BUDGET AND FINANCIAL REPORTING TRAINING

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Summer 2016
BUDGET: A HIGH-LEVEL VIEW
University Budget Overview

- Restricted
- Auxiliary
- Educational and General

Consolidated Budget
Restricted Funds

- Grants
- Gifts
- Restricted
- Plant Funds
- Agency Funds
Auxiliary Funds

Auxiliaries

- Residence Life
- University Dining
- Student Center
- Shenks and Reighard
- South Villages
- East Villages
- West Villages
BUDGET: A CLOSER VIEW
Educational & General Funds

- **Source of Funds**
  - Tuition
  - Fees
  - Appropriation
  - Other Miscellaneous Income
    - Indirect cost from grants
    - Sales and services
    - Ticket sales
    - Parking permits and fines
    - Library fees
Expenses

• Personnel Expenses
  ▪ Salary
  ▪ Benefits
  ▪ Student wages

• Operating Expenses
  ▪ Professional services and honoraria
  ▪ Supplies
  ▪ Travel

• Capital Expenses
  ▪ Equipment or furniture over $5,000

• Transfers
  ▪ Mandatory for debt service
  ▪ Non-mandatory transfers

• Reserves
  ▪ Funds set aside for future use
BUDGET: THE DETAILS
Discretionary Budget

• Allocated based on history and at the discretion of the Vice Presidents or Deans
• Used for ongoing operating expenses for the department
  ▪ Equipment
  ▪ Postage
  ▪ Supplies
  ▪ Travel
Discretionary Budget: New Year Procedures

Start Up Budget
- 80% of the prior year original budget
- Posted in early June

Budget Adjustments
- Made to base budget after it is finalized
- Posted in early September

Final Allocations
- Determined by Vice Presidents and Deans
Discretionary Budget: One Time and Repair & Renovations Requests

- **October**: Guidelines, schedule, and forms for development of facilities repair / renovation project request are submitted to Cabinet

- **February**: Repairs and renovations requests due to Budget office

- **January - April**: Departments prepare one time operating, student wage, and personnel budget requests

- **May**: One time requests due to Budget office

- **June - July**: Cabinet reviews and finalizes budget scenarios including one time requests
Departmental Student Wages

- Allocated based on history at the discretion of the Vice Presidents or Deans
- Used to pay:
  - Student interns
  - Academic year or summer student employment
- Not used to pay for graduate assistants
Graduate Assistants

- Cabinet approves a central complement of graduate assistants
  - Based on history
  - Allocated by area
- The Office of Graduate and Professional Studies appoints all GA positions
  - Two year appointments
  - Includes stipend and tuition waiver
  - Can hire full-time or part-time
- Adding positions requires approval by Cabinet
- Temporary positions can be created by any department provided the position can be funded by the department operating budget for the entire two year commitment

![Table showing estimates for 2016-17, highlighting assumptions and packages for stipend, benefits, tuition waiver, and total package for both first and second years, with a 3% increase assumed.]
Peripheral Budgets

These budgets should be reviewed at the same time as discretionary and student wage budgets.
Year End Procedures

- The Budget office will review all budgets beginning in early May for budget availability.
- You will be contacted if any of your budgets have a deficit balance which must be resolved before year end close.
Year End Procedures - continued

• As part of the year end close process, carry forward balances will be determined. Generally, the following are directly carried forward:
  ▪ Most independent operations budget balances
  ▪ Funds remaining in a gift or grant

• Discretionary budget balances will be carried forward to the appropriate Vice President or Dean for reallocation

• Carry forwards will be posted by September
Year End Procedures - continued

• SAP sends automatic alerts notifying the user of the funds center if funds are nearly exhausted
  ▪ The notice provides the amount remaining, the specific funds center and the account
  ▪ This is only a warning and you can still proceed
  ▪ Only a “red bomb” warning will prohibit you from proceeding with a transaction.

![Budget Control for Document 1000394873](image-url)
# Budget Timeline

<table>
<thead>
<tr>
<th>Jun-Jul</th>
<th>• Cabinet reviews and finalizes FY14-15 budget scenarios including one time requests</th>
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</thead>
<tbody>
<tr>
<td>Jun</td>
<td>• 80% startups posted for FY14-15</td>
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<tr>
<td>Sep</td>
<td>• Final adjustments to budget posted for FY14-15</td>
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<tr>
<td></td>
<td>• Carry forward balances from FY13-14 posted</td>
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<tr>
<td>Oct</td>
<td>• Repairs and renovations guidelines and forms distributed for FY15-16</td>
</tr>
<tr>
<td>Jan</td>
<td>• One time operating, student wage, and personnel request guidelines and forms distributed for FY15-16</td>
</tr>
<tr>
<td>Feb</td>
<td>• Final repair and renovation requests due to Budget office for FY15-16</td>
</tr>
<tr>
<td>May</td>
<td>• Final one time requests for FY15-16 due to Budget office</td>
</tr>
<tr>
<td></td>
<td>• FY14-15 budgets reviewed for year end funds availability</td>
</tr>
<tr>
<td>Jun-Jul</td>
<td>• Cabinet reviews and finalizes FY15-16 budget scenarios including one time requests</td>
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</table>
What should I do now?
What Is Your Responsibility?

- Departmental Discretionary Budget
- Department Student Wage Budget
- Any peripheral budgets in your area
- All budgets should be reviewed frequently. This includes:
  - Original base budget
  - Transfers sent to or received from other departments
  - One time operating requests
  - Actual expenditures
  - Open commitments
  - Budget balances available
Accessing Financial Data

- **SAP Finance System**
  - The software program through which financial data flows
  - All transactions are entered via SAP

- **Business Intelligence (BI) Reporting**
  - The reporting system which allows users to extract data from SAP
  - Requires access to the ESS portal
Fiscal Year

- The University’s fiscal year runs from July 1<sup>st</sup> through June 30<sup>th</sup>
- For reporting purposes, always use the latter calendar year
  - Example: For 2014-15, enter 2015
Funds/Cost Centers

• 10 digit codes used to segregate groups of revenues and expenses

• 60 – X X – X X X – X X X
  ▪ The first two digits denote the university (Millersville is 60)
  ▪ The next two digits indicate the fund category

• Fund categories:

<table>
<thead>
<tr>
<th>First 3 Digits of Fund Center</th>
<th>Fund Category</th>
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<tbody>
<tr>
<td>601</td>
<td>E&amp;G</td>
</tr>
<tr>
<td>602</td>
<td>Auxiliary</td>
</tr>
<tr>
<td>603 – 608</td>
<td>Restricted</td>
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</tbody>
</table>
GL Accounts / Commitment Items

- 6 digit codes used for posting revenue and expenses
- Revenue accounts begin with 4
  - Posted as a negative number
- Expense accounts begin with 5 – 7

<table>
<thead>
<tr>
<th>First Digit of Commitment Item</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Revenue</td>
</tr>
<tr>
<td>5</td>
<td>Personnel Expense</td>
</tr>
<tr>
<td>6</td>
<td>Operating Expense</td>
</tr>
<tr>
<td>7</td>
<td>Capital Expense</td>
</tr>
<tr>
<td>8</td>
<td>Chargebacks/Transfers</td>
</tr>
<tr>
<td>9</td>
<td>Reserves</td>
</tr>
</tbody>
</table>
Gaining System Access

• Make sure you can log into ESS. If you cannot, contact the Help Desk.
• You will need access to SAP and BI!
• Two forms will need to be completed:
  ▪ Faculty/Staff Account Request Form
    • Triggers IT to setup your system access
  ▪ SAP-FI Access Request Form
    • Triggers the Budget Office to setup appropriate access and permissions
• For new employees, these steps should be completed by the hiring manager.
SAP-FI Access Request Form - continued

Select forms, then SAP-FI Access Request
SAP-FI Access Request Form - continued

Complete all sections of the form. This will require assistance from and approval by the department chair and/or financial manager.

MILLERSVILLE UNIVERSITY
REQUEST FOR SAP FINANCE SYSTEM ACCESS

<table>
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<tr>
<th>Name of Individual Completing this Form:</th>
<th>Telephone</th>
</tr>
</thead>
</table>

Check one:

- [ ] Add New User
- [ ] Change Reason: ____________________________  (Example: Name Change, Transfer)
- [ ] Delete User  Financial managers are responsible for notifying the Budget Office regarding Resignations & Transfers
Access Granted!

- The Budget Office will contact the requestor when all steps are complete.
- The Budget Office will provide training upon request and as needed.
E&G Funds

• Funds centers begin with 601
• MUST USE THE DEPARTMENT BUDGET REPORT in Business Intelligence (BI) to track revenue, expenses and balance available
Restricted Funds

- Fund centers begin with 603-608
- MUST USE THE FUND BALANCE REPORT in Business Intelligence (BI) to track revenue, expenses and balance available
Common Questions: Cheat Sheet

You may:

- Transfer operating funds to supplement student employment
- Transfer funds from your operating budget to other departments for shared programming within E&G (601 to 601)

You may not:

- Use student employment to supplement operating budget
- Transfer funds between E&G and Restricted accounts
Budget Resources

http://www.millersville.edu/budget/
Budget Office Contacts

- **Jennifer Mariacher, Budget Director**
  - 717-871-4090
  - Jennifer.Mariacher@Millersville.edu
- **Tammy Aument-Martin, Budget Analyst**
  - 717-871-4091
  - Tammy.Aument-Martin@Millersville.edu
- **Gladys LaPorte-Rodriguez, Fiscal Technician**
  - 717-871-4092
  - Gladys.LaPorte-Rodriguez@Millersville.edu
QUESTIONS?