FY17 Budget Formulation

PBF New User Training
Agenda

- Introductions
- Overview of Budget Formulation
- Overview of PBF
- PBF Demos
- Overview of PEP
- PEP Demos
- Q&A
- User Hands-on
Budget Formulation

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

- Office of Budget Management coordinates the university-wide effort to gather budget data to be presented to the Board of Trustees.

- Part of the annual budget cycle that begins in March and continues through May.
Budget Cycle

- **Preliminary Budget Planning** (Sept/Oct/Nov)
- **Budget Hearings** (Dec/Jan/Feb)
- **Budget Formulation** (Mar/Apr/May)
- **Approved Budget Loaded into R3** (July 1)
- **Budget Approved by Board of Trustees** (June)

Additional Note:

- **"Freeze" General Fund PERM Budget** (February COB)
Main Goals/Objectives

- Reallocate General Fund permanent budget for upcoming fiscal year as needed.

- Budget all Local Fund revenue and expenditures for upcoming fiscal year.

- Ensure current filled and vacant positions are fully funded.

- Formulate the university upcoming fiscal year budget plan.
Budget Formulation - Fund Types

- To achieve All Funds Budgeting the following fund types are included:
  - A1 General funds (Uptown and Branches)
  - C1 Auxiliary
  - D1 Designated (including D6, D7, D7 fund types)
  - E1 Expendable Endowment
  - F1 Gift
  - H1 State Appropriation
  - J1 Agency
  - P6 Renewal and Replacement
Public Budget Formulation (PBF)

- A SAP budgeting tool used to assist in the annual budget formulation process at the University of Cincinnati.

- PBF is a tab within UCFlex named “Budget Formulation”.

- The PBF tab includes “forms” to modify data for general funds, local funds, employees and positions. It also contains BW reports for data analysis.
PBF Hierarchy

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

<table>
<thead>
<tr>
<th>Fund Center Hierarchy</th>
<th>L1</th>
<th>L2</th>
<th>L3</th>
<th>L4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sr. VP / VP Level</td>
<td>UC</td>
<td>UC</td>
<td>170_VP</td>
<td></td>
</tr>
<tr>
<td>College / Division Level</td>
<td></td>
<td></td>
<td></td>
<td>715_CD</td>
</tr>
<tr>
<td>School / Department Level</td>
<td></td>
<td></td>
<td></td>
<td>71503</td>
</tr>
</tbody>
</table>
PBF

- 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 funds center that fall under the first five or School/Department level (e.g. 71503: 7150300000 through 7150399999).
PBF Budget Stages

- 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>■</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>College / Division Review</td>
<td></td>
<td>X</td>
<td>■</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Sr VP / VP Review</td>
<td></td>
<td>X</td>
<td>■</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>OBM Review</td>
<td></td>
<td></td>
<td>■</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Board Approval</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
Data Loads

The following data is extracted from UCFlex as of February COB and uploaded to PBF.

- Master data including: funds center, fund, commitment items, grants and internal orders.
- General funds permanent budget
- Local funds fund balance
- Employees base pay and cost distribution
- Positions planned compensation and cost distribution
- Endowment Income (projected FY17 from ZENDW_18)
PBF Overall Process

- Create forms for general and local funds.
- Run PBF BW reports to analyze loaded data.
- Analyze data from BW reports and note any adjustments to budget or employee/position to be made.
- Update budget, cost distribution, etc. in the appropriate form – general expenditures, local funds, employee and/or position maintenance tabs.
- Re-run PBF BW reports to validate changes.
- Complete final review.
- Advance to next stage.
PBF Demo

- Overview of General Expenditures and Local Funds tabs/forms
- Create a new form
- Search for an existing form
- Review/Update a general expenditure budget
- Update a local fund budget
  - “Add”, “Copy”, “Delete”
Personnel Expenditures Projections (PEP)

- A program used to create budgets for wages and fringes based on employee and position data.

- PEP calculates a budget based on employees’ basic pay or vacant positions' planned compensation and allocates by cost distribution.

- PEP will include 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 – General Funds

- Run PEP400 to view a total salary budget including all employees (i.e. filled positions), vacant and pooled positions.

- General funds must have a salary budget equal to or greater than the total PEP projection at the funds center level.

- PEP creates a projection where a corresponding salary budget must be established at the funds center level.

- General expenditures forms will display PEP commitment item lines for establishing a budget for the upcoming fiscal year.
PEP – Local Funds

- Run PEP401 to view the total salary budget including all employees (i.e. filled positions), vacant and pooled positions.

- Local funds must have a positive cash/fund balance to cover the total PEP charged to each fund.

- PEP automatically creates a salary and corresponding benefit budget on “PEP” commitment items.

- Local fund forms will not display PEP commitment item lines in the form.

- To adjust the salary budget(s) change the cost distribution on the employee and/or position.
PEP Demo

- Employee Maintenance
  - Review fields
  - Change cost distribution

- Position Maintenance
  - Review fields
  - Change planned compensation
  - Obsolete a vacant position
Q&A
PBF Open Session

<table>
<thead>
<tr>
<th>DATE</th>
<th>TIME</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, March 15</td>
<td>1:30 – 3:30 PM</td>
<td>Langsam Library, Room 475</td>
</tr>
<tr>
<td>Wednesday, March 16</td>
<td>8:30 – 10:30 PM</td>
<td>Langsam Library, Room 475</td>
</tr>
<tr>
<td>Thursday, March 17</td>
<td>1:30 – 3:30 AM</td>
<td>Langsam Library, Room 475</td>
</tr>
</tbody>
</table>

• Agenda:
  – Log-in to PBF (Production)
  – Create forms
  – Run BW reports
  – Validate data in the system
Resources/Help

- Budget Formulation Instructions, Tips and Guidelines
  - Terms and definitions
  - How to budget....
  - PBF BW Reports
- PBF Open Refresher Session
- PBF How to videos - [http://www.uc.edu/af/budgetfinsvcs/budgetmgt/pbf.html](http://www.uc.edu/af/budgetfinsvcs/budgetmgt/pbf.html)
- VP Contacts
- Office of Budget Management
  - OBMMail@uc.edu
  - Kelly Beck, 6-0378
  - Chris Jackson, 6-3150
Hands-on Experience

- Log-on as test users
- Follow script
- Run reports
- Ask Questions