

## August 6 & 27-2008: Modules 5 & 8, FY09 Budget Set-Up



For group discussion: Let's spend five minutes talking about module 4, POs part 2. Any questions or success stories to share?

### ***LEARNING OUTCOME***

Successful completion of this module should increase your confidence. Before and after each new topic, assign yourself a “confidence rating” for that item.

- Find your FY09 Budget using ExpressLane Budget Query
- Compare the last three fiscal years' results of operations
- Identify any known environmental influences for FY09
- Apply results to FY09 Approved Budget
  - Forecast Revenue
  - Payroll: Review Position Budget Report
  - Payroll: Forecast Part-Time expenditures
  - Determine remaining balance for M & S and Capital Outlay
- Create a Budget for FY09
- Create a Permanent Budget Transfer request

When you have completed the workshop, ask yourself if you feel more confident.

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### ***Refresher...***

### **ABOUT PARAMETERS**

It is useful to determine and remember the best parameter(s) to minimize the work it takes to get your data. Parameters are the input information you use to focus the data financial tools retrieve.

For example, we enter the Org parameter 453000 to give us only FoodServices Orgs. We could have just as easily entered Fund 611200 because that is their dedicated fund. We could use a combination of Fund and Org such as Fund = 111200 for ICP and Org = 671000 to retrieve only ICP for PE.

Use highest level that will give you all your data, and only your data with one (or fewest) download(s)

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## Budget Queries

Budget Queries present both your budget and transaction activity.

**For this application, use: Budget Status by Account**

OK to enter parameters for Org using wildcards: XXX%, (example: 453%)

**Important:  
Check box at  
bottom to include  
Revenue**

Fiscal year:	2008	Fiscal period:	14
Comparison Fiscal year:	None	Comparison Fiscal period:	None
Commitment Type:	All		
Chart of Accounts	L	Index	
Fund	%	Activity	
Organization	453%	Location	
Grant		Fund Type	
Account		Account Type	
Program	%		
<input checked="" type="checkbox"/> Include Revenue Accounts			

Amounts are totaled by Org & Account for each column that was selected above. Click on underlined amounts for additional detail. **Be sure to put a wildcard in Fund, org and/or program if you are not using that parameter, and check the box to Include Revenue Accounts.**

**CAUTION! Budget Status by Account DOES NOT TRACK Orgs that have been MOVED out of # sequence! Therefore it is critical to know what constitutes a COMPLETE listing of your data.**

## Find your FY09 Budget using ExpressLane Budget Query

Locate your parameters at <http://lanecc.edu/ic/resources.html> A little knowledge of how your department set-up is needed.

### Which Fund(s)?

If you want to work in a certain fund and don't know the number, look it up on the Fund Hierarchy Report using the web address above. Use the "Find" feature (Control + F) and type the name or number into the search box. Alternately, use the fund look-up feature as in the Org example "Option 2" on page 4.

Description 1	Type2	Description 2	Level	Fund Code	Fund Description
Current Restricted	22	Current Restricted Financial Aid	3	551000	Job Location & Development
Auxiliary Service	32	Enterprise Fund	1	600000	Enterprise Funds
Auxiliary Service	32	Enterprise Fund	2	610000	Enterprise Funds
Auxiliary Service	32	Enterprise Fund	3	610001	Contingency Fund
Auxiliary Service	32	Enterprise Fund	3	611000	Enterprise Zone
Auxiliary Service	32	Enterprise Fund	4	611100	Bookstore
Auxiliary Service	32	Enterprise Fund	4	611200	Campus Foodservices
Auxiliary Service	32	Enterprise Fund	4	611201	CCS Purchasing
Auxiliary Service	32	Enterprise Fund	4	611300	Laundry
Auxiliary Service	32	Enterprise Fund	4	611400	Center for Meeting and Learning
Auxiliary Service	32	Enterprise Fund	4	611500	Conference & Culinary Services

### Which Org(s)?

**Option 1:** In this example, we are finding the Science Division Orgs. When you look for your Org parameter, determine the highest level org to find all of your data and only your data. For example, here we would use 690000 if we wanted to examine the entire Division.

4	690000	Science Division	A	690000
5	691000	Science	A	691000
6	691001	Science Administration	A	691001
6	691002	Science Administration - Comp Tech	A	691001
6	691100	Life Science	A	691100
7	691110	Anatomy & Physiology	A	691001
7	691120	Biology	A	691001
7	691122	Costa Rica Field Class	A	691122
7	691130	Wetlab	A	691001
6	691200	Chemistry	A	691001

Any time a new fiscal year is created in Banner, all the temporary budget transfers that have been posted to the prior year are reversed. Adjustments are made to the total amounts for Payroll and M & S according to amounts needed for contracted positions, and any changes you have requested of the Budget Office. However, if the department has not requested a

change with the Budget Office, the new budget is loaded according to the structure in the previous year's Adopted Budget.

**Option 2:** In ExpressLane Budget Query, click on the Organization button to open a look-up field. Enter a wildcard % and then a few letters of one word within possible names for the organizations that you seek. This can be done with any of the elements by clicking on that button.

The screenshot shows a search interface with a label 'Organization' and an input field containing the text '%laund'.

For example, if you want to find laundry, enter %aundr% because the

Code lookup results

Title	Organization
Laundry	<a href="#">295000</a>
Laundry Services	<a href="#">295005</a>
Laundry Administration	<a href="#">295001</a>

search results will not come back right if you get your capitalization different than Banner, or if there is other information before or after the search word. Banner provides a list to choose from, and you may click on the underlined number to return to the parameters input area with that number.

### ***Compare three fiscal years' results of operations***



Run the Budget Query for the last three fiscal years. Since we do not have a lot of time to perform this task, you may want to print these out and bring them to the workshop. Select **Adopted Budget, Adjusted Budget, Year to Date, Reservations and Commitments**. We will be using the last two columns for forecasting, and including them creates a structured space on the printout. Most will be populated with 0.00 in each box, and there should be enough room that we can write our estimates in the rest of the space.

Use the **View** menu to adjust the **Text Size** to **Smallest**, to fit all the columns on the page width. If you have a budget with several lines, rather than printing one page for each "Next 15", you may prefer to use the **Download to Excel** feature. Also print or download the Budget Query for FY09. Your printouts will be used to make comparisons of the Budget and Actual amounts from year to year. Below are three excerpts from 2006, 2007 and 2008 Budget Queries.

111100	101100	President's Office Admin	610000	Operational Supplies	510000	<a href="#">132,250.00</a>	150,282.00	<a href="#">0.00</a>	<a href="#">0.00</a>	0.00
111100	101100	President's Office Admin	611000	Dishes	510000	<a href="#">0.00</a>	0.00	<a href="#">27.00</a>	<a href="#">0.00</a>	0.00
111100	101100	President's Office Admin	611100	Office Supplies	510000	<a href="#">0.00</a>	1,217.00	<a href="#">42,373.73</a>	<a href="#">0.00</a>	0.00
111100	101100	President's Office Admin	614000	Staff Travel	510000	<a href="#">18,800.00</a>	18,800.00	<a href="#">0.00</a>	<a href="#">0.00</a>	0.00
111100	101100	President's Office Admin	614200	Routine Staff Travel	510000	<a href="#">0.00</a>	15,264.00	<a href="#">24,400.77</a>	<a href="#">0.00</a>	0.00
111100	101100	President's Office Admin	614300	Visa Staff Travel	510000	<a href="#">0.00</a>	0.00	<a href="#">5,059.90</a>	<a href="#">0.00</a>	0.00

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**2007**

111100	101100	President's Office Admin	610000	Operational Supplies	510000	16,500.00	15,900.00	0.00	0.00	0.00
111100	101100	President's Office Admin	611100	Office Supplies	510000	0.00	2,285.00	17,993.45	0.00	0.00
111100	101100	President's Office Admin	614000	Staff Travel	510000	18,800.00	18,800.00	0.00	0.00	0.00
111100	101100	President's Office Admin	614200	Routine Staff Travel	510000	0.00	7,797.00	14,144.15	0.00	0.00
111100	101100	President's Office Admin	614300	Visa Staff Travel	510000	0.00	0.00	7,987.22	0.00	0.00

**2008**

111100	101100	President's Office Admin	610000	Operational Supplies	510000	16,500.00	14,000.00	0.00	0.00	0.00
111100	101100	President's Office Admin	611100	Office Supplies	510000	0.00	800.00	15,135.93	0.00	0.00
111100	101100	President's Office Admin	614000	Staff Travel	510000	18,800.00	25,200.00	0.00	0.00	0.00
111100	101100	President's Office Admin	614200	Routine Staff Travel	510000	0.00	0.00	19,587.58	0.00	0.00
111100	101100	President's Office Admin	614300	Visa Staff Travel	510000	0.00	0.00	6,158.40	0.00	0.00

Note that the travel budget (614000) remained fixed at 18,800.00, however the actual amounts are:

- 2006: 24,400.77 + 5,059.90 = 29,460.67
- 2007: 14,144.15 + 7,987.22 = 22,131.37
- 2008: 19,587.58 + 6,158.40 = 25,745.98

So unless activity is expected to decrease in FY09, we might conclude that the budget needs to be increased. Let's say we expect travel needs to remain unchanged from FY08, and we'll budget 25,000. On the FY09 printout, write 25,000 in the second column from the right (Commitments) in the same row as the budget account 614000. We will calculate the amount needed for the permanent budget adjustment and write that amount in the far right column, in this case 18,800 plus 6200 = 25,000. We want to *increase* the budget by \$6200. Write **+6,200**. The next question to ask is where is the extra spending authority going to come from? We will need to *subtract* 6,200 from another budget account row to keep the budget in balance. Find a budget account, or multiple accounts to decrease and write **-6,200** in the far right column. In other words, the total amount of all the adjustments must equal zero,

**The most common funds used are General Fund 111100, ICP 111200, Fund 6 and Fund 9.**

## **General Fund**

The General Fund 111100 is the primary operating fund of the College, and includes activities directly related to the College's basic educational objectives. Budget authority to spend is allocated according to the previous year's structure, and expenditures must not to exceed the total amount of spending authority granted.

## **ICP (Income Credit Program)**

Organizations that charge fees to students (secondary to their main purpose) may use ICP to track the associated revenues and expenditures in Fund 111200, and are expected to cover their costs with actual revenue. For example sales of uniforms in the athletics department will have a revenue component – the price charged and expenditure component, the cost the vendor charges the department. Budgeted revenues must equal budgeted expenditures, however authority to spend is based on actual revenue received. A budget is posted to ICP solely to assist in planning, and so that Banner will allow spending while NSF checking is turned on. Having budget available in ICP is not authority to spend as it is in the General Fund, 111100.



## **Enterprise Fund 6**

Fund 6 is used for departments that furnish goods or services to students, staff and the public. Charges are assessed that are directly related to the cost of the good or service provided, such as FoodServices and the CML. These units are operate as would a “for-profit” organization, and are generally expected to cover their costs with actual revenue, very much like ICP. In Fund 6, it is especially important to consider actual results of operations when planning a budget structure.

## **Administratively Restricted Fund 9**

Fund 9 contains instructional units which charge fees for classes, e.g. non-credit courses and operational units such as the health clinics. Departments may receive their income from Transfers as well as tuition and fees. Total revenues are budgeted to expenditure accounts, so that total budgeted revenues minus total budgeted expenditures equals zero. Actual costs, however, are expected to be covered by actual revenue as in ICP and Fund 6.

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## ***Identify any known environmental influences for FY09***

An example of known environmental influences for Revenue might be an anticipated enrollment increase of x%, or a planned increase in fees. For Expenditures, a change in part-time spending or a planned one-time Capital Outlay are useful to consider when restructuring the budget. The question to ask is “What will be different in FY09” from previous years?”.

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## ***Apply results to FY09 Approved Budget***

### **Forecast Revenue**



Compare each line and note the trends considering the fund and its budget type, listed above. On the printout for FY09, apply any trended increases or decreases to the Revenue amounts on the Adopted Budget for FY09 by noting them in the **Reservations** column to the right of each account. For example, if your revenue for a certain account is 10,000 in FY06; 12,000 in FY07 and 15,000 in FY08, and you are not expecting any extraordinary changes, you might want to put your best guess between 17,000 and 18,000 for the FY09 budgeted revenue. Remember the budget is just an estimate, but it should be an educated estimate. If the Adopted budget is significantly different, one should also consider why that might be, and factor any information into the revised estimate. Are there any environmental changes that the Adopted Budget incorporates that have not been included in the trend such as a tuition increase?

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## Payroll: Review Position Budget Report

Use the PBR to verify budget for contracted positions.

Position Budget Report for Fiscal Year 05-06

Enter Position Code

Report by Position Report by Position - Pooled

Enter Orgn Code, Acct Code, or both. Use wildcard (%) to define a range of orgs or accounts.  
For Pooled reports, enter Org and Employee Category (C, F, M, or All)

Orgn Code

Acct Code/Emp Cat

Report by Org/Acct Report by Org/EmpCat - Pooled

[ Budget Queries | Encumbrance Query | Approve Documents | View Document | Budget Transfer | Multiple Line Budget Transfer | Budget Availability | Revenue/Expense Summary Report | Finance User Documents | Position Budget Report for Fiscal Year 05-06 | Delete Finance Template ]

### Notes on the four "Options"

1. Report by Position: Contracted budgeted position where the position has only one incumbent
2. Report by Position – Pooled: There can be multiple, simultaneous incumbents. These all share a "Pooled" budget, such as hourly timesheet staff and PTSOAs. The table displays a list of incumbents, with basic NBAJOBS information, including scheduled Hours-per-Pay and Dollars-per-Pay.
3. Report by Org/Acct: This report is for contracted budgeted positions, and has the same layout as #1. You can wild-carded Orgs and Accts, e.g. 453%.
4. Report by Org/EmpCat – Pooled: Rather than selecting by Account code, you must enter a letter-code for the Employee Category (C for Classified, F for Faculty, M for Managers, or A for All).

**Columns on the PBR "Single" i.e. Budgeted (as downloaded to Excel)**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	Name	ID	Employee Class	Position	Suffix	Budget	Budget FTE	Spent as of 2006-\$M-23	Remaining	Per Pay	End	End Date	Num of Pays	Committed	Over/Under	Fund	Org	Acct	Prog	Percentage
2			C1	C13146	0	38,583	1.00	16,076.30	22,506.70	1,607.63		30-Jun-07	14	22,506.82	0					100
3			F1	F15246	0	27,975	0.50	6,725.66	21,249.35	1,398.75		15-Jun-07	13	18,183.75	3066					509
4			C2	C13002	0	19,750	0.38	5,486.15	14,263.85	1,097.23	15-Jun-07	15-Jun-07	13	14,263.99	0					100
5			C2	C13139	0	21,295	0.63	12,237.84	9,057.16	1,359.76	30-Jun-07	30-Jun-07	14	19,036.64	-9979					100
6			F1	F15246	0	27,975	0.50	6,725.66	21,249.35	1,398.75		15-Jun-07	13	18,183.75	3066					509
7			F1	F15046	0	51,978	1.00	18,192.30	33,785.70	2,598.90		15-Jun-07	13	33,785.70	0					100
8			C2	C13943	0	30,030	1.00	5,167.32	24,862.68	1,291.83		30-Jun-07	14	18,085.62	6777					100
9			C1	C13037	0	34,072	1.00	14,196.70	19,875.30	1,419.67		30-Jun-07	14	19,875.38	0					100
10			F1	F15202	0	55,950	1.00	19,582.50	36,367.50	2,797.50		15-Jun-07	13	36,367.50	0					100

- Column F "Budget" is the amount budgeted in the Position Control module for the fiscal year for the position (regardless of L# or suffix). If this amount is incorrect, contact HR.
- Column H "Spent as of <Pay Event>" is the amount drawn down from the budget by actual payroll expenditures
- Column I "Remaining" is Column F minus Column H.
- Column M is the "Over/Under Budget" amount (Column I minus Column N). If it is negative, you will be Over-Expended at the end of the year, and if it is positive, you will be Under-Expended. This column will show approximately zero, with rounding, for correctly budgeted and expended positions.

**Payroll: Forecast Part-Time expenditures**

Two ways to estimate the annual expenditure are:

1. Consider the hourly amount and estimated number of hours for each part-time employee or position for the upcoming year, or
2. apply known variables to the trend for the previous three years.

Whichever manner seems most likely to be the best fit for your scenario, estimate an amount for each part-time payroll FOAP, and write that in the Reservations column on the FY09 Query.

### **Determine remaining balance for M & S and Capital Outlay**

Subtract estimated part-time and budgeted contracted payroll amounts from estimated revenues and/or actual transfers in (if applicable). This is the amount that remains to be allocated to expenditures. Fill in any known unusual and planned expenses, and then allocate the remaining balance using trends developed from the previous three years. Write the amount next to each budgeted amount under the Reservations column.

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### ***Create a Budget for FY09***

Your Reservations column now has your beginning best estimates for an FY09 budget restructure. Ensure that it is in balance, and perform any adjustments at this time. Revenues and Transfers-In must equal Expenditures plus Transfers-Out. Budget only in whole dollars.

### ***Create a Permanent Budget Transfer request***

The difference between the Adopted Budget and your FY09 restructure determines the amount of the transfer. You will want to calculate the amount and sign (+/-) of each line's difference required to adjust the Adopted budget to your restructured budget. Complete the [Budget Transfer Template](#) and follow the directions at this link.

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