UNIVERSITY OF DAYTON

Budgeting Fundamentals
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  • Fiscal Year and Timeline
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KEY CONCEPT: FISCAL YEAR

• Fiscal Year: July 1 to June 30
  • Fiscal Year examples:
    • FY14: July 1, 2013 to June 30, 2014
    • FY15: July 1, 2014 to June 30, 2015

• Fiscal Periods:
  • Period 01 = July
  • Period 02 = August
  • Period 03 = September
  • Period 04 = October
  • Period 05 = November
  • Period 06 = December
  • Period 07 = January
  • Period 08 = February
  • Period 09 = March
  • Period 10 = April
  • Period 11 = May
  • Period 12 = June
  • Period 13 = not used
  • Period 14 = Accrual Period
KEY CONCEPT: FISCAL TIMELINE

- Periods 1-3 (July-September)
  - The prior fiscal year (FY) is closed-out.
  - The Budget and Salary Increase Process Survey is administered.
- Periods 4-6 (October-December)
  - Initial budget assumptions (i.e. tuition rates) are developed.
- Periods 7-9 (January-March)
  - The Board of Trustees approves budget assumptions.
  - Detailed budget allocations are prepared by the Controller’s Office.
  - Compensation data is prepared by Human Resources (HR).
  - Incremental budgets are distributed to the VPs/Deans by March 1st.
  - Compensation worksheets and Budget Summaries are prepared.
- Periods 10-12 (April-June)
  - Budgets are submitted to the Controller’s office by April 1st.
  - Final budgets are submitted to the Board of Trustees for approval.
  - Approved budgets are loaded into Banner and available for review.
  - Confirmation Sheets for annual increases are generated in Cognos for review and approval by the Deans/VPs and turned into HR.
  - Automated PAFs and annual increase letters are created by HR for annual salary increases.

*Budget Manager Meetings are held periodically.*
KEY CONCEPT: FOAP

**Fund**: a five digit code that identifies the source of the money
- Examples: operating budget, designated, sponsored project, etc.

**Organization**: a four digit code that identifies the department spending the money
- Examples: English, Admissions, Finance, Biology, etc.

**Account**: a four or five digit code that identifies the type of revenue, expenditure, or transfer
- Examples: postage, office supplies, travel, printing, etc.

**Program**: a three digit code that identifies the general purpose
- Examples: Educational and General, Administrative, Student Aid, etc.
KEY CONCEPT: INDEX

• For ease of use, an Index has been created for each Fund/Organization/Program (FOP) combination so you need only remember it and the appropriate account.
• The Index is usually the same number as the fund and automatically provides the FOP string.
  • Example: 91080 Comptroller
    • Fund: 91080 Comptroller
    • Organization: 1080 Accounting Systems & Budgeting
    • Program: 101 Administrative
Revenue indexes include the account (FOAP)
  • Start with “8” followed by 5 digits
  • Term is indicated by the last digit
  • Example: 813901: Test & Prof Serv Fees
    • Fund: 91390 Counseling Center
    • Organization: 1390 Counseling Center
    • Account: 51390 Testing Svc Fee-Stdt
    • Program: 901 Fall Term
KEY CONCEPT: FUNDS

• Designated funds: 1XXXX
  • Funds are often tied to true endowments (donor designated) or quasi endowments (board designated)
  • Unused funding rolls to the following fiscal year
  • Deficits must be funded with an operating surplus or other designated funds

• Sponsored Project funds: 3XXXX
  • Unused funding rolls to the following fiscal year for the duration of the project
  • Deficits must be funded with an operating surplus or designated funds

• Endowment funds: 4XXXX
  • Funding from a non-budget source such as donations
  • Funding has specific purpose and is required to be used within those guidelines
  • Funds are invested by the University to produce income to be spent from the corresponding designated funds
Building, Equipment, and R&R funds: 5XXXX
- 59XXX: Unexpended Plant funds
- 57XXX: Renewal and Replacement (R&R) funds
- Unused funding rolls to the following fiscal year
- These funds cannot be charged directly but should be used to fund capital projects referenced below

Research Institute (UDRI) funds: 6XXXX and 6 digit alpha-numeric
- Funding comes from contracts/grants and an overhead cost rate that is applied to contracts
- The overhead rate proposal is prepared every 2 years, audited by the Defense Contract Audit Agency (DCAA), and negotiated with the Office of Naval Research (ONR)

Capital Project funds: 7XXXX
- Unused funding rolls to the following fiscal year for the duration of the project
- Deficits must be funded with an operating surplus, designated funds, or building funds
KEY CONCEPT: FUNDS continued

• General Operating funds: 9XXXX
  • These funds are budgeted annually for the daily operation of the department
  • 91XXX – Administration
  • 92XXX – Instruction
  • 96XXX – Facilities
  • 97XXX – Auxiliaries
  • 98XXX - Student Aid
• Surpluses are used to cover deficits in designated, sponsored project, and capital project funds; the remaining surplus amount is transferred to the Provost or Vice President to determine use/distribution

In order to set up a new fund, a Fund Request Form must be completed, signed, and submitted to the Controller’s office for processing.
https://www.udayton.edu/finadmin/controller/resources.php
KEY CONCEPT: ACCOUNTS

- Revenue: 5-digit numbers (not used with every fund)
  - “51XXX” – Tuition income
  - “53XXX” – Sponsored Project income
  - “56XXX” – Miscellaneous income
  - “57XXX” – Auxiliary income
- Expenditure: 4-digit numbers
  - “6XXX” – Labor and Benefit expenses
    - Generally used only by Human Resources & Payroll
  - “7XXX” – Non-labor expenses (i.e. supplies)
- Transfer: 5-digit numbers
  - Always begin with “8”
  - Used to move money between funds

In order to correct an account charged incorrectly, a Request for Change of Account form must be completed, signed, and submitted to the Controller’s office for processing. [https://www.udayton.edu/finadmin/controller/resources.php](https://www.udayton.edu/finadmin/controller/resources.php)
TYPES OF TRANSACTIONS

• Monthly Journal Entries (JE) or Budget Transfers (BR): FYMMXXX
  • 2 digit fiscal year, 2 digit month, 3 digit numerical sequence
  • Example: 1510123 for an October entry
  • Call the Controller’s Office with questions x92941

• Invoices paid through Accounts Payable to outside vendors
  • 2 digit initials: CH/SD/ES, 3-5 digit numerical sequence
  • Example: CH1234
  • Call Accounts Payable with questions x93646

• Purchase card transactions: YYMM092
  • 2 digit fiscal year, 2 digit month, 092
  • Example: 1510092 for an October transaction
  • Call Deb Liptak with questions x92632
TYPES OF TRANSACTIONS continued

• Accounts Receivable, Cash Receipts, Student Aid: FXXXXXXX
  • “F” (indicates feed document), 6 digit numerical sequence
  • Example: F123456
  • Call the Bursar’s Office with questions x94111

• Travel transactions: SMXXXXXXX
  • 2 digit initials: SM, 6 digit numerical sequence
  • Example: SM123456
  • Call Shirley Mahoney with questions x57316
TYPES OF BUDGETS

- Educational and General (E&G)
  - Basic instructional and administrative budgets supported by tuition
  - 91XXX, 92XXX, 96XXX, 98XXX, i.e. Facilities

- Basic University Fee (BUF)
  - Student activity related budgets supported by tuition (i.e. RecPlex)
  - Fees are no longer charged to students separately but are included in the total tuition charge
  - Fee revenue is distributed via JE by the Controller’s office after tuition has been reconciled (each semester)

- Auxiliary and Quasi-Auxiliary
  - Self-supporting entities with income that do not directly relate to instruction
  - Some make a profit and may be required to contribute to the University
  - 97XXX, i.e. Athletics, Dining Services, Bookstore

- University of Dayton Research Institute (UDRI)
  - Self-supporting mainly through government grants and contracts
MANAGING BUDGETS

THE ABC’S

A: Accurate Coding

Campus-wide reporting depends on accurate coding by all departments.

Pick the account that most closely matches the purchase. You can code to accounts even if you do not have budget allocated to that line.

A Chart of Accounts can be accessed in Finance Self Service. A document will be on the Controller’s webpage in the near future.

B: Bottom Line

You do not have to stay within budget in every line. However, you should not spend more than the department total.

Use your spending history to refine your budget next year.

C: Check Regularly

Monitor your budget on a regular basis. Contact the Controller’s Office with any questions as mistakes in coding can occur.

You will be able to more effectively manage your budget and avoid possible overages if you are aware of the status throughout the fiscal year.
# BUDGET EXAMPLE

## Budget Report by User Funds

### Division - General

### Fiscal Period - Year To Date 2015

<table>
<thead>
<tr>
<th>Account</th>
<th>Account Description</th>
<th>Budget</th>
<th>Current Month Actual</th>
<th>YTD Activity</th>
<th>Encumbrances</th>
<th>Remaining Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>6010</td>
<td>Faculty/Prof Research - Ft</td>
<td>0.00</td>
<td>0.00</td>
<td>7,164.33</td>
<td>0.00</td>
<td>(7,164.33)</td>
</tr>
<tr>
<td>6013</td>
<td>Administrative-Full-Time</td>
<td>628,811.00</td>
<td>0.00</td>
<td>104,801.84</td>
<td>0.00</td>
<td>524,009.16</td>
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<tr>
<td>6030</td>
<td>Clerical-Technical</td>
<td>224,605.00</td>
<td>0.00</td>
<td>29,305.93</td>
<td>0.00</td>
<td>195,299.07</td>
</tr>
<tr>
<td>6053</td>
<td>Undergraduate Students</td>
<td>6,779.00</td>
<td>0.00</td>
<td>1,824.53</td>
<td>0.00</td>
<td>4,954.47</td>
</tr>
<tr>
<td>6098</td>
<td>Staff Benefits - Faculty/Staff</td>
<td>378,917.00</td>
<td>0.00</td>
<td>62,724.78</td>
<td>0.00</td>
<td>316,192.22</td>
</tr>
<tr>
<td>6099</td>
<td>Staff Benefits - Students</td>
<td>136.00</td>
<td>0.00</td>
<td>35.00</td>
<td>0.00</td>
<td>99.51</td>
</tr>
<tr>
<td>7120</td>
<td>Advertising</td>
<td>0.00</td>
<td>0.00</td>
<td>123.50</td>
<td>0.00</td>
<td>(123.50)</td>
</tr>
<tr>
<td>7215</td>
<td>Contract Serv-U.D. Maintenance</td>
<td>0.00</td>
<td>0.00</td>
<td>35.00</td>
<td>0.00</td>
<td>(35.00)</td>
</tr>
<tr>
<td>7590</td>
<td>Cash Over and Short</td>
<td>40.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>40.00</td>
</tr>
<tr>
<td>7600</td>
<td>Periodicals/Newspaper,Dept Book</td>
<td>178.00</td>
<td>0.00</td>
<td>99.00</td>
<td>0.00</td>
<td>79.00</td>
</tr>
<tr>
<td>7640</td>
<td>Postage, Postage Meter</td>
<td>17,750.00</td>
<td>0.00</td>
<td>1,774.89</td>
<td>0.00</td>
<td>15,975.11</td>
</tr>
<tr>
<td>7800</td>
<td>Office Supplies</td>
<td>16,950.00</td>
<td>0.00</td>
<td>138.75</td>
<td>0.00</td>
<td>16,811.25</td>
</tr>
<tr>
<td>7809</td>
<td>General Supplies</td>
<td>0.00</td>
<td>0.00</td>
<td>1,099.93</td>
<td>0.00</td>
<td>(1,099.93)</td>
</tr>
<tr>
<td>7810</td>
<td>Photo Copying</td>
<td>1,400.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1,400.00</td>
</tr>
<tr>
<td>7819</td>
<td>General IT Supplies</td>
<td>4,500.00</td>
<td>0.00</td>
<td>18.58</td>
<td>0.00</td>
<td>4,481.42</td>
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<tr>
<td>7830</td>
<td>Telephone - Long Distance</td>
<td>160.00</td>
<td>0.00</td>
<td>19.26</td>
<td>0.00</td>
<td>140.74</td>
</tr>
<tr>
<td>7831</td>
<td>Telephone - Monthly Service</td>
<td>7,100.00</td>
<td>0.00</td>
<td>1,175.20</td>
<td>0.00</td>
<td>5,924.80</td>
</tr>
<tr>
<td>7832</td>
<td>Telephone - Local Calls</td>
<td>280.00</td>
<td>0.00</td>
<td>21.68</td>
<td>0.00</td>
<td>258.32</td>
</tr>
<tr>
<td>7833</td>
<td>Facsimile Service</td>
<td>170.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>170.00</td>
</tr>
<tr>
<td>7870</td>
<td>Travel-Staff</td>
<td>0.00</td>
<td>0.00</td>
<td>403.00</td>
<td>0.00</td>
<td>(403.00)</td>
</tr>
<tr>
<td>9XXXX</td>
<td>Example</td>
<td>1,291,776.00</td>
<td>0.00</td>
<td>210,766.69</td>
<td>0.00</td>
<td>1,081,009.31</td>
</tr>
</tbody>
</table>

- **Personnel Services**: Funds are committed to pay a purchase order.
- **Staff Benefits**: Expense coded to 7215 even though not budgeted in that account.
- **Supplies & Expenses**: Budget – YTD Activity – Encumbrances Remaining Balance.
1. **When should I contact the Budget Office?**
   - You see a transaction in your budget that you do not understand or recognize.
   - You need a transfer to be processed (journal entry or budget revision).
   - You are having difficulty managing your budget and may want to reallocate funding.

2. **May I reallocate budget during the year?**
   - Yes, please contact the Controller’s Office to discuss.
   - Budget revisions done during the year are considered temporary; therefore, these adjustments will need to be made during the next annual budgeting process in order to make them permanent.

3. **How do I obtain additional budget money?**
   - The Vice President/Dean of each Division controls the operating budget funding in his/her Division.
4. **How do I access and review funds?**
   - UDIT/Communication & Collaboration/Porches/Guides, Manuals & Movies
     1. Banner: [Finance Self Service Guide](#)
     2. Cognos: [Cognos Basic Overview](#)

5. **How timely is the data in Finance Self Service and Cognos?**
   - Any entry posted into the Banner ledger is available in Banner Self-Service in the same day, but Cognos Reporting is on a one-day lag. There are two important exceptions to remember:
     1. Charges for postage, copier, phone, etc. are posted monthly, usually within 5 business days of the following month from when the charge was incurred.
     2. Purchase card transactions are also posted monthly. Due to a cardholder review of purchases and account use, Purchase Card transactions post by the 10th of the following month.

6. **When can I run Month End Reports?**
   - Each month should be final on or about the 10th of the following month with the exception of fiscal year-end.
FOLLOW-UP

• Please let us know if you have feedback:
  o Recommendations for more effective communication and training
  o Topics/agenda ideas for future Budget Manager meetings

• Please contact us with any questions, concerns, or comments:
  o Christine Comer, Director of Financial Planning and Budgets, x93495
  o Kathleen Berger, Budget Analyst, x92935