeting to establish a combo code.):

Loan Funds (5XXX funds)

Endowment Funds (6XXX funds)

Agency Funds (9XXX funds)

Plant Funds (7XXX funds)

(Exception: plant funds used for equipment replacement/reserve purposes should be budgeted during budget prep; budgets for equipment replacement/reserve should be entered in Final Budget Only Accounts – not Account 007000.)

NOTE: The PeopleSoft budgeting tool will display automatically the chartstrings for current, non-sponsored funds that had a budget or had actual activity in FY11. You must create an FY12 budget if you want a chartstring to appear on reports or you anticipate activity in FY12. Chartstrings that are not budgeted will *not* create zero dollar FY12 budgets and will *not* automatically be valid for budget

checking in FY12. If you wish to budget non-current, non-sponsored funds, such as agency or plant funds, or if you wish to budget additional current, non-sponsored strings, you can add a line while budgeting and include these additional chartstrings in your budget plans. Keep in mind, if you are going to spend on any non-current non-sponsored funds in FY12 and you do not budget them during budget prep, you must set up a budget by creating a journal in the BUDGET_FIN ledger in FY12 or expenditure transactions will not pass budget check. The BUDGET_FIN journal will both activate combo codes and automatically populate the KK_EXPENSE ledger so that transactions pass budget check.

3. Multi-Year vs. Fiscal Year

The PeopleSoft budget tool is for entering approved budgets for fiscal year, non-sponsored, current funds and selected plant funds only. Do not prepare or enter budgets in the PeopleSoft Budgeting tool for sponsored funds or any other funds that cross fiscal years (the old MY Orgs in CUFS which are now Projects in PeopleSoft).

V. SPECIAL BUDGETING ISSUES

1. Budgeting for Tuition Revenue

Budgeting for tuition revenue in FY12 will continue the model with 75% of the revenue attributed to the unit that teaches the course and the remaining 25% of the revenue going to the unit where the student taking the course is enrolled.

In the Academic Unit Budget Planning Guidelines each unit has been asked to review a centrally developed tuition revenue estimate and develop their own intersession/summer session, and regular session tuition revenue estimates for FY12. The proposed increases for FY12 tuition revenue will assume an overall 5 percent increase in the tuition rate and the University Fee combined for individual, resident students. The 5 percent increase as an element of the FY12 budget planning framework is discussed in the Academic Unit Budget Planning Guidelines which were delivered in January, 2011.

The gross tuition revenue is credited initially to a central chartstring. During each academic session the net revenue is moved from this central chartstring to specified tuition chartstrings set up by tuition generating RRCs. This is done by recording expenses for the waivers and other reductions to the gross revenue and then moving the NET revenue to the appropriate unit chartstrings.

The total amount budgeted in the RRC level tuition chartstrings must match the unit's approved budget tuition revenue authority as noted on the FY12 Allocations when they are made available. The approved RRC tuition revenue amount should be budgeted in Fund 1000, Program UM001, and Account 400100.

Each tuition-generating unit needs to regularly monitor actual tuition revenue deposited in their chartstring so that actual-to-budget shortfalls can be identified in a timely manner and adjustments can be made through expenditure reductions or increased tuition generation. If at year-end the amount of actual tuition revenue in the tuition chartstring is less than the amount budgeted, a transfer needs to be made to bring the ending balance to \$0. Likewise, if at year-end the amount of actual tuition revenue in the tuition chartstring is more than the amount budgeted, a transfer needs to be made out of the chartstring to balance the chartstring to \$0.

The steps in PeopleSoft to prepare a budget for tuition revenue are as follows:

1. A tuition revenue authority is agreed upon during the budget process for each relevant RRC, and that amount is entered into the EFS as the tuition target by the Budget Office. (The approved amount is communicated in the final allocation letter.)
2. Each unit budgets an amount equal to the tuition revenue authority using the following chartstring:

Fund	1000
DeptID	Unique RRC Level DeptID
Program	UM001
Account	400100

3. Each unit budgets a negative amount equal to the tuition revenue authority in the following chartstring to redistribute the tuition budget out to departments:

Fund	1000
DeptID	Unique RRC Level DeptID (same DeptID as in #2, above)
Program	UM001
Account	420200 (negative amount)

4. Using the State O&M Appropriation redistribution code 420200, each unit allocates to its departments an amount equal to the total of their combined O&M (state subsidy) and their tuition and U Fee revenue authority. This combined total will be positive entries in Account 420200. The Fund code is again 1000, and the amounts can be allocated to any DeptID within the RRC and any numeric Program value with the appropriate Function code for the activity. The budgeting tool in the EFS ensures that the total amounts budgeted exactly equal the total target amounts by Fund and Account for the RRC and its distributed DeptIDs. *Units should not allocate the tuition/U fee separately from the state subsidy.*

2. Budgeting for U Fee Revenue

To budget for University Fee revenue, users will use steps similar to those for budgeting tuition revenue. The U Fee revenue authority will be budgeted using the following chartstring:

Fund	1000
DeptID	Unique RRC Level DeptID
Program	UM002
Account	401100

To redistribute the University Fee revenue to departments, a negative amount exactly equal to the agreed upon U Fee revenue estimate must be entered in the following chartstring:

Fund	1000
DeptID	Unique RRC Level DeptID used above
Program	UM002
Account	420200 (negative amount)

Again, using the State O&M Appropriation redistribution code 420200, each RRC allocates to their departments an amount equal to the total of their combined O&M (state subsidy), tuition and U Fee revenue authority (see step #4 under 1. Budgeting for Tuition Revenue). RRCs do not allocate these revenues separately.

EXAMPLE: TUITION & U FEE REVENUE BUDGETING

- RRC A (Unique DeptID for RRC A: 19999)
- a) Agreed upon tuition revenue authority budgeted in string 1000-19999-UM001-400100
\$2,000,000
 - b) Agreed upon U Fee revenue authority budgeted in string 1000-19999-UM002-410100
\$1,000,000
 - c) O&M (state subsidy) allocation (see step f)
\$2,500,000
 - d) Amount budgeted in string 1000-19999-UM001-420200 (negative amount)
(net budget of \$0 for string 1000-19999-UM001)
(\$2,000,000)
 - e) Amount budgeted in string 1000-19999-UM002-420200 (negative amount)
(net budget of \$0 for string 1000-19999-UM002)
(\$1,000,000)
 - f) Amount budgeted in Fund 1000, various DeptIDs in RRC A, various Programs,
Account 420200 (positive amount)
(sum of tuition, U Fee, and state funds allocation)
\$5,500,000

The amount budgeted in step f) will be the total O&M allocation available to spend throughout the RRC.

NOTE: The DeptID containing the UM001 and UM002 Programs may have a total entry in Account 420200 that is negative. The total for Account 420200 in that DeptID would equal the sum of the tuition and U Fee revenue authority (negative amounts) and the O&M allocation for that DeptID to spend (positive amount). Since the amount budgeted for expenditures in that single DeptID is most likely less than the total tuition and U Fee revenue authority for the RRC, the result is usually a negative total in Account 420200 for the DeptID.

3. Budgeting for ICR Revenue

Budgeting ICR revenue in PeopleSoft is similar to the process of budgeting tuition revenue, except PeopleSoft allows the ICR revenue to be credited directly to a unit's ICR chartstring eliminating the need for the Budget Office to move the revenue periodically from a central chartstring to the unit level chartstrings.

Each RRC will have an approved ICR allocation or revenue authority. The revenue amount budgeted in the unit's ICR chartstring must match the unit's approved ICR revenue authority as communicated with the FY12 Allocations. Each RRC then allocates their ICR revenue to their departments in DeptIDs and Programs that will be used for expenditures. The amount budgeted on departmental chartstrings must be to equal the approved ICR revenue estimate for the RRC.

To summarize, the steps necessary to prepare an FY12 budget for ICR revenue are as follows:

1. An ICR revenue authority is agreed upon during the budget process for each relevant RRC, and that amount is entered into the EFS as the ICR target by the Budget Office. (The approved amount is communicated in the final allocation letter.)

2. Each unit budgets an amount equal to the ICR revenue authority using the following chartstring:

Fund	1024 (new ICR Fund established in FY11)
DeptID	Unique RRC Level DeptID
Program	UM003
Account	460100

3. Each unit budgets a negative amount equal to the ICR revenue authority in the following chartstring to redistribute the ICR budget out to departments:

Fund	1024
DeptID	Unique RRC Level DeptID (same DeptID as in #2, above)
Program	UM003
Account	460250 (negative amount)

4. Using the ICR redistribution code 460200 (this code is different from the code used in step 3), each unit allocates to its departments a total amount equal to the ICR revenue authority. The Fund code is 1024, and the amounts can be allocated to any DeptID within the RRC and any numeric Program value with the appropriate Function code for the activity. The budgeting tool in the EFS ensures that the total amounts budgeted exactly equal the target amount by Fund and Account for the RRC and its distributed DeptIDs.

Revenue authority is an estimate and there is no guarantee that this amount will be earned in any given year. If the actual ICR revenue for the RRC falls short of the approved ICR revenue authority for the year, the unit will be accountable for the shortfall and the deficit will appear within that RRC chartstring. Units are strongly encouraged to budget expenditures at an amount less than the expected revenue to guard against a potential deficit.

4. Budgeting for Enterprise Systems Project Assessment

The Enterprise Assessment was established as a systematic method of assessing units for the purpose of paying for the development, implementation, maintenance and replacement of institutional business systems. The Enterprise Assessment will continue until the projects currently and previously funded through this mechanism are paid off, currently projected through FY15.

As stated in the Support and Academic Unit Budget Planning Guidelines for FY12, the assessment rate for FY12 will remain the same as the rate in FY11. The following assumptions should be built into the FY12 plans at this time:

- Estimated assessment cost of **1.25%** of projected FY12 salaries
- The Account code used for budgeting the expected assessment is 820200 – Enterprise Assessment (the actual charge will show up in 820201 – Enterprise Assessment)
- Assessment is on actual salary expenditures and both debits and credits to salaries are included in the calculation.

Fund and Account codes subject to the Enterprise Assessment are listed in the Administrative Procedure for Planning and Charging of the Enterprise Assessment at:

http://www.policy.umn.edu/Policies/Finance/Budget/ENTERPRISEASSESSMENT_PROC01.html.

(Exception: Fund 1024 Indirect Cost Recovery, new in FY11, is also subject to the Enterprise Assessment and will be listed under Other Unrestricted Funds when the procedure is updated.)

Questions regarding the Enterprise Assessment process can be directed to the University Financial Helpline at 612-624-1617.

NOTE: Position Budgeting does not automatically calculate the Enterprise Assessment. The Enterprise Assessment must be calculated by the preparer and entered under Account 820200 in the Detailed Budget page.

5. Position Budgeting

Position Budgeting provides the University of Minnesota a consistent mechanism of budgeting and planning for approximately 70% of all non-sponsored expense budgets. It was created to summarize data on salary and fringe expenses by position, employee, and chartstring. Position Budgeting pulls current year salary and fringe actual and encumbrance data from the Human Resource Management System (HRMS). Departments use this data to inform the development of future year salary and fringe budgets that are then summarized by chartstring and translated to Final Budget Only amounts on the UM Detailed Budget page in the EFS. Position Budgeting is **required** as part of budget prep for FY12 in the EFS.

Some units used the Position Budgeting tool for budget prep for FY11, and feedback from those who used the tool that year resulted in improvements to the system that have been implemented for FY12 budget prep. The updates are summarized in Attachment C: EFS System Changes for FY2012 Budget Entry. This will again be a learning year as *all* units use the tool to prepare position budgets for FY12. Position Budgeting reports have not yet been developed, but we are planning to develop queries to help in the review of entered position data in lieu of standardized reports. A separate communication will be sent to RRC managers when the queries are available. Further enhancements and development of reports are planned for FY13 budget prep. This is a normal progression for all new systems.

Student positions are not budgeted in Position Budgeting. Budgets for graduate and undergraduate student employees should be entered under the appropriate Account codes on the UM Detailed Budget page.

Training and additional information on Position Budgeting can be obtained through Training Services at 612-626-1373 or trngsvcs@umn.edu.

Budgeting for Salaries:

Information in this document related to compensation matters has been prepared for budgeting purposes only and should not be interpreted as an attempt by the University to disregard good faith bargaining with affected employee groups or to ignore all other mandates of PELRA. In addition, all described plans are subject to Board of Regents approval.

For planning purposes, the budget currently under development assumes that there is no planned increase in general salaries for FY12 (subject to good faith bargaining with affected employee groups). However, units should take into consideration the effects on FY11 salary expenditures of the 27th pay period, the one-time 1.15% pay reduction for faculty and P&A employees (and the corresponding 2.3% reduction for the 85 executives), the implementation of general compensation increases midyear (rather than for the full year), and mandatory and voluntary furloughs. Salary budgets for FY12 should be calculated on base salary amounts in place at the end of FY11 rather than the adjusted salary amounts paid in FY11.

The assumptions above are provided for budget development only. Until the final FY12 salary plan becomes available, units should budget based on what they believe the actual expenditures will be. It is the responsibility of the RRC manager to ensure that RRC level policies related to budgeting for people are communicated and carried out within the RRC.

FY12 salary plans and implementation instructions will be distributed by Human Resources when they are final.

Budgeting for Fringe Benefits:

Projected fringe benefit rates for FY12 for use in budget planning are outlined below. A breakdown of the components of the rates can be found in Attachment B at the end of this document.

Academic	36.0%
Civil Service (and undergraduate students)	41.3%
Graduate Assistant	
Health	18.49%
FICA	7.61% *
Tuition	\$16.17 **

* The indicated rates for graduate students include 7.61% for Social Security and Medicare (FICA). The combined FICA rate for undergraduate students included in the civil service rates above is 7.28% for FY12. Graduate and undergraduate students employed at the University will be exempt from FICA withholding on their University wages, and therefore, their salaries will not be assessed for the employer's share of FICA if they meet the following test:

- (1) Enrolled for at least 6 credits per semester if an undergraduate student; or
- (2) Enrolled for at least 3 credits per semester if a graduate student (one credit for Ph.D. candidates working on a dissertation)

- ** Tuition benefit rates vary depending on job code and other factors. Additional information on graduate student tuition benefit rates can be found in the Academic Unit Budget Planning Guidelines.

Pursuant to Revenue Procedures 2005-11, issued by the IRS, the University does not apply an “hours worked” limitation. The IRS student FICA guidelines are located on the Payroll Services website at: <http://www1.umn.edu/ohr/payroll/tax/irsstudent/index.html>. This website also links to the FICA graduate, undergraduate and summer rules. Questions regarding the withholding requirements may be directed to the Human Resources Call Center at 612-625-2016.

Budgeting for Student Positions:

Position Budgeting will not be used for student positions. Budgets for graduate, professional, and undergraduate student salaries and fringe benefits will be done in the Detailed Budget Entry pages as aggregate amounts for salary and fringe benefits.

6. Combo Codes for PeopleSoft HRMS and Student Systems

PeopleSoft HRMS and Student Systems rely on combo codes to represent an EFS chartstring. A chartstring must have a dollar value budget for FY12 to activate a combo code. Otherwise, the combo code (even an existing combo code) will not be available for use in FY12 until a budget journal is entered.

The following rules apply to the generation of combo codes through Budget Entry for FY12:

1. Budget lines must contain at least a dollar to appropriately generate a commitment control (KK) entry and thus pass budget checking. Budget lines should contain a reasonable estimate of anticipated expenses.
2. To inactivate a combo code, the budget line must be excluded on the Detailed Budget pages.
3. Budget lines with zero dollars on the Detailed Budget page may result in active combo codes, but will not result in entries to the KK ledger, so transactions may not pass budget-check. A dollar value budget at the Fund-DeptID-Program level will feed the KK ledger and all transactions involving that Fund-DeptID-Program combination, with or without additional ChartFields, will pass budget checking. If you are unsure of what has been budgeted at the Fund-DeptID-Program level, best practice is to exclude lines that have zero dollars budgeted.
4. Combo codes can be created or reactivated during FY12 by entering budget journals at any time during the year.
5. New chartstrings budgeted for FY12 will generate combo codes that will be available July 1 and not earlier. Combo codes are created through budget prep only after the budgets are loaded to the BUDGET_FIN ledger immediately before the fiscal year begins.
6. A combo code needed before July 1 (i.e., to accommodate entry as a distribution line for the first payday of FY12) can be created by following the usual budget journal/reversal process in FY11.
7. Combo codes are required for all revenue and expense transactions generated through either the student or payroll systems. Dollars must be budgeted for revenue Accounts as well as expense Accounts.

8. Budget Entry does not allow for reversals. Reversals are done on budget journals during the year in order to simulate a zero dollar budget entry.
9. A budgeted amount will only create combo codes for actuals Accounts associated with the budget-only Account with budgeted dollars.

A new process for inactivating combo codes and budget lines mid-year will be communicated in the next few months. This process is not a substitute for properly excluding budget lines that will not be used in FY12 during Budget Entry. The rules above, specifically #2, continue to be the most efficient and effective method for inactivating combo codes and budget lines.

Salary and fringe Account codes for budgeting are:

700100 (Salaries-Faculty)	710100 (Fringe-Faculty)
700200 (Salaries-Prof. & Admin)	710200 (Fringe-Prof & Admin.)
700300 (Sal-Grad Stdt with Tuition Fringe)	710300 (Fringe-Grad Stdt with Tuition)
700310 (Sal-Grad Stdt without Tuition Fringe)	710310 (Fringe-Grad without Tuition)
700400 (Undergrad Student Salaries)	710400 (Fringe-Undergrad Student)
700500 (Civil Service/Bargaining Unit Salaries)	710500 (Fringe-Civil Serv/Barg Unit)

7. Budgeting for Sponsored Matching/Cost Share

Expense Budgets for sponsored matching/cost share chartstrings should be entered in Position Budgeting and on Detailed Budget pages during Final Budget Entry. The non-sponsored cost share expense budgets are necessary to provide a complete picture of non-sponsored expenses for each unit. Revenue and expenditure budgets should be entered on cost share chartstrings just as they are on other non-sponsored chartstrings: to reflect the estimated revenues and expenditures that will be recorded on those strings during the upcoming fiscal year.

Cost share chartstrings contain non-sponsored Fund values, so budget checking on expenses follows the same process as budget checking on other non-sponsored funds. Departments are encouraged to use the full cost share chartstrings (including the CS and Project ChartFields) when entering non-sponsored expense budgets for cost share activity if those values are known at the time of Budget Entry. They must at a minimum enter non-sponsored budgets at the Fund-DeptID-Program level to ensure that the transactions pass Commitment Control budget checks. The non-sponsored expense budget for a cost share string should take into consideration only the transactions expected in the upcoming fiscal year regardless of the grant period.

Revenue budgets for sponsored matching/cost share chartstrings should be entered on the Detailed Budget pages at the Fund-DeptID-Program level. Revenue budgets connected to cost share expenses are necessary to provide a complete and balanced picture of non-sponsored financial activity for each unit. *Cost share revenue budgets may be entered at the higher Fund-DeptID-Program level only.* Cost share revenue should not be budgeted using CS and Project values during budget prep because the budget pages do not allow for entry of an analysis type. The system will allow revenue budget lines with CS and Project values to be entered and saved on the Detailed Budget pages, so it is up to users, particularly RRC Managers, to ensure that no budgets are submitted with CS and Project values in revenue lines.

Combo Codes for Cost Share Chartstrings:

Cost share chartstrings contain Project values, so budget checking follows the rules for sponsor-funded Project activity in addition to the budget checking rules for non-sponsored activity. Combo codes are established and remain active based only on the grant-related cost share budget in the Projects module. Non-sponsored budgets entered for cost share chartstrings do not affect combo codes. If a department needs to make a change to a cost share budget and wants to cost share for FY12 from a different Fund or Program than what was used in FY11, a revised cost share budget must be submitted to SPA as a separate step from Detailed Budget Entry.

8. Budgeting for Capital Asset Purchases

The University's Purchasing, Budgeting and Asset Management modules are integrated in the EFS. Units should budget for capital equipment purchases and their associated depreciation expense as part of Detailed Budget Entry. The capitalization threshold for equipment that should be budgeted in the UM Asset Budgeting tool is \$2,500. The UM Asset Budgeting tool automatically calculates annual depreciation amounts for both new and existing equipment. For asset purchases budgeted in the upcoming budget year, depreciation is calculated based on acquisition halfway through the fiscal year. However, for reporting purposes and the calculation of balances, depreciation expense is removed from the sum of projected expenditures and the amount budgeted for the purchase of capital assets is added to arrive at a more accurate "cash" balance.

Currently, units are not required on a University-wide basis to fund annual depreciation expense; however, some units may find it useful to do so if they want to maintain a fully funded equipment replacement reserve.

See the Budget Entry Training manual on the Training Services website for additional information regarding budgeting for capital asset purchases.

9. Budgeting for Property & Liability & Non-Profit Organization Liability Insurance

Since July 1, 1997, the Office of Risk Management has charged RRCs for University property and liability insurance premiums based on each RRCs share of total University space. FY12 estimated amounts for each RRC are included in the Support and Academic Unit Budget Planning Guidelines for FY12. The charges will be recorded in Account 720313, so the estimated amounts should be budgeted in Account 720300.

10. Budgeting for Internal & External Sales

The Academic Unit Budget Planning Guidelines for FY12 discuss the process for submission and review of internal sales rates. When budgeting for internal sales, use Fund 1150 Recharged Internal Revenue or Fund 1151 Specialized Srvc Internal Revenue, depending on your situation. Use Account 500100 Internal Sales to budget revenue that will be billed to other University

chartstrings. Revenue Account codes under budget-only Account 520200 Educational Activities Sales and Service should not be used when billing another University chartstring.

11. Budgeting for UROP (Undergraduate Research Opportunities Program)

Budgeting for UROP awards in departments receiving the awards is complicated by the combo edit requiring a Fin EmplID in a chartstring with Program 20083 Undergraduate Research Opportunity (Function 1110 – Research-Non-Sponsored). If an award made in FY11 will carry forward to FY12, the budget can be entered during Budget Entry using the Fin EmplID of the awardee in the string. Because awards are made during the academic year – after budgets for the fiscal year are loaded – the Fin EmplIDs of most awardees are not available during budget prep. Budget Journals can be used to adjust budgets as needed during the fiscal year based on individual grants. UROP staff does not create departmental budget lines for UROP awards.

12. Budgeting for Equipment Replacement Reserves:

The voluntary equipment replacement/reserves program encourages RRCs to move toward a systematic method of budgeting equipment purchases that emphasizes the long-term annual expense of equipment as opposed to sporadic expenditures. The program promotes better long-term planning and decreases the boom/bust tendencies inherent in some other types of equipment budgeting plans.

Departments participating in the program transfer resources from chartstrings with Fund codes for current funds using transfer-out Account 610300. They transfer the funds to chartstrings with Fund codes for plant funds using transfer-in Account 600300. Planned expenditures are budgeted on Account 168100 on the chartstring with the plant fund Fund code. Since balances in the equipment replacement/reserves plant funds earn interest under the Temporary Investment Pool (TIP) program, departments should budget anticipated interest on revenue Account 580200 in the plant fund chartstring. *Note: balances in fund 7201, ISO Capital Purchases, do not earn TIP and therefore should not include budgeted interest income.*

Equipment reserves may be budgeted in the following plant funds:

- Fund 7401 for transfers from Fund 1000
- Fund 7200 for transfers from other unrestricted funds
- Fund 7700 for transfers from restricted, non-sponsored funds
- Fund 7201 for transfers from ISO funds (does not earn TIP income)

VI. ADDITIONAL INFORMATION

1. TIP Charges

TIP charges will be assessed on departmental deficits in PeopleSoft in FY12. Balances will be calculated at the Fund - Budget DeptID (Z-DeptID) level. In addition, it is likely that TIP earnings will continue to be distributed on positive balances in the equipment and building replacement reserves, on applicable loan funds, and on sponsored chartstrings where it is required. For more information on TIP, refer to the University Policy on Allocating Temporary Investment Pool Income at: <http://www.policy.umn.edu/Policies/Finance/Budget/TIPINCOME.html>.

2. Budget Office Review

The University Budget Office will review budgets to ensure the expected outcomes of budget preparation are met after the RRCs submit their budgets on June 10, 2011.

VII. REPORTS AVAILABLE TO ASSIST YOU

1. EFS Reporting Instance

There are two summary level budget reports that are available in the EFS reporting instance to assist you with budgeting:

1. UM Final Budget Entry Rpt-Fund – this report will show you entered and saved budgets by DeptID, Fund, and Program, with subtotals for DeptID and Fund. The information provided is budgeted carry-forward, revenue, transfers in, adjusted expenses, transfers out and available (ending) balance. You can choose to set parameters by entering your RRC, Budget DeptID (Z-DeptID, roughly equivalent to a traditional department), or DeptID.
2. UM Final Budget Entry Rpt-Prog – this report is essentially the same as the Fund report except you will see subtotals for DeptID and Program.

The first sort order for both reports is DeptID, then Program or Fund, depending on the report you choose.

The reports are available in the EFS reporting instance at:

<https://fsrpt.psoft.umn.edu/psp/fsumrpt/?cmd=start&>

The reporting instance has a one-day lag from production but is the preferred method for running reports because it doesn't affect production performance. Users with access to EFS production automatically have access to the reporting instance.

The report path is >UM Budgeting>UM Final Budgeting>UM RRC Managers (or UM Department Users)>UM Reports>UM Final Budget Entry Rpt-[Fund or Program].

You will perform a Run Control. Click on the Add a New Value tab and enter a Run Control ID and the budget fiscal year 2012. You may enter a Fund or Program on this page, but it is not required.

On the next page, enter the following:

- Business Unit: UMN01
- FY: 2012
- DeptID – a numeric Dept ID or any node value on the UM_DEPTID_BUDGET tree (RRC, budget-only DeptID (Z-DeptID))
- Fund and Program can be left blank to return all values or you can enter specific values to narrow your search
- SAVE
- RUN
- OK

View the Process Monitor for the status or go directly to the Report Manager, Administration tab, and click on the output file link.

2. UM Reports

The **Budget Prep Status by ChartField String** report in UM Reports will show all budget lines for any combination of ChartField values that have been entered and saved in the UM Final Detailed Budget page. The report can be run for a specific RRC, DeptID, or Budget DeptID, with the option of refining search criteria by entering values for any ChartField in a chartstring.

Connect to the UM Reports web site at:

<http://www.umreports.umn.edu/>

Search under the category for Enterprise Financials and the subcategory for Non-Sponsored Reports.

To access financial reports on the UM Reports web site users must have an Internet ID (X.500) and password or M-Key. Questions related to access should be directed to OIT Technology Helpline at 1-HELP or 612-301-4357. Questions related to the financial reports should be directed to the University Financial Helpline 612-624-1617 or finsys@umn.edu.

VIII. GETTING HELP

1. RRC Managers

Deans, chancellors, VPs and executive unit heads will be notified of their Resource Responsibility Center (RRC) allocations in their *FY12 Central Allocation letter*. The RRCs who participate in the budget process are each of the colleges on the Twin Cities campus, the four coordinate campuses, and

the major support units on the Twin Cities campus. Questions regarding the following should be directed to RRC managers:

- confirming the amount of allocations granted to each DeptID in the RRC
- confirming the due dates for submitting budgets to RRC managers. Due dates within an RRC will precede other dates in these instructions.
- confirming amounts of known post-budget non-mandatory transfers that will take place between RRCs or DeptIDs within the RRC
- obtaining rollup information at the DeptID level
- clarifying procedures and policies, defined by your RRC manager, that pertain to your RRC

2. University Budget and Finance

Questions about the following should be directed to University Budget and Finance staff:

- budgeting for revenue allocations
- budgeting for cost pool expenditure allocations
- budgeting for transfers that you plan to do AFTER the start of the fiscal year
- accessing rollup information and reports
- estimating and budgeting for carry-forwards
- verifying fringe benefit rates

3. Financial Helpline

The University Financial Helpline answers routine questions and refers callers with non-routine questions to other appropriate areas of the University. Contact the Financial Helpline at 612-624-1617 or finsys@umn.edu with questions on:

- budgeting for ISOs
- handling departmental recharges (non-ISO charges)
- general accounting
- Chart of Accounts

4. Training Services (Budget Entry)

Questions about using the budgeting module should be addressed to Training Services staff at 612-626-1373 or trngsvcs@umn.edu. These include:

- entering values into the budgeting tool
- interpreting error messages that occur in the PeopleSoft budgeting tool

5. FSS Security and OIT (Access to the PeopleSoft Budgeting Module)

To solve access problems related to Budget Entry, call the University Financial Helpline at 612-624-1617 or finsys@umn.edu.

DRAFT – SUBJECT TO CHANGE



Appendix A SIGNIFICANT DATES AND EVENTS

January

24 Student Fee System opens for fee entry

February

1 Detailed Budget Entry and Position Budgeting for FY12 opens, tables loaded

11-12 Board of Regents Meeting

16 RRC Managers Meeting

28 Online Budget Entry and Position Budgeting Refresher training available

March

10-11 Board of Regents Meeting

15 Budget Entry Training for new users begins

16 RRC Managers Meeting

April

8 Student Fee System closes for RRC entry

12 Budget Entry Training Labs begin

20 RRC Managers Meeting

May

10 FY11 Period 10 closes in PeopleSoft (reporting environment will be updated on May 11)

12-13 Board of Regents Meeting

18 RRC Managers Meeting

20 Student Fee System closes - run preliminary report to Regents (fee changes beyond this date will need special approval)

30 Memorial Day Holiday

June

9-10 Board of Regents Annual Meeting

10 Last day for RRCs to submit budgets to University Budget Office

15 Student Fee System closes - run final report to Regents

15 RRC Managers Meeting

21 FY12 Budgets finalized by Budget Office

21-22 FSS loads finalized budgets into the BUDGET_FIN ledger in PeopleSoft

Appendix B
FY2011-2012 FRINGE BENEFIT RATES BY COMPONENT

2009-10 Actual	ACADEMIC	CIVIL SERVICE	GRADUATE ASSISTANT
Retirement	13.30	4.97	--
Group Life & Disability	.47	--	--
Workers Compensation	.10	.96	--
Unemployment	.07	.39	--
Social Security	5.31	6.07	6.46
Medicare	1.53	1.63	1.70
Tuition	.50	1.51	**
Health Insurance	10.62	20.61	16.84
Vacation	.40	.86	--
	32.30	37.00	25.00

2010-11 Actual	ACADEMIC	CIVIL SERVICE	GRADUATE ASSISTANT
Retirement	13.31	5.07	---
Group Life & Disability	.50	---	---
Workers Compensation	.10	1.01	---
Unemployment	.10	.85	---
Social Security	5.19	5.95	5.92
Medicare	1.42	1.42	1.42
Tuition	.45	1.94	**
Health Insurance	11.88	22.98	16.86
Vacation	.35	.88	---
	33.30	40.10	24.20

2011-12 (As Submitted)	ACADEMIC	CIVIL SERVICE	GRADUATE ASSISTANT
Retirement	13.28	5.07	---
Group Life & Disability	.53	---	---
Workers Compensation	.18	1.34	---
Unemployment	.22	.88	---
Social Security	5.18	5.86	5.99
Medicare	1.42	1.42	1.62
Tuition	.35	.95	**
Health Insurance	14.25	24.71	18.49
Vacation	.59	1.07	---
	36.00	41.30	26.10

** Graduate Student tuition remission is a flat charge per hour that a student works.
Preliminary Estimate: \$16.17/hour.

Appendix C

EFS SYSTEM CHANGES FOR FY2012 BUDGET ENTRY

UM Budget Development Worksheet

The UM Budget Development Worksheet in EFS is functioning the same way it did when budgeting for FY2011. The information displayed has been updated. To ensure that the ending balance and the carryforward information at the bottom of each “actuals” column reconcile to the balances in PeopleSoft and on UM Reports, a number of rows reflecting balance sheet transactions have been added at the bottom of the worksheet. For entry purposes, you are not asked to budget for or forecast those balance sheet transactions. Since you do not plan for the activity in the added rows, the ending balance will calculate correctly in the Forecast 2011 and Budget 2012 columns without entering those rows.

UM Final Budgeting

A number of system changes have been implemented to enhance performance and improve functionality. Changes to functionality include:

Position Budgeting

- A “Done” checkbox has been added to the Positions page. This field is updated by the user to identify those positions that have been budgeted completely. Use of this feature is optional and has no effect on the ability to modify or budget for a position.
- The position “Max” field now defaults to 1 instead of 0 when creating a new position from the Positions page.
- The <View Other Dept Distributions> button on the Positions page is enabled only if there are distributions that meet these criteria: the chartstring contains the DeptID you are currently viewing, and the position is owned by a different department. If there are no strings meeting the criteria, then the button is inactive and appears faded.
- The “Next FY Budget Adjust %” field on the Incumbents page is disabled if no active distribution rows exist to which the change would apply.
- <Select All> and <Clear All> buttons have been added to the Positions and Incumbents pages. These actions will apply to all rows that meet the current search parameters and are not excluded (including those on the next page if “View All” is not selected):
 - <Select All> checks the “View Detail” box.
 - <Clear All> clears the “View Detail” box.
- On the Incumbents and Distributions pages, the former <Go Back> button has been replaced with more specific back buttons: <Back to Positions> and <Back to Incumbents>. Both buttons are available on the Distributions page.
- An option to “Display Excluded Line Items” has been added to the Incumbent and Distribution pages. The option defaults to being checked (excluded lines are displayed). Removing the check will hide excluded lines. A note indicating the number of lines hidden will appear next to the “Display Excluded Line Items” checkbox. Excluded lines will reappear when the box is rechecked.
- A new distribution row can now be created for incumbents that currently have no active distribution rows (i.e., all current distribution rows are sponsored or paid by another DeptID).

- A field has been added to the Distributions page for “% Current Salary”. This field calculates the percent that the chartstring in that row supports of the total current salary for the employee (including augmentations, etc.).
- The Distributions page now includes a new section displaying “Budget Totals For Selected Incumbents/Non-Excluded Rows” that includes “Current FY Budget Total”, “Current FY Salary Total”, “Next FY Salary only Budget Amount”, and “Next FY Fringe” (calculated). The totals are based on non-excluded rows on the Distributions page that meet the current selection parameters. Positions or incumbents not selected will not be included in the totals.
- On the Distributions page, users now can assign an increase percentage for an entire DeptID or to an employee group within a DeptID. The budget amount for the year you’re budgeting will then calculate for all rows that fit the selected parameters. To use this feature:
 - On the Positions page, click <Select All> and <View Incumbent Detail>.
 - On the Incumbent Detail page, click <Select All> and <View Distribution Detail>.
 - To apply a percent to all distributions for positions within the DeptID, enter the percentage in the “Apply Adjustment” section on the Distributions page and click <Refresh>.
 - To apply a percentage to distributions for only one employee group within the DeptID, select an employee group in the “Search and Filter Options” section before entering the percent in the “Apply Adjustment” section. (Employee group options coordinate with actuals Account values.)

The percentage increase will be applied to the Current FY Salary amount and the result will appear in the Next FY Salary Only Budget Amount. The Next FY Fringe will automatically calculate.

The Budget Prep Status by ChartField String report in UM Reports displays budgeted amounts by ChartField string. This report can be grouped by Account to provide summary amounts for budgeted salary and fringe by employee group, but reports that provide information on budgeted amounts by position, incumbent, etc., have not yet been developed. The reporting project is gathering requirements for reports that will draw information directly from Position Budgeting. For the short term, users can access Position Budgeting data using Query Manager in the reporting instance of PeopleSoft (rpt). (Position Budgeting tables for the Positions, Incumbents, Distributions, and Summary pages begin with UM_BD_POS.) Public queries are being developed and will be communicated to RRC managers soon.

Asset Budgeting

No changes have been made to functionality in Asset Budgeting.

Detailed Budget Entry

- The “Current Year Forecast” field on the Detailed Budget page is now enabled for all rows regardless of the method. Previously, it was only available for those rows with the BASBUD method.
- To prevent accidental changes to the budget method from POSBUD to BASBUD, users who attempt to change the budget method will see a warning message notifying them that the connection pulling information from Position Budgeting into Detailed Budgeting will be broken if they proceed with the action. The warning message requires the user to confirm their intention to change the method. It is not possible to retrieve the connection

to Position Budgeting once the connection is severed by changing the method. DO NOT CHANGE THE METHOD without first talking to the Budget Office.

- A warning message will display if \$0 budget lines are not excluded. (Budgeting with dollars is not required, but best practice is to exclude \$0 budget lines.) The warning message does not prevent saving or submitting.
- It is no longer necessary to click <Save> after submitting the budget. The <Save> button will be grayed out after clicking <Submit>.

Training

An on-line training course is available for Budget Development Worksheets. In addition, Training Services has developed two training refreshers (web presentations) for those who have previously trained for Detailed Budget prep and Position Budgeting. The refreshers will be available in late February. The course links and links to enrollment (including links to the refreshers) can be found under Financial Management Training in the connections on the left side of the Training Services website: <http://www1.umn.edu/ohr/training/index.html>.