FY16 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 to May.
Budget Cycle

- Preliminary Budget Planning (Sept/Oct/Nov)
- Budget Hearings (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 (Feb 28)
Budget Formulation - Fund Types

• All Funds Budgeting includes:
  – 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 “UC Budget Formulation”.

- The PBF tab includes a “form” 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>
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<tr>
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<td>170_VP</td>
<td>715_CD</td>
<td>71503</td>
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<td>Sr. VP / VP Level</td>
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<tr>
<td>School / Department Level</td>
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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 thru 7150399999).
PBF User Types

PBF users are grouped into the following user types:

- **SD – School/Department**
  - Access to level 4 funds center level (e.g. 71503)

- **CD – College/Division**
  - Access to level 3 funds center level (e.g. 715)

- **VP – VP/SrVP**
  - Access to level 2 funds center level (e.g. 170, 715, 770)
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>
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<tr>
<th>STAGES</th>
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Data Loads

The following data is extracted from UCFlex as of 2/28 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
- Dept Head and Annual Adjuncts annualized stipends
- Endowment Income (projected FY16 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 Tabs

- **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.
PBF Tabs

- **Stage Advance**: A tool that allows College/Division and VP level users to advance multiple forms to the next stage.

- **BW Reports**: PBF Reports designed for budget analysis. Many of these forms are similar to the budget reports used today (e.g. FM810, FM954, etc).
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 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 and funds center.

- 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.
Employee Maintenance

• 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 HR.

• Employee’s base pay is not an editable field and it does not include any additional pays or stipends.

• Overtime, stipends, etc. need to be budgeted separately.
Position Maintenance

- Only maintain positions that are vacant and pooled.

- If updating employee’s cost distribution, the employee’s *position* does not need to be changed. OBM will match the position’s cost distribution to the employee’s when data is loaded into UCFlex.

- Positions can only be made obsolete if the position is vacant.
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

- March 18\textsuperscript{th} (Wed) & 19\textsuperscript{th} (Thur)
- Agenda:
  - Demo of Upload feature new to PBF 8.1
  - 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 Session

- VP Contacts

- Office of Budget Management
  - OBMMail@uc.edu or 6-0192
  - Kelly Beck, 6-0378
  - Ron Thomas, 6-1125
Hands-on Experience

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