FY18 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 in accordance with university rule 10-1-07

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

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

"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 labeled “PBF - Decentral”.

- 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 - Forms

- Budget data is entered into forms within PBF.

- A form is created for every “first five” digits of a fund center for each fund type.

- For example: College of Arts & Sciences (715)
  - A1 – 71500 (includes fund centers 7150000000 – 7150099999)
  - A1 – 71503 (includes 7150300000 – 7150399999)
  - D1 – 71500 (Includes all designated funds for 7150000000 – 7150099999)
  - E1 – 71503 (Includes all endowment funds for 7150300000 – 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.

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Data Loads

- The following data is extracted from UCFlex as of February close of business 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 FY18 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

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• 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