Public Budget Formulation (PBF) & Budget Formulation
Instructions, Tips and Guidelines
FY 2017
Welcome to Budget Formulation using our upgraded software application from the SAP suite of products, Public Budget Formulation (PBF). This document is designed to:

- give an overview of the budgeting process and budgeting rules,
- explain the PBF tool, and,
- provide instructions and budgeting guidelines and tips.

Contents

Contacts......................................................................................................................................................................3
Schedule .....................................................................................................................................................................3
Resources ...................................................................................................................................................................3
The University Budget Cycle .......................................................................................................................................4
PBF Terms & Definitions .............................................................................................................................................5
PBF FY2017 Data .........................................................................................................................................................5
Budget Formulation Guidelines and Rules ..................................................................................................................6
Fund Types ..................................................................................................................................................................6
PBF Hierarchy and Stages ...........................................................................................................................................6
General Process for Budget Formulation ...................................................................................................................7
PEP ..............................................................................................................................................................................8
PEP Data .....................................................................................................................................................................8
Fringe Rates ................................................................................................................................................................8
Budget Formulation Tabs and Functionality ........................................................................................................... 10
  GF Expenditure ......................................................................................................................................................... 10
  Local Funds .......................................................................................................................................................... 10
  Position Maintenance ........................................................................................................................................ 11
  Employee Maintenance .................................................................................................................................... 12
  Stage Advance ..................................................................................................................................................... 13
  BW Reports ......................................................................................................................................................... 14
APPENDIX 1: Salary Budgets – How to budget.................................................................................................... 16
APPENDIX 2: Operating Budgets – How to budget................................................................................................ 19
Contacts

<table>
<thead>
<tr>
<th>Contacts</th>
<th>Email Address/Phone Numbers</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Budget Management</td>
<td><a href="mailto:OBMMail@uc.edu">OBMMail@uc.edu</a> or 60192&lt;br&gt;Kelly Beck – 60378&lt;br&gt;Chris Jackson - 63150</td>
<td>PBF System Errors&lt;br&gt;Fringe budgeting on General Funds&lt;br&gt;Change to end dates on Employees and Positions&lt;br&gt;Planned Reclassifications</td>
</tr>
<tr>
<td>UCFlex Help Desk</td>
<td><a href="mailto:UCFlex@uc.edu">UCFlex@uc.edu</a> or 556-HELP</td>
<td>Specific UCFlex System Issues</td>
</tr>
<tr>
<td>Office of the Controller</td>
<td><a href="mailto:Jessica.Phillips@uc.edu">Jessica.Phillips@uc.edu</a> or 60665</td>
<td>Validation table updates</td>
</tr>
<tr>
<td>VP Contact</td>
<td></td>
<td>General Budget Formulation Questions</td>
</tr>
</tbody>
</table>

Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 8-10</td>
<td>New User Training</td>
</tr>
<tr>
<td>March 15-17</td>
<td>PBF Open Sessions</td>
</tr>
<tr>
<td>March 21 @ 8:00 AM</td>
<td>PBF Opens to Decentral Users</td>
</tr>
<tr>
<td>May 9 @ 8:00 AM</td>
<td>All budgets due to Office of Budget Management</td>
</tr>
</tbody>
</table>

References

- Public Budget Formulation (PBF) & Budget Formulation Instructions, Tips and Guidelines
- PBF New User Training PowerPoint
- PBF Open Session PowerPoint
- UCFlex PBF System Instructions
- UC Budget Plan
The University Budget Cycle

Budget formulation is part of the university’s annual budget cycle which begins after February close of business. During formulation, the university community goes through the process of entering budget into PBF for the upcoming fiscal year. The budgeting of income and expenses for all current funds (i.e. undesignated general, auxiliary, designated and restricted) is required to achieve All Funds Budgeting. The data formulated during this process is then summarized and used to prepare the schedules for the high level University Budget Plan presented for approval annually to the Board of Trustees. Finally, the approved budget data is loaded into UCFlex effective July 1 to begin a new fiscal budget year.
PBF Terms & Definitions

Budget Formulation: The annual process of planning, preparing, reporting and approving the upcoming fiscal year budget.

Public Budget Formulation (PBF): A SAP budgeting tool used to assist in the annual budget formulation process at the University of Cincinnati.

Personnel Expenditure Projection (PEP): A program used to automatically create budgets/expenditure projections for wages and benefits based on employee and position data.

General Fund Form: A form within PBF used to capture general fund expenditure budgets for the upcoming fiscal year.

Local Fund Form: A form within PBF used to capture local fund expenditure and revenue budgets for the upcoming fiscal year.

Employee Maintenance: A form within PBF that allows users to update employee data such as cost distribution.

Position Maintenance: A form within PBF that allows users to update position data such as planned compensation or to make a position obsolete.

Stage: Similar to a workflow, budget stages restrict access to budget data based on the stage a form is in and the user’s level of access.

PBF Hierarchy: A hierarchy created in PBF to segregate and build security around budget data.

User Types: A grouping that grants access to certain level.

PBF Data

The following data is extracted from UCFlex and loaded into PBF for budget review and formulation. All data is as of February close of business to allow Budget Management to capture or “freeze” a point in time in the budget cycle.

- Master data including fund, fund centers, commitment items and funded programs
- General funds permanent budget
- Local funds fund balances
- Employees base pay and cost distribution
- Positions planned compensation and cost distribution
- Annual Adjuncts annualized stipends
- Endowment income and related fees as projected from ZENDW_18
Budget Formulation Guidelines and Rules

- General funds must have a salary budget equal to or greater than the total PEP projection at the fund center level.
- All General fund FY17 budgets must be greater than $0. No negative permanent budgets.
- Local funds must have a positive cash/fund balance to cover the total PEP charged to each fund and funds center.
- All vacant and pooled positions must have a valid planned compensation. Planned compensation cannot equal $0.
- General funds FY16 permanent budget should equal FY17 permanent budget (unless accounting for fringes reallocated to the central benefit pool).
- Local funds FY17 projected fund balance should be positive to adhere to the university's cash balance policy.
- All current funds (i.e. undesignated general, auxiliary, designated and restricted) are required to be fully budgeted in income and expense to achieve All Funds Budgeting for Board approval.

Fund Types

The following fund types are included to achieve All Funds Budgeting in the budget formulation process:

- A1 - General funds (Uptown and Branches)
- C1 - Auxiliary
- D1 - Designated (including D6, D7, D7 funds)
- E1 - Expendable Endowment
- F1 - Gift
- H1 - State Appropriation
- J1 - Agency
- P6 - Renewal and Replacement

PBF Hierarchy and Stages

PBF uses a funds center hierarchy to segregate and secure data for budgeting purposes.

- Budgets are created at the School/Department level (defined by the first five digits of the funds center).
- Users create a budget form for every level 4 (or first five digits) of the funds center hierarchy for all fund type combinations relevant to an area (e.g. – A1 + 71503, D1 + 71503, E1 – 71503, etc.)
- Within that budget form is all fund centers that fall under the first five or School/Department level (e.g. 71503: 7150300000 thru 7150399999).
General Process for Budget Formulation

1. Analyze PERM budgets, local fund balances and position budgets using FM and PBC reports available through BW. These reports may include the following:
   - FM810: General Funds Budget vs. Actual
   - FM813 (or V2 for 5 yr): 3-year Budget & Actuals for Budget Planning
   - FM954C: YTD Fund Balance with Commitments
   - FM957C_V2: Fund Balance w/ Budget, Current and Future Year Commitment - This report includes FY16 budget AND YTD fund balance. It also projects endowment net revenue for FY16.
   - FM809: Endowment Investments Actuals – To assist with budgeting UC Foundation’s 4% administrative fee.
   - PBC300 – Position Planned Comp & Employee Annual Salary
   - FM6169 – Position Budget Control
   - HR300 – Positions w/ Vacancy Status and Planned Compensation Report
   - ZENDW_18: Data is uploaded into PBF and automatically populate for the new year budget.

   *Most users have already worked through step 1 in preparation for budget hearings.*

2. Create budget forms for all fund types (applicable for the first 5 digits of the cost center range)
   - General funds – A1
   - Local funds – D1, E1, F1, H1, J1, P6

   *Be sure to save each form that is created even if there are no changes to the form.*

3. Run BW Reports
   - Review general fund PERM budget loaded into PBF system.
     - PBF100 General Funds Expense Budget
   - Review local fund data analysis – 3 year average and FY15 YTD forecast.
     - PBF200 Local Funds Budget Planning
   - Review employees’ salaries, position planned comp, and cost distributions.
     - PEP400: General Funds Employee Budget
     - PEP401: Local Funds Employee Budget

4. Analyze data from BW reports and note any adjustments to be made in the system (through the forms).

5. Enter appropriate form to make updates to employee/positions and adjustments to budgets.

6. Re-run appropriate BW reports to validate changes/updates made in the system.

7. Run appropriate BW reports to ensure budgets submitted are correct and follow policy.
   - PEP500 – Final Review General Funds
     - PEP variance must be ≥ $0 at cost center level.
     - Overall adjustment = $0 (unless adjusting for benefits)
     - Benefit adjustments (if applicable)
   - PEP501 – Review Revenue Local Funds
   - PEP220 Fund Balance
     - Revenue + Transfers In ≥ Expense + Transfers Out

8. Advance form(s) to next budget stage.
PEP

Personnel Expenditures Projections (PEP) is a program used to create budgets/expenditure projections for wages and fringes based on employee and position data.

- PEP calculates on employees base pay for filled positions; planned compensation for vacant or pooled positions.
- PEP calculates any approved contractual increases.
- PEP will run at the top of every hour to update salary and benefit budgets based on changes made to employee and positions in PBF’s maintenance tabs.

PEP Fiscal Year 2017 Data

- Faculty increases effective March 1st are included in employee data loads.
- Faculty FY17 increases funded with PBB splittable revenue need to be identified and notes need to be added for insufficient general funds budget(s).
- FY17 AAUP contractual increases are not included in PEP calculations.
- Department funded approved increase for FY17 are included in PEP projections on BOTH general and local funds.

Fringe Rates

Government Cost Compliance provided proposed FY17 Non-federal fringe rates. Final FY17 federal rates have been submitted and are pending approval. Once approved, both federal and non-federal rates will be communicated via Triple D.

The proposed non-Federal rates are loaded for PEP calculations. Below are the approved rates by employee group.

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Non-Federal Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exempt Faculty</td>
<td>33.0%</td>
</tr>
<tr>
<td>Exempt Staff</td>
<td>34.0%</td>
</tr>
<tr>
<td>Non-Exempt Staff</td>
<td>41.5%</td>
</tr>
<tr>
<td>Part-Time Employees</td>
<td>24.8%</td>
</tr>
<tr>
<td>Student Workers</td>
<td>8.5%</td>
</tr>
</tbody>
</table>
PEP calculates on the following PEP Commitment Items:

| 510030 | Full Time AAUP Base | 512040 | Full Time AFSCME Bas |
| 510052 | Visiting Faculty Sal | 515040 | Full Time IUOE Base |
| 510055 | Full Time Non AAUP B | 514040 | Full Time ONA Base S |
| 510252 | Non-Represented Adj | 515040 | Full Time SEIU/1199 |
| 511040 | FT Unrepresented Unc | 515540 | Full Time FOP Base S |
| 511240 | Full Time Unrep Clas | 516048 | Intern Residents Spc |
| 511770 | Post Doctoral Fellow | 519000 | Graduate Student Sti |
| 511771 | Research Fellows | 520100 | Fringe Benefits |

The following Non-PEP Commitment Items are used to budget salary and fringe budgets outside of PEP calculations.

| 510000 | Academic Full Time S | 511196 | Unrep Unclas N |
| 510031 | FT AAUP Other | 511197 | Unrep Unclas N |
| 510039 | FT Non-AAUP O | 511198 | Unrep Unclas |
| 510039 | FT Faculty Fe | 511199 | Unrep Unclas |
| 510036 | FT AAUP Solar | 511200 | Unrep Classi |
| 510037 | FT AAUP ADL | 511241 | Temporary Salaries |
| 510038 | FT Non AAUP S | 511296 | Unrep Classi |
| 510039 | FT Non AAUP A | 511297 | Unrep Classified Non |
| 510099 | Faculty Reserve | 511298 | Unrep Classi |
| 510200 | Academic PT S | 511299 | Unrep Classi |
| 510230 | AAUP PT Solar | 511700 | Post Doctoral Fellow |
| 510231 | AAUP PT Other | 511795 | Post Doc & Research |
| 510233 | Non-Represent Adj | 511796 | Post Doc & Research |
| 510234 | AAUP PT Solar | 511797 | Research Fellows Non |
| 510235 | AAUP PT ADL | 511798 | Research Fellows Non |
| 510236 | Non-Represent Adj | 511799 | Post Doctoral Fellow |
| 510237 | Non-Represent Adj | 512000 | AFSCME Salaries |
| 510299 | Academic PT R | 512095 | AFSCME Other Comp |
| 510301 | Faculty 912 Year End | 512097 | AFSCME PT<80 |
| 510300 | Academic Faculty Sal | 512098 | AFSCME Overtime |
| 511000 | Unrep Unclas | 512099 | AFSCME Reserves |
| 511094 | Unrep Unclass E | 513000 | IUOE Salaries |
| 511085 | Unre Class E | 513096 | IUOE Other Compensat |
| 511086 | Unre Class E | 513097 | IUOE PT <80% |
| 511097 | Unrep Unclass E | 513098 | IUOE Overtime |
| 511099 | Unrep Unclas | 513099 | IUOE Reserves |
| 511100 | Unre Class | 514000 | ONA Salaries |
| 511140 | FT Unrep Unclassif | 514096 | ONA Other Compensati |

520121 – Faculty Non-Federal
520122 – Exempt Non-Federal
520123 – Non-exempt Non-Federal
520124 – Part Time Non-Federal
520125 – Student Non-Federal
**Budget Formulation Tabs and Functionality**

PBF can be found under the **Budget Formulation** tab in UCFlex. The following section will highlight functionality and data found in each form within PBF.

---

**GF Expenditure**

- A form will need to be created for every level 5 of the funds center hierarchy (e.g. For A&S, 71500 71501 71502, etc).
- This form is for Uptown campus general funds expenses only. Branch campuses will use the local funds forms to budget general funds.
- 2016 PERM budget column is the general fund permanent base as of February close of business.
- A “Budget Adjustment” column is used to create the 2017 Final PERM Budget.

**Local Funds**

- A form will be created for every level 5 of the funds center and the fund type combination relevant for an area (i.e. D1 + 71503, E1 + 71503, F1 + 71503, etc).
- Branch campuses will use local fund forms to budget general funds (e.g. A100005 and A100010).
- 2016 Budget column is local fund budgets as of February close of business.
- The 2017 Budget can be entered directly into the form or with the new upload buttons.

---

**Form Functions**

- **Search**: Search for form by fund center or description. This function can also be done by selecting the “BOX” to the right of the form id box.
- **New**: Create a new form at level 5 of the funds center. If a form for a level 5 funds center already exists, PBF will not allow a second form to be created.
- **Save**: Data in the form is saved. The form remains in edit mode.
- **Save & Advance**: Data in the form is saved. A dialogue box appears to advance the form to a new stage.
- **Cancel**: The form is no longer in edit mode. The search, new, edit, advance stage buttons appear for the next action. If this button is used, click on another tab in PBF (i.e. GF Expenditure, Local Funds, etc.) to “release” the form.
- **Edit**: Used to put form in edit mode after form has been saved and advanced or cancelled.
- **Advance Stage**: Advance form to next stage.
- **Export**: Export budget data into Excel. This function will be used with the “Upload” features.
- **Add**: Add a new budget line. A blank line will appear at the top of the form. Once the form is saved, the newly added line will be sorted by fund, cost center and/or commitment item.
- **Copy**: Copy an existing budget line to create a new budget line. The new line will appear above the line selected to be copied. The commitment item and budget adjustment/amount will be blank for data input. Once the form is saved, the data will be sorted by fund, funds center and/or commitment item.
- **Delete**: Delete a budget line that has been added or copied to the form. Original budget lines that are loaded into PBF will contain historical data (i.e. FY2016 budget) and cannot be deleted from the form.
- **Upload – Replace All**: Uploads csv. file to replace all account lines within form.
- **Upload – Insert Over Limit**: Uploads csv. file to insert new account lines within form.

**Other Buttons**

- **Instructions** – A direct link to “Budget Formulation Instructions, Tips and Guidelines”
- **Help** – A direct link to UCFlex instructions.
### Position Maintenance

#### Details
- **Position Description**: Position name
- **Report Position**: Position number as assigned in UCFlex
- **Comment**: 60 character field used to describe specific changes to a position record.
- **Job class**: Job as defined by PEP (i.e. a position description)
- **Authorize to Count**: Number of employees allowed to fill a position. May be changed to 0 to indicate an obsolete position.
- **Authorize to Fill**: Indicates whether or not a position is authorized to be filled. Used to make a position obsolete (see "How to..." table)
- **Start date**: Beginning of time interval (defaults to 1/1/1000)
- **End date**: Indicates when time interval is final

#### Planned Compensation
- **Salary**: Position budget as defined on Infotype 1005 on the position master record.
- **Salary Override**: Indicates PEP will calculate budget based on the planned compensation. This box should always be checked.

#### Home Funding
- **Default source for distributing salary and fringes.**
  - Includes:
    - Fund
    - Fund Center
    - Funded Program
    - Functional Area
    - Grant

#### Cost Distribution
- **Determines how position’s salary and fringes are budgeted.**
  - Includes:
    - Fund
    - Fund Center
    - Funded Program
    - Functional Area
    - Grant
  - **Start Period:**
  - **End Period:**
  - **% Allocation**: Percentage of the cost distribution being charged to account line.
## Employee Maintenance

<table>
<thead>
<tr>
<th>Details</th>
<th>Basic Pay</th>
<th>Home Funding</th>
<th>Cost Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong>: Employee name</td>
<td><strong>Salary</strong>: Employee’s base pay as defined in UCFlex (i.e. OSAL, OFAC)</td>
<td><strong>Default source for distributing salary and fringes.</strong></td>
<td><strong>Determines how employee’s salary and fringes are budgeted.</strong></td>
</tr>
<tr>
<td><strong>PERNR</strong>: Personnel number as assigned in UCFlex</td>
<td><strong>Salary Override</strong>: indicates PEP will calculate budget based on basic pay. This box should always be checked.</td>
<td><strong>Includes:</strong></td>
<td><strong>Includes:</strong></td>
</tr>
<tr>
<td><strong>Comment</strong>: 60 character field used to describe specific changes to an employee record.</td>
<td></td>
<td><strong>Fund</strong></td>
<td><strong>Fund</strong></td>
</tr>
<tr>
<td><strong>Employee ID</strong>: Personnel number as assigned in UCFlex</td>
<td></td>
<td><strong>Fund Center</strong></td>
<td><strong>Fund Center</strong></td>
</tr>
<tr>
<td><strong>Job class</strong>: job as defined by PEP (i.e. a position description)</td>
<td></td>
<td><strong>Funded Program</strong></td>
<td><strong>Funded Program</strong></td>
</tr>
<tr>
<td><strong>Status</strong>: Indicates the status of the employee. Only active employees are visible in budget formulation.</td>
<td></td>
<td><strong>Functional Area</strong></td>
<td><strong>Functional Area</strong></td>
</tr>
<tr>
<td><strong>Position</strong>:</td>
<td></td>
<td><strong>Grant</strong></td>
<td><strong>Grant</strong></td>
</tr>
<tr>
<td><strong>Position number as assigned in UCFlex</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Start date</strong>: beginning of time interval (defaults to 1/1/1000)</td>
<td></td>
<td><strong>Start Period:</strong></td>
<td><strong>Start Period:</strong></td>
</tr>
<tr>
<td><strong>End date</strong>: indicates when time interval is final</td>
<td></td>
<td><strong>End Period:</strong></td>
<td><strong>End Period:</strong></td>
</tr>
<tr>
<td><strong>First Name</strong></td>
<td></td>
<td><strong>% Allocation</strong>: Percentage of the cost distribution being charged to account line.</td>
<td></td>
</tr>
</tbody>
</table>
Budget stages are similar to workflow. PBF restricts access to budget data based on what budget stage the user can access.

<table>
<thead>
<tr>
<th>STAGES</th>
<th>251</th>
<th>252</th>
<th>253</th>
<th>254</th>
<th>255</th>
</tr>
</thead>
<tbody>
<tr>
<td>School / Department</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>College / Division Review</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sr VP / VP Review</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OBM Review</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Board Approval</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Stage Advance allows College/Division and VP users to advance a group of form IDs to the next stage for review and approval. The following steps outlines this process:

1) Select Local Funds or General Fund from **Form Definition** selection icon.
2) Select fund type (A1, C1, D1, E1, F1, H1, J1, P6) from **Fund Type** selection icon.
3) Select the first 3 of the College/Division (e.g. 715_CD) from **Funds Center** selection icon.
4) Click **Load Form IDs**.
5) Select the next stage from to advance the form from **Target Stage** selection icon.
6) Click **Advance Stage**.
7) Click **Yes** to confirm advancement of selected form IDs.
General Funds Reporting

PEP400: General Funds Employee Budget
- Comparable to PBC6169
- Displays employee and position cost distribution on general funds ONLY.
- Includes all PEP and non-PEP GLs for a TOTAL salary budget.
- Includes all employees (i.e. filled positions), vacant positions and pooled positions.

PBF100: General Funds Expense Budget
- Comparable to PBC6169
- Includes FY2015 Actuals, FY2016 PERM Budget (as of 2/29) and FY2017 PERM Budget

Local Funds Reporting

PEP401: Local Funds Employee Budget
- Comparable to PBC6169
- Displays employee and position cost distribution on local funds ONLY.
- Includes all PEP and non-PEP GLs for a TOTAL salary budget.
- Includes all employees (i.e. filled positions), vacant positions and pooled positions.

PBF200: Local Funds Budget Planning
- Comparable to FM805 (with a lot more information)
- Includes FY13,14,15 Actuals, Average of Prior 3 Years, FY16 YTD Forecast, PEP Fully Loaded Projection, Projected Endowment Income, Projected Endowment Fees, and FY17 Budget.
- Columns may be removed to display FY17 budget only.

PBF220: Fund Balance
- Comparable to FM954
- Includes PEP projection totals for those charged to local funds.

Employee/Positions Reports

PEP100: Employee Cost Distribution
- Includes the beginning and planned cost distributions of employees (i.e filled positions).
- Review changes in planned cost distribution to determine the PCRs needed to make updates in UCFlex.

PEP200: Position Cost Distribution
- Includes the beginning and planned cost distributions of vacant and pooled positions.
- OBM will automatically update the positions if changes are made to the cost distribution. No PMRs are needed.

PEP204: Obsolete Positions
- Provides a list of all positions marked obsolete.
- OBM will automatically make these positions obsolete in UCFlex after budget formulation. No PMRs are needed.

Text reports

PBF108: Justification Text
- Displays all notes added to the justification tab in one report.
- All justification text needs to include fund, fund center and GL to match the note with the budget line.

PEP108: Employee Comment Text
- Displays any notes in the comment box of the employees.

PEP208: Positions Comment Text
- Displays any notes in the comment box on the positions.
Final Review

PBF500: Final Review General Funds

PBF500_1: Review Total PEP to PERM Salary Budget at the cost center level (expand hierarchy if needed).
- FY2017 PERM budget must be greater than the PEP PERM projection
- If PEP variance is negative, adjust budget as needed or ensure a justification/note is provided.
- This step must be completed before continuing the review of general fund budgets.

PBF500_2: Review FY2016 to FY2017 Overall PERM Variance
- FY2016 PERM budget should be equal to FY2017
- If the FY16 to FY17 PERM variance does not equal $0 at the college/division level make the appropriate budget adjustment or ensure an explanation is included in the justification.
- A justification is most commonly needed when a benefit adjustment is made due to a move of non-salary budget to a salary budget.

PEP500_3
- Review PERM Salary to Non-Salary Adjustments at the cost center level (expand hierarchy if needed).
- Ensure benefit budget adjustments are made when moving non-salary budget to salary budgets.

PBF501: Review Revenue Local Funds
- Includes all local funds revenue budgets (except UC Foundation fees)
- Review to ensure all revenue is budgeted as a negative.
- Tip: Sort FY17 Budget in descending order to bring all positive to the top of the report.

PBF220: Fund Balance
- Review Projected FY17 Ending Fund Balance to ensure balances are positive.
- Balances shown in GREEN are equal to or greater than $0 and balances show in RED are less than $0.
- If a fund balance is negative, adjust budget as needed or ensure a note is included on the position, employee or justification report.
- Tip: Sort Projected FY17 Ending Fund Balance in ascending order to bring all negative balances to the top of the report.

PBF400: Form ID Budget Stage Advance
- Review to ensure all forms have been advanced to the next stage.
- Notify next level approver(s) of the stage advance.
- Send College/Division budget notes in one Excel template to VP contact via email.
## APPENDIX 1: Salary Budgets – How to budget....

<table>
<thead>
<tr>
<th>Salary Item</th>
<th>Included in PEP</th>
<th>PBF Tab/Form</th>
<th>Instructions/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Stipends</td>
<td>No</td>
<td>General Expenditure Local Funds</td>
<td>Budget the amount needed separately on a “Non-PEP” salary commitment item (e.g. 510036 FT AAUP Sal 2)</td>
</tr>
<tr>
<td>Annual Adjunct</td>
<td>Yes</td>
<td>Employee Maintenance (Filled) Position Maintenance (Vacant)</td>
<td>Employee’s annualized stipend loaded to PBF for PEP calculations. Vacant position’s planned compensation may be adjusted.</td>
</tr>
<tr>
<td>Filled Positions</td>
<td>Yes</td>
<td>Employee Maintenance (ONLY)</td>
<td>PEP calculates a budget based on the employee’s base pay. Base pay is not an editable field and cannot be updated/changed by a decentral user. To change a local fund budget, update the employee’s cost distribution. Any changes made to an employee’s cost distribution during budget formulation will need to be processed via a PCR to update the employee’s personnel record within UCFlex. The employee’s position does NOT need to be maintained in Position Maintenance. OBM will update the position’s planned compensation and cost distribution to match the employee’s for the new fiscal year.</td>
</tr>
<tr>
<td>Graduate Positions</td>
<td>Yes</td>
<td>Position Maintenance (all positions, whether filled or vacant)</td>
<td>Planned compensations for all graduate positions (pooled and 1-to-1, whether filled or vacant) may be adjusted. When running PEP reports, the Employee will be listed as Not Assigned for all 1-to-1 positions, whether filled or vacant. You can add Position Holder from the position attributes to view the Employee’s name. Add notes to those positions funded from the Graduate School’s one-time annual allocation.</td>
</tr>
<tr>
<td>Grant Funded</td>
<td>Yes</td>
<td>Employee Maintenance (Filled) Position Maintenance (Vacant)</td>
<td>Add funded program “ZPOSDEFU” (or ZPOSDEF for Clermont; ZPOSDEFR for UCBA) on the employee or position’s cost distribution.</td>
</tr>
<tr>
<td>Salary Item</td>
<td>Included in PEP</td>
<td>PBF Tab/Form</td>
<td>Instructions/Notes</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------------</td>
<td>--------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>New Positions</td>
<td>Yes</td>
<td>Position Maintenance</td>
<td>Create a <strong>New</strong> position:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1. Select a <strong>Job</strong> from the selection button</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Enter a valid <strong>Planned Comp</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Enter <strong>Fund</strong>, <strong>Funds Center</strong>, <strong>Functional Area</strong>, <strong>Funded Program</strong> for the position’s default cost distribution (i.e. home funding)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Click <strong>OK</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Click <strong>Save</strong></td>
</tr>
<tr>
<td>Non-Contractual Increases (i.e. equity, promotions, etc.)</td>
<td>No</td>
<td>General Expenditure</td>
<td>Budget the amount needed separately on a “Non-PEP” salary commitment item (e.g. 510000, 511000, etc).</td>
</tr>
<tr>
<td>Non-Paid Appointments (e.g. Affiliate, Corporate, Volunteer, etc)</td>
<td>No</td>
<td>NA</td>
<td>Non-paid positions are not loaded to PBF for budget formulation.</td>
</tr>
<tr>
<td>Obsolete VACANT positions</td>
<td>NA</td>
<td>Position Maintenance</td>
<td>On the position <strong>Details</strong> tab:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1. Uncheck the <strong>Authorize to fill</strong> box</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Change <strong>Authorize to count</strong> to 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Add a comment (e.g. Position to be made obsolete effective 7/1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Notify <strong><a href="mailto:OBMmail@uc.edu">OBMmail@uc.edu</a></strong> of position to be made obsolete.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Note:</strong> OBM will compile a list of positions to be made obsolete during formulation and share with HR Compensation for processing. An “Organizational Management Change Request” form is NOT needed to make these positions obsolete.</td>
</tr>
<tr>
<td>Overtime, Additional Pay, Summer Salary</td>
<td>No</td>
<td>General Expenditure</td>
<td>Budget the total amount separately on “Non-PEP” salary commitment item (e.g. 515598 FOP Overtime)</td>
</tr>
<tr>
<td>Student Workers, Co-op, Work Study</td>
<td>No</td>
<td>General Expenditure</td>
<td>Budget the total amount separately on student salary commitment items (e.g 519500 Student Salaries).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local Funds</td>
<td><strong>Student positions</strong> are not loaded to PBF for budget formulation.</td>
</tr>
<tr>
<td>Salary Item</td>
<td>Included in PEP</td>
<td>PBF Tab/Form</td>
<td>Instructions/Notes</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------</td>
<td>--------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Term Adjuncts</td>
<td>Yes</td>
<td>Position Maintenance (all positions, whether filled or vacant)</td>
<td>Planned compensations for all term adjunct positions (pooled and 1-to-1, whether filled or vacant) may be adjusted. When running PEP reports, the Employee will be listed as Not Assigned for all 1-to-1 positions, whether filled or vacant. You can add Position Holder from the position attributes to view the Employee’s name. Permanent budget may be budgeted at the college level or at the school/department level. A note is required on all employees/positions when the cost distributions don’t match the permanent budget line.</td>
</tr>
<tr>
<td>Vacant Positions</td>
<td>Yes</td>
<td>Position Maintenance</td>
<td>PEP calculates budget based on the position’s planned compensation. Planned compensation may be updated/changed. To change a local fund budget, update the position’s cost distribution.</td>
</tr>
<tr>
<td>Visiting Appointments</td>
<td>Yes</td>
<td>Employee Maintenance (Filled) Position Maintenance (Vacant)</td>
<td>Visiting employees covering for a vacant position or an employee on leave, contact <a href="mailto:OBMMail@uc.edu">OBMMail@uc.edu</a> to adjust base pay so PEP does not commit budget for both positions. Vacant visiting positions must have a valid planned compensation.</td>
</tr>
</tbody>
</table>
### APPENDIX 2: Operating Budgets – How to budget...

<table>
<thead>
<tr>
<th>Operating Item</th>
<th>PBF Form</th>
<th>Instructions/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment Income/Fees</td>
<td>Local Funds</td>
<td>PBF automatically creates a revenue (434003) and the corresponding transfer out (870571, 870576, 870772) budget for spendable endowment funds.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>This data is loaded from ZENDW_18. Budgets on 434003 and 870700 will only be seen in reporting. The budgets are not listed in local funds forms for editing.</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>General Expenditures Local Funds</td>
<td>General expenditure budgets are entered as a “budget adjustment”. The current fiscal year permanent budget is displayed and adjustments to the base may be made to create the new fiscal year budget.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local funds budgets may be entered directly in the form as the new fiscal year budget. The current fiscal year budget data is reference information only.</td>
</tr>
<tr>
<td>Operating to Salary Budget</td>
<td>General Expenditures</td>
<td>Steps to reallocate general fund operating budget to a salary budget line:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Calculate the corresponding fringes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Reduce the operating budget line by the total amount reallocated to the salary budget line PLUS the total fringes needed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Add the salary budget to the appropriate line.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Add a note to the Budget Notes template (excel document)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Email OBMMail.uc.edu of the total operating budget being moved, the total salary amount being budgeted and the total fringe budget.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The fringe budget will be centrally budgeted. The college/division overall permanent budget will be reduced by the total amount of fringe needed.</td>
</tr>
</tbody>
</table>