

# Understanding the Numbers:

## The JCU Budgetary Process

Jennifer Dillon, Director of Budget and Financial Analysis

# Objectives

- ❖ Why do we need a budget?
- ❖ What is in our operating budget?
- ❖ What do all the code numbers mean?
- ❖ How can I see my budget and my spending?
- ❖ Can I make changes to my budget?

# Why do we need a budget?

## ❖ Budget expresses University's annual plan in financial terms

- Internal Users
  - Acts as benchmark to measure performance
  - Provides spending limits
- External Users
  - Demonstrates financial responsibility to outside parties such as potential donors, lenders, auditors
  - Provides basis for external reporting (IPEDS, Grants, regulatory groups, etc.)

## ❖ Tool to allocate limited resources and prepare for changes

## ❖ Link to strategic plan



# JCU Budgeting Environment

- ❖ In recent years, external forces have created tremendous budget pressure
  - Economy and competitive pressures on Net Tuition Revenue
  - Increasing needs/expectations of students about support services
  - Regulatory requirements
- ❖ Departmental operating budgets have remained relatively flat
  - As a non-profit, we must “live within our means” while working to maximize the impact we have on students
  - Budget managers are under increasing pressure as they continue to be good stewards of the funds they control
- ❖ Reallocations have been made to fund new needs

# What is in our Operating Budget?

## ❖ **Revenues** to be earned in the current year

- Student Fees
  - Tuition & Fees
  - Less Scholarships & Financial Aid
  - Room & Board
- Gifts to the University
- Endowment Earnings
- Other -- Parking passes, rentals, interest earned, etc.

# What is in our Operating Budget?

## ❖ **Expenses** that will be incurred in the current year

- Faculty & Staff Salaries
- Fringe Benefits
- Other large University costs
  - Food cost for meal plans
  - Utilities
  - Janitorial contract costs
  - Debt service
  - Funding for capital projects
- Department Operating Expenses
  - Supplies
  - Travel
  - Etc.



# University Budget Calendar

## Fall

- Preliminary budget assumptions are developed
  - Proposed tuition, fee, room and board rates
  - Size of next fall's incoming freshman class
  - Residence hall occupancy levels
  - Potential increases in expense items
- Assumptions are reviewed by University Budget Committee

## December

- Proposed tuition, fee, room and board rates approved by Board of Directors (BOD)
- Budget Assumptions reviewed by Finance Committee

## March

- Budget presented to Finance Committee and full BOD for approval

## April and May

- Details developed and loaded into Banner for June 1 start of new fiscal year

# What do all the code numbers mean?

**F**und

**O**rganization

**A**ccount

**P**rogram — filled in by financial processes

**A**ctivity

**L**ocation — not used by JCU

XXXXXX-XXXXXX-XXXXX-XXX-XXXX-XXX

101000-321100-70245-000-0000-000

Office Supplies Expense in Human Resources



# FOAPAL -- Fund

- ❖ The fund is used to identify the source of the \$'s and the associated rules for spending
  - Operating
  - Endowed
  - Restricted
  - Agency
  - Plant
- ❖ Operating budget uses fund 101000 also known as “the Current Fund”
- ❖ This is a required field

# FOAPAL -- Organization Code “Org”

- ❖ Organization typically designates a University department
  - Example: 321100 is Human Resources
- ❖ Orgs in 101000 current fund end in zero zero '00'
- ❖ If salaries and wages are part of department they are contained in separate org code ending in zero P '0P'
  - Example: 32110P – Human Resources – Salaries and Fringe Benefits
- ❖ This is a required field

# FOAPAL -- Account

- ❖ Used to designate the type of expense or revenue
- ❖ Salary and benefits accounts start with '6'
  - Example: 60201 = Full-time non-exempt salaries
  - 65910 = Fringe benefit – transfer charges
- ❖ All other expense accounts start with '7'
  - Example: 70245 = Supplies – Office
- ❖ This is a required field



# FOAPAL-- Activity

## ❖ Activity

- User defined codes can be set up to help track spending
  - Enrollment uses activity codes to track spending on specific events like 'Celebration Day' and expenses related to specific geographic locations like 'Chicago'
  - Athletics uses activity codes related to recruiting efforts for each team
- Not required

# How does spending hit my budget?

## ❖ P-cards

- Expenses are recorded based on the account choices made by the p-card holder when reviewing monthly activity
- Activity posted to orgs in mid-month for the prior month's transactions

## ❖ Purchase Orders

- PO initiates commitment to vendor
- Invoice – sent by vendor when services are rendered or merchandise sent
- Approved invoice needs to be sent to Accounts Payable to acknowledge the goods were received/work completed and payment needs to be made

# How does spending hit my budget?

## ❖ Preferred Vendor Activity

- Staples
- Enterprise
- Aramark

## ❖ Journal Entries

- Allocation of telephone, mail room, copy center, etc.
- Other adjustments

## ❖ Invoices from Specialized Vendors

- Need to send email to purchasing to get vendor set up in system and allow for behind-the-scenes processes to occur e.g. IRS reporting



# How does P-card spending get coded correctly?

## ❖ Organization code

- Each P-card holder has one or more org codes they are associated with on drop-down
- If you want to charge expense to other org, must leave org blank and include note

## ❖ Account

- Bank provides “guess” as the default for account based on the vendor
- You do not have to use defaults—can choose another account from the drop down list

## ❖ Activity Code

- Drop down includes all university codes – too many to scroll through
- The trick to access your specific activity code is to clear field and enter first letters, your codes will begin to populate the list which you can then use

# Budget and Actual Reporting from Banner

## ❖ FGIBDST – to view organization budget status online

- Shows full year budget and actual year-to-date spending
- Updated real time as bills are paid or when P-card activity is posted
- User can drill into activity balance to see transaction level detail
- Report can be exported into excel for further analysis
- User can look at activity in prior years for reference

# Budget and Actual Reporting from Banner

## ❖ FYRBDSC – budget status in PDF

- Report run and it is sent to your email
- Shows budget and actual activity as of the date specified

## ❖ FYRODTA – Organization Detail Activity in PDF

- Report run and it is sent to your email
- Show details of spending by invoice and P-card entry



# What do I do if something is coded wrong?

❖ Changes can be made by submitting the Journal Entry Form

❖ Form can be found here at :

<http://sites.jcu.edu/businessoffice/pages/purchasing-accounts-payable>

## JOHN CARROLL UNIVERSITY - Journal Entry Form

02-Nov-15

<a href="#">Refresh Form</a>		<a href="#">Print Form</a>		<a href="#">Read Instructions</a>		No. 4988420	
<b>1. Select Journal Entry Type Below:</b>				<b>For Accounts Payable Department Use Only</b>		<b>JE Type</b>	
<input type="radio"/> Do Not Use - Revenue/Expense Transfer				Journal Entry Number:		JE15	
<input checked="" type="radio"/> Interdepartmental Transfer				Transaction Date:		JE16	
<input type="radio"/> Do Not Use - Budget Office Only!				Posted by:		BD01	
<b>2. Enter the Interdepartmental Transfer Journal Entry Below: DEBITS MUST EQUAL CREDITS</b>							
<b>Index</b> (6 digits) (Use caps)	<b>Org</b> (6 digits) (Use caps)	<b>Account</b> (5XXXX) or (7XXXX)	<b>Activity</b> (4-6 digits) (Optional)	<b>Description</b> (30 Character Limit)	<b>Debit</b> (Take Money Away)	<b>Credit</b> (Give Money To)	
1	331100	70245		move I0003568 to Finance	1,500.00		
2	321100	70245		move I0003568 out of HR		1,500.00	
3							

# Can I make changes to my budget?

- ❖ Budgets should be constructed in a way that is meaningful for the budget manager
- ❖ Budget reallocations can be made
  - Within an organization using different account distributions
  - Between orgs in a functional area
    - e.g. Information Technology

# FGIBDST — To view budget status on computer screen

- ❖ Enter Organization Code
- ❖ Change Fiscal year if necessary
  - For fiscal years (15 or earlier), report will show full 12 months of activity
  - For current fiscal year 16, budget column shows full year budget and YTD Activity column shows spending posted from June 1, 2015 to date/time you run report
- ❖ Can drill into detail making up each line item
  - Highlight number with cursor
  - Click on “Options” on menu bar at top of screen
  - Select “Transaction detail information” from drop down menu



# FYRBDSC — To generate PDF format budget report and send to your email address

- ❖ Click on printer field to bring up report parameters
- ❖ Update as needed
  - Fiscal year
  - Chart of Accounts: should be C
  - From organization code: if left blank, it will give you all the orgs to which you have access
  - To organization code: can request a single org or a range
  - As of date: need to use exact format shown DD-MON-YYYY  
HINT: Always use 31-May-2016 (or current year) to get full year budget and actual to-date
- ❖ Click the “Save Parameters” check box
- ❖ Click the Save icon on the menu bar at the top of the screen
- ❖ The report should show up in your email inbox within a few minutes

# FYRODTA — To generate PDF format transaction detail report and send to your email address

- ❖ Click on printer field to bring up report parameters
- ❖ Update as needed
  - Fiscal year
  - Chart of Accounts: should be C
  - From organization code: if left blank, it will give you all the orgs to which you have access
  - To organization code: can request a single org or a range
  - From date: need to use exact format as shown DD-MON-YYYY
  - To date: need to use exact format shown DD-MON-YYYY

HINT: Always use 31-May-2016 (or current year) to get full year budget and actual to-date
- ❖ Click the “Save Parameters” check box
- ❖ Click the Save icon on the menu bar at the top of the screen
- ❖ The report should show up in your email inbox within a few minutes

Questions???

© 2010 by Randy Glasbergen.  
www.glasbergen.com



**“More budget cuts. To save paper and toner,  
we won’t be using vwls nymr. D y ndrstdnd?”**