

University of South Carolina (Columbia Campus)  
Budget Development Process  
Instruction for Line Item Budget Entry – All Academic and Service Units  
FY2008

These instructions guide all academic and service units through the development of the FY 2008 “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 February 28, 2007 line item budgets for both resources and uses, permanent budget transfers posted as of the end of February, 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 FY08;
- Restrict changes to base budget amount in object codes – 31500 State General Fund Appropriation and “tax” object codes 81150 and 86150;
- Establish timetables for submission.

Each responsibility unit will be expected to:

1. Reallocate 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.
2. Confirm amount of resources, but only increase departmental revenue (4XXXX) as necessary. If you have an increase to these accounts, please contact your budget analyst.
3. Estimate the amount of funding needed to adequately support full-time salary and related fringe benefit costs including the definite .5% increase in the employer retirement contribution and the possible 1.0% additional increase in the employer retirement contribution.
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 February 28, 2007 line item budget distribution for both resources and uses.

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The Budget Office will use these web pages to provide units with the following information:

Columns

1. Responsibility Code– Assignment of this budget to a specific unit of the University.
2. Department/Fund (DeptFund) – Account code assigned to activity to capture its revenues and costs within the University financial accounting systems.
3. Department – Description of the account assigned.
4. Resources – Sum of all funds available for budget including remaining 3XXXXX, revenue 4XXXXX and transfer 8XXXXX.
5. Expenses – Sum of all 5XXXXX and net of IIT's 6XXXXX.
6. 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 FY07 budget column for each department/fund account.
7. 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.

Within each department/fund, the web worksheet provides:

1. Dept/Fund – Same department fund listing for all resources and expenses.
2. Object Code - Account code assigned to determine the type of classification. You may add object codes to department/fund accounts as needed.
3. Object Title – Description of the detailed line item allocation for both resources and uses.
4. Budget - Unit's line item budget distribution of both resources and uses as of February 28, 2007. This information reflects your unit's approved FY07 budget as loaded to the general ledger in July 2006 and changes from July 2006 through February 28, 2007.
5. Office Adjustments – The Budget Office has placed values in this column to:
  - Zero out carryforward amounts. As in FY07, carryforward funds are not reflected as a resource in the beginning budget. Units will book the actual FY07 carryforward as an

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additional resource after the start of the new fiscal year. This information is typically available in early August.

- Remove 36400/36500, 363XX/368XX and most non-tax transfers 8XXXX.
  - Roll permanent transfers into tax codes, except for FEI funding from the Provost in which the permanent transfer caused an increase in the unit state appropriations 31500.
6. Proposed Base - This column is the total of the February 28, 2007 budget plus the Budget Office adjustments.
  7. Unit Changes - Units will use this column to enter the incremental budget changes for resource and 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.
  8. Requested Budget - This column is the total of the proposed FY08 base budget plus the FY08 unit's changes.
  9. Comments - Description of the detailed line item allocation for both resources and uses.

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**

Resources 3XXXX, 4XXXX, 8XXXX:

You are not allowed to change the proposed FY08 base budget amount shown in object code – 31500 State General Fund Appropriation. Service units will note that all state appropriations have been removed and a tax in 81150 has inserted or increased as the source of funds. All state appropriations will be moved to academic units in exchange for tax after July 1. This does not include the below-the-line state appropriations.

All one time budget transfers including carry forward funds have been removed. All permanent transfers have rolled to the tax code 81150 or to 31500 if the transfer was FEI permanent funding.

The Board of Trustees will not review and 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

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listed on the tuition reports in Datawarehouse. Please contact your budget analyst if there are any discrepancies.

Four years of tuition data are now available by semester in DataWarehouse. Excluding enrollment changes, the history of tuition collections is a good indication of tuition budget. Unless there is a known decrease in student enrollment, units can plan a tuition budget that is AT LEAST the amount it is this year. If the tuition budget does not look reasonable, we will return it or increase it in consultation with the Provost/VPRHS offices. Failure to budget tuition at the expected level results in a significant variance of budget to actual, increased carryforward, and causes the recalculation of the tax to be inaccurate.

Fee revenue in the academic units continues to be underbudgeted. Please review your current year fees for all 4016X and 4017X object codes and budget those based on FY2007 receipts. Contract courses are also left out of the base budget development process. If your unit typically has contract course revenue, please budget a reasonable estimate for FY2008.

Most non-VCM 8XXXX transfers have been removed, except for an estimate of Evening Program transfers. 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. Please do not change this amount unless you have discussed it with Pam Hayes in the Regional Campuses and Continuing Education office.

You may budget 8XXXX transfers such as those in from E accounts or out to W accounts as needed.

You are not allowed to change the proposed FY08 base budget amount associated with 81150 "tax in" or 86150 "tax-out." If you wish to consolidate the tax out, please contact your budget analyst.

For departmental revenues in 4XXXX, if you anticipate an increase, please contact your budget analyst. You may find that your departmental revenue for the current year exceeds the FY07 budget. In that case, you may increase your resources and budget the additional dollars in expenditures.

Expenses (5XXXX & 6XXXX):

Units are responsible for determining the FY08 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 FY2008). Units should also plan to cover the .5% increase in the employer contribution for retirement and the possible additional 1% increase in the employer contribution as well.

Overall Totals:

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

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All units may begin budget changes on Monday, April 16 and must be finished by Friday, May 4, 2007. Please email your budget analyst when you have finished. If you need assistance during this process, please contact your budget analyst.

### **Additional Information**

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

If you created a new department “A” fund, you must submit an account memorandum to the Budget Office prior to May 4, 2007 before this action can be completed. Any new accounts without prior documentation will be deleted after May 4, 2007. Please do not use this process to establish new department fund accounts that are not a part of the FY2008 budget development.

Budget transfers may only be executed within the responsibility unit for the budget development process. If you have reason to transfer outside of your responsibility, please contact your budget analyst. This should be done at the start of the fiscal year to preserve the base and allow the Budget Office and the units to track changes. In FY2008, 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.

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 salary and fringe budget for the amount not covered by State funds and plan accordingly.

### **Changes to Web-Based Tool from Prior Year**

#### **Key**

A key has been added to the main page of the tool that includes icons and descriptions you may find useful. Three exclamation points are added that will show errors in your work if your budget is out of balance. A purple exclamation point will pop up under the balance heading if your 37400 and 37500 transfers do not balance. A red exclamation point will pop up if your 36400 and 36500 transfers are out of balance. If the total resources and expenses do not balance, a blue exclamation point will appear. In addition to these warnings, the department fund page will have a flashing red circle if the budget is not in balance. As you navigate through your responsibility in the various department fund accounts, you will see that several pop-up boxes will appear if the budget is not in balance. You may cancel and continue, but these warnings will remain until cleared.

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Many units have requested the ability to download the file into Excel to make changes. This year an Excel icon appears under the “Manage” heading. This will export the web information into an Excel file that you can manipulate as needed.

**File Complete and Locked**

Also this year, once you have completed your work, you are asked to check the box under “Manage” to indicate that you have made your changes. We still ask that you send your budget analyst notification, but the check box signifies completion. After your budget analyst has reviewed the work, the responsibility will be locked and you will no longer have access to make any changes.

**REMEMBER all work must be completed by Friday, May 4, 2007.**

At the conclusion of the FY2008 Budget Development process, the Budget Office will solicit information from each unit regarding the web-based tool and the many steps in completing the annual budget document. We welcome your feedback to continually improve our budget development processes.