

**UNIVERSITY OF SOUTH CAROLINA (COLUMBIA CAMPUS)**  
**BUDGET DEVELOPMENT PROCESS**  
**INSTRUCTIONS FOR LINE ITEM BUDGET DISTRIBUTION**  
**ACADEMIC UNITS**

These instructions guide academic units through the development of the FY2006 “A Fund” line item budget. The budget office will provide access to and training for submitting the budget via a web-based entry by department/fund account within a responsibility unit. The budget information provided on the web worksheets is based on the unit’s January 31, 2005 line item budgets for both resources and uses, permanent budget transfers posted as of the end of January, and other centrally processed budget changes. The objectives of this process are to:

- Provide a convenient tool for the development of line item budgets for both their resources and uses at the department/fund account level;
- Eliminate the use of Excel workbooks;
- Improve data control and processing;
- Establish guidelines for the development of departmental revenues and expenditures, IIT expenditure recoveries, and fund transfers estimates for FY06;
- Restrict changes to base budget amount in object codes – 31500 State General Fund Appropriation or 81150 VCM Pre-set Assessments; and
- Establish timetables for submission.

Each responsibility unit will be expected to:

1. Estimate the amount of resources that can be expected in FY05 from departmental revenues, IIT expenditure recoveries, and fund transfers.
2. Estimate the amount of funding needed to adequately support full-time salary and related fringe benefit costs.
3. Adjust line item expenditure budgets to reflect the impact of the resource changes, actual expenditure spending patterns, and the central budget changes processed against object code 50000 expenditures.
4. Balance total resources to total uses at the department/fund account level.

The web worksheet for each department/fund account allows the unit to indicate their proposed incremental changes in the ‘Unit Changes’ column for each resource or expenditure line item. The web worksheet also provides a ‘Comments’ column where the unit can provide a concise reason for each change (highly recommended).

**Information Provided or Requested for each Department/ Fund Account**

The web-based budget program provides each responsibility with information for every “A Fund” department/fund level account within a responsibility unit. The budget information detailed on these web pages is based on the unit’s January 31, 2005 line item budget distribution for both resources and uses.

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The web worksheets contain the following information:

The responsibility code is listed in the top left under the USC Budget Office banner. Assignment of this budget to a specific unit of the University. The first web worksheet will contain summary data for all department “A” funds assigned to the responsibility code and provides access to each department fund web worksheet.

**Columns**

- 1) **DeptFund** – Account code assigned to activity to capture its revenues and costs within the University financial accounting systems.
- 2) **Department** – Description of the account assigned. “Add New Dept/Fund” is available for new department “A” fund accounts for which you wish to establish budget in the new fiscal year. Please do not use this process to establish new department fund accounts that will not have a budget initially.
- 3) **Resources** – Sum of all funds available for budget which includes object code 3XXXX, revenue 4XXXX and transfer 8XXXX.
- 4) **Expenses** – Sum of all 5XXXX and net of IIT’s 6XXXX.
- 5) **Balance** - The web worksheet provides a calculation that subtracts from total resources the amount of the total uses to arrive at a difference which is the balance column. The difference amount shown when you first receive this package from the budget office should reflect a ZERO difference in every column. If not, please bring this to the attention of your budget analyst. At the end of this process, the balance amount must equal zero in the requested FY06 budget column for each department/fund account.
- 6) **Manage** – The pencil icon is a navigation tool to travel to each department/fund detail. Navigation is also possible by clicking the description of each department/fund. Here is how you will select an account to begin the budget process.

By clicking on the pencil icon or the department, you will be able to see the following information for that specific department fund account. The individual department fund web worksheets are segregated by resources and expenses.

**Columns**

1. **Dept Fund** – Same department fund listing for all resources and expenses.
2. **Obj. Code** – Designates the type of classification within our accounting system. You may add any existing object codes to a department fund account as needed for budget

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development by clicking on “Add New Obj. Code”, located to the right of “Resources” and “Expenses.”

3. **Obj. Title** – Description of the detailed line item (object code) allocation for both resources and expenses.
4. **Budget** - Line item (object code) budget distribution of both resources and expenses as of January 31, 2005. This information reflects your unit’s approved FY05 budget as loaded to the general ledger in July 2004 and incorporates changes from July 2004 through January 31, 2005.
5. **Office Adjmts** – The user may drill down by clicking on the amount to view detail of all changes processed by the Budget Office. The Budget Office adjustments were used to:
  - Zero out carry forward amounts. As in FY05, carry forward balances are not reflected as a resource in the beginning budget. Units will book the actual FY05 carry forward amount as an additional resource after the start of the new fiscal year. This information is typically available in the August/September time frame.
  - Remove 36400/36500, 363XX and non-VCM transfers 8XXXX.
  - Eliminate one-time graduate assistant tuition supplement funding. Funds for the third and final year of the GA supplement will be loaded in August.
  - Roll permanent transfers as follows:
    - Academic unit transfer of budget to another academic unit, adjustment made to 31500
    - Service unit transfer of budget to another service unit, adjustment made to 81150
    - Service unit transfer of budget to academic unit, both 81150 on the service unit and the 86150 on the academic unit have been reduced
    - All Board of Trustees approved academic initiatives in the 81160/86160 moved to 81150/86150
6. **Proposed Base** - This column is the total of the January 31, 2005 budget plus the Budget Office adjustments noted above.
7. **Unit Changes** - Units will use this column to enter the incremental budget changes for resources and expenditure budgets to reflect the impact of the resource changes, projected expenditure spending patterns (based on actual of previous year or some other method), and to distribute the central budget changes processed against object code 50000 Expenditures.
8. **Requested Budget** - This column is the total of the **proposed base** plus the unit changes for FY2006.

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9. **Comments** - Description of the detailed line item (object code) allocation for resources and/or expenses.
10. **Totals** – Each column in the resources and expenses section will automatically provide a total as changes are entered.

The bottom row “Overall Totals” is the sum of the resources less expenses for each department fund. The result must be zero or the budget is out of balance.

**Guidance for Each Major Object Code Grouping**

Allocations (3XXXX):

You are not allowed to change the proposed FY05 base budget amount shown in object code 31500 State General Fund Appropriation.

All one time budget transfers including carry forward funds have been removed. All permanent transfers have rolled to the 31500 code or to the VCM preset codes 81150/86150.

All non-VCM 8XXXX transfers have been removed.

Departmental Revenues (4XXXX):

The budget office provided an Excel template titled “Fall and Spring General Tuition Budget Estimates” last year which you may use in the development of your tuition projections for fall, spring, summer I and summer II. Since the Board of Trustees will not review/approve a tuition increase until the end of June, it is required that you **do not** increase the anticipated earnings per credit hour to reflect any anticipated change in tuition rates. When you settle on a final tuition scenario, you will need to reflect the impact of the projected tuition revenue (if any) in the “unit changes” column for both the revenue and the expenses. The budget office will review your changes for reasonableness. As in the past, tuition revenue should only be reflected in the central account for the dean and should be in agreement with the E&G account listed on the tuition reports in Datawarehouse. Please contact your budget analyst if there are any discrepancies.

Transfers (8XXXX):

You are not allowed to change the proposed FY06 base budget amount associated with 86150 VCM Pre-set Assessments.

Application of pre-set assessment charges. The budget office has processed a central adjustment to reflect the calculation of VCM pre-set assessment charges for FY06. Each unit will be provided a

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statement that details the calculation of pre-set assessment charges for FY06. The allocations factors used were sent to you earlier for your review.

Academic units that have courses operated by the Evening Program will have a number already entered as a transfer in to the dean's account. The Evening Program has provided an estimate for each participating college for FY06. Please do not change this amount. If you have questions about the amount of the tuition transfer from the Evening Program, please contact that office for clarification.

Expenses (5XXXX & 6XXXX):

Units are responsible for determining the FY06 line item costs associated with each department/fund activity. The impact of these estimates should be reflected on the worksheets as incremental changes to affected object codes. Please note that the unit is responsible for determining an appropriate level of funding for permanent salary and fringe benefit costs (filled and vacant if hiring is expected to occur in FY2006).

Overall Totals:

The unit is responsible for ensuring the amount is zero for every department fund account assigned to it.

Academic units may begin budget development on April 27, 2005 and must be **finished by May 20, 2005**. Please email your budget analyst when you have finished. If you need assistance during this process, please contact your budget analyst.

**Budget Execution**

The final budget submission for your responsibility (includes all department "A" fund accounts) should not have any debit budget amounts in your revenue object codes or any credit budget amounts in your expenses object codes.

If you created a new department "A" fund, you must submit an account memorandum to the Budget Office prior to May 20, 2005 before this action can be completed. Any new accounts without prior documentation will be deleted after May 20, 2005. Please do not use this process to establish new department fund accounts that are not a part of the FY2006 budget development.

Budget transfers may only be executed within the responsibility unit for the budget development process. In FY2006, budget transfers should continue to be separated based on recurring (permanent) and non-recurring (one time) transactions. In addition, budget transfers between different responsibility units must be submitted on a separate budget transfer and not as part of any budget transfer within your responsibility unit.

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The certainty of any salary increase or the amount of any increase to be mandated by the State is unknown at this time. Therefore, you are asked not to budget on the basis of anticipated State mandate, but you should consider the impact of such an increase to your budget for the amount not covered by State funds and plan accordingly.

As you go forward in FY2006, remember that the third and final installment of the non "A" fund graduate assistant tuition supplement funds have been allocated. Any tuition supplements provided in FY2007 will become the responsibility of the unit.