The University of Scranton

Departmental Operating Budgets

Guidelines for Budget Supervisors

QUESTIONS REGARDING THESE GUIDELINES MAY BE DIRECTED TO PATRICK DONOHUE, ASST VP BUDGET & FINANCE PLAN, AT EXTENSION 4072 OR E-MAIL AT DONOHUEP3@SCRANTON.EDU

06/26/02

Guidelines for Budget Supervisors

These guidelines have been prepared for the departments in Fund 111001 only. Questions regarding agency funds should be directed to Elaine Gayman, Grant Accountant, at extension 6362 or e-mail at GaymanE1@Scranton.edu.

Operational Definitions

Fiscal Year

The University of Scranton operates on a fiscal year, which begins on June 1 and ends on May 31. For example, Fiscal Year 2003 (FY2003) runs from June 1, 2002 through May 31, 2003.

Tax-Exempt Status

As a not-for-profit institution of higher education, The University of Scranton is exempt from Pennsylvania Sales Tax in most cases. Budget supervisors should retain a copy of the University's tax-exempt certificate in the event that it is requested by local vendors. Contact Accounts Payable at extension 6363 for a copy of the tax-exempt form.

Board Approved Budget

The annual budget that has been reviewed and approved by The University of Scranton's Board of Trustees.

Permanent Budget Adjustments

Adjustments made to the Board Approved Budget that carry forward into subsequent fiscal years.

Temporary Budget Adjustments

Adjustments made to the Board Approved Budget that are for one fiscal year only. These adjustments do not carry forward into subsequent fiscal years.

Sections of an Operating Budget

Departmental operating budgets are divided into three sections on Banner form FGIBDST: Revenue, Liabilities and Expenses.

Revenue (R): When departments generate revenue, such as tuition revenue, advertising revenue, ticket sales, etc., the money is credited to a revenue account in the departmental budget. For example, an athletics department that generates ticket or gate sales will receive revenue from these sales that is credited to account 580401 Tickets & Gate Sales.

Budget supervisors do not have access to this revenue to spend on operating expenses; this revenue has already been used to fund the departmental expense budgets.

Liabilities (L): For those departments that have personnel expenses, such as salaries and benefits, liability accounts are included in the departmental operating budget. These expenses include faculty, staff and work study salary expenses, and all fringe benefits expenses, such as health insurance, life insurance, pension, etc.

Expenses (E): Most departments have a budget for operating expenses, such as telephone, postage, conferences, etc. These budgets are known as the "710" budgets or the "730" budgets because each account number begins with either "710" or "730" and has three more digits that follow. The University's Chart of Accounts provides descriptions for each account. The 710 budgets are divided into two categories: Pooled Accounts and Non-Pooled Accounts.

Non-Pooled 710 Accounts: The Non-Pooled Accounts include all utilities, 710704 Telephone and 710722 Insurance. If there is an available balance in any of the non-pooled accounts, the balance cannot be transferred to another account or to another department.

Pooled 710 Accounts: The Pooled Accounts are grouped together and include all of the 710 accounts, excluding utilities, 710704 Telephone and 710722 Insurance. Refer to the Chart of Accounts for a complete listing of the 710 accounts. Budgets are allocated each year based on the allocations of the prior budget year. Departments may request permanent reallocations with the 710 pool at any time during the fiscal year. During each fiscal year, a budget surplus in one 710 account will cover a budget shortfall in another 710 account. For this reason, temporary reallocations are generally not required or processed.

730 Accounts: These accounts are used to purchase capital equipment items costing more than $500 for each item and having a useful life of more than two years.

710704 Telephone: The budgets for telephone expenses are set by the Network Resources Office during annual budget development. These budgets include the fixed monthly costs associated with each individual line as well as a projection for other telephone-related expenses, such as long distance.

> If expenses exceed the budget for account 710704, the department is not held responsible for the budget shortfall. However, a substantial increase or decrease in telephone expenses may prompt a review of a department's expenses to determine an adequate budget amount for future fiscal years. Departments anticipating significant variation from past telephone expenses experience should contact Mollie Ruffenach in Network Resources at extension 6181.

> If there is a budget surplus in account 710704, the department may *not* use the surplus to fund other miscellaneous departmental expenses.

710722 Insurance: Expenses for insurance are charged directly to each department. In most cases, the budget is allocated at the institutional level, and departmental budgets are not established for these expenses. Insurance expenses are not part of the pooled accounts and are not included in arriving at a department's available balance.

Budget Transfer or Expense Transfer?

On occasion, an expense gets charged to the wrong department. The transaction to correct this error is not a budget transfer to the department that was charged. The transaction to correct this error is to move the actual expense from the department that *was* charged to the department that *should have been* charged.

For example: If the Counseling Center (department 500502) was charged for an expense that should have been charged to the Wellness Center (department 500512), the expense that is charged to the Wellness Center budget must be moved to the Counseling Center budget. Expenses need to be charged to the organization that incurred them.

Requests to move an expense should be directed to the Comptroller (Jack McNamara, extension 7411 or McNamaraJ1@Scranton.edu) and must include the following information:

Transfer the expense FROM:	**Fund / Department # / Account (18 digits total)** **Vendor Name & Date Expense was Charged** **Dollar Amount**
Transfer the expense TO:	**Fund / Department # / Account**

This request can be made via e-mail and the budget supervisor for each department must be included in the e-mail address section. The originating budget supervisor must copy the non-originating budget supervisor to make him/her aware of the transaction that will be processed.

Monthly Budget Reports

Monthly budget reports are produced at the end of each month. Printed copies are distributed via campus mail and they are also distributed electronically to budget supervisors. The electronic copy is distributed to a PUMA directory. From the PUMA directory, budget supervisors can view, print (on a local or network printer), and/or save to disk on a personal computer. In order to view these reports, a drive must be mapped to the budget supervisor's PUMA account.

Training sessions are held for mapping a drive, or budget supervisors may contact Bill Buckley, Financial Systems Coordinator, at extension 4240 or BuckleyW1@Scranton.edu.

I Didn't Receive My Monthly Budget Report or I Received the Wrong Budget Report

Monthly budget reports are distributed by Jack McNamara, Comptroller. If you do not receive your budget report in campus mail, contact Jack McNamara and he will send a copy to you. If you receive someone else's budget report in error, please return it to Jack McNamara and he will make sure that it gets routed to the correct budget supervisor.

On-Line Access to Departmental Budgets

The instructions for Banner forms FGIBDST and FGIBAVL have been written for Banner Version 5.0.

Budget Balances by Account (Banner Form FGIBDST)

Using Banner form FGIBDST, budget supervisors can review their available balances by individual account. Transactions are posted to this form on the hour.

From the Banner Main Menu in the "Direct Access" field, enter FGIBDST.

The Chart of Accounts field will default to "2."

Fiscal Year will default to the current fiscal year. If you would like to view a prior fiscal year, enter the two-digit year that you would like to review or select a fiscal year from the 'flashlight.' Budgets prior to fiscal year 1991 are not available on Banner.

You have the option to review only one account instead of the entire departmental budget. To view one account, select the box next to "Query Specific Account." If you do not select this box, the entire departmental budget will be accessed.

If your department generates revenue and you do not wish to view the revenue budgets or money received, deselect "Include Revenue Accounts."

Tab to "Orgn" and enter your six-digit organization code.

Fund "111001" will default.

Enter an "Account" number if you checked "Query Specific Account."

Depress the "Control" and "Page Down" keys simultaneously.

Operating budgets will appear in the order of Revenue, Liabilities and Expenses. There are seven columns on FGIBDST.

Acct: Six-digit account number that identifies the expense.

Type: Identifies the category: R = Revenue, L = Liability, E = Expense.

Title: The name of the account.

Adj Budget: Board Approved Budget plus permanent and temporary adjustments processed as of the date you are reviewing the budget.

To view the detail of the Adjusted Budget, place your cursor in the "Adjusted Budget" column of the account you want to review, and select "Transaction Detail Information" from the left-hand column.

Do not place your cursor in the "Account" field. If your cursor is in the "Account" field when you select "Transaction Detail Information," all transactions will be visible, whether they are budget transactions or actual expenses. This information will cause confusion when trying to determine the budget that was allocated or the expenses that have been incurred.

Selecting "Transaction Detail Information" will bring you to the FGITRND screen.

Nine columns are immediately visible. The "Description" column is hidden between "Document" and "Field". Tab 6 times to see the "Description" column.

> **BD01** in the "Document" column: The Board Approved Budget plus or minus any permanent adjustments from the time the Board approved the budget (mid-February) to the time the budgets were placed on the general ledger (approximately May 1).

> **BD02** in the "Document" column: Adjustments that were made after the budgets were placed on the general ledger.

> **Select the "Red Door" in the upper right-hand corner to exit FGITRND and return to the main budget screen on FGIBDST.**

YTD Activity: Includes all expenses that have been paid as of the date you are reviewing the budget.

> To view the detail of the YTD Activity, place your cursor in the "YTD Activity" column of the account you want to review, and select "Transaction Detail Information" from the left-hand column.

> Selecting "Transaction Detail Information" will bring you to the FGITRND screen. A sample of FGITRND follows this section.

> Similar to the "Adjusted Budget" column explained above, there are 9 columns immediately visible when you access the transaction detail. The tenth column ("Description") is hidden between "Document" and "Field."

How was the expense paid for?

The "Document" column shows the method of payment:

> A document that begins with the letter "I" means that the expense was paid by check.

> A document that begins with the three letters "JPC" means that the expense was paid with the University's purchasing (credit) card.

> A document that begins with the letter "J" followed by two zeroes means the expense was paid via journal entry (we did not process a check nor did we use the credit card). The most common journal entries are for training courses provided by the Center for Continuing Education. Since the University seldom writes checks to itself (except in rare circumstances), a journal entry is processed to charge the department for the training course instead of writing a check.

> A document that begins with the letters "JPS" is for the charges associated with printing services.

> A document that begins with the letters "JPM" is for the charges associated with postage.

Select the "Red Door" in the upper right-hand corner to exit FGITRND and return to the main budget screen on FGIBDST.

Sample of FGITRND with nine (9) columns visible

SCT Banner - PROD

File Options Edit Block Field Record Query Help Window

Options

Query Document

Detail Encumbrance Info

Query Total for all records

Format Display Preferences

Detail Transaction Activity Form FGITRND 5.0 (PROD)

COA	FY		Index	Fund	Orgn	Acct	Prog	Actv	Locn	Prd	Q	Cmt
2	02					710795					5	

Acct	Orgn	Document	Description	Fld	Amount	D/C
710795		JPC00114	BOISECASCADE 06-FEB-02	YTD	111.88	+
710795		I0220225	Boise Cascade Office Products C/O M	YTD	142.37	+
710795		JPC00112	BOISECASCADE 21-JAN-02	YTD	512.91	+
710795		I0219263	Boise Cascade Office Products C/O M	YTD	13.72	+
710795		I0219257	Nature's Way Distributor's Inc.	YTD	53.50	+
710795		JPC00110	ZEE MEDICAL 09-JAN-02	YTD	114.95	+
710795		JPC00110	BOISECASCADE 09-JAN-02	YTD	55.92	+
710795		J0030722	BOOKSTORE CHGS 2001	YTD	-69.50	-
710795		J0030671	BOOKSTORE CHGS 2001	YTD	145.50	+
710795		J0030671	BOOKSTORE CHGS 2001	YTD	20.89	+
710795		J0030667	BOOKSTORE CHGS 2001	YTD	30.67	+
710795		J0030667	BOOKSTORE CHGS 2001	YTD	10.12	+

Total: 3,684.74 +

Press Key Dup Item for document query forms; Count Query for encumbrance detail

Record: 49/?   <OSC> <DBG>

Sample of FGITRND with "hidden" column visible (after you have hit the tab key six times).

> **Select the "Red Door" in the upper right-hand corner to exit FGITRND and return to the main budget screen on FGIBDST.**

Commitments: Requisitions and/or Purchase Orders for which goods or services have not been received nor paid. When goods or services are received and paid, the amount of the payment will be subtracted from the "Commitments" column and it will be added to the "YTD Activity" column.

> To view the detail of the Commitments, place your cursor in the "Commitments" column of the account you want to review, and select "Transaction Detail Information" from the left-hand column. Nine columns are immediately visible. The tenth column is hidden between "Document" and "Field" and can be viewed by tabbing six times.

> **Select the "Red Door" in the upper right-hand corner to exit FGITRND and return to the main budget screen on FGIBDST.**

Avail Bal: The available budget balance for each account. This amount is arrived at by subtracting YTD Activity and Commitments from the Adjusted Budget. Transaction Detail is not available for this column.

> **Select the "Red Door" in the upper right-hand corner to exit FGIBDST and return to the main menu. Or, if you wish to review the budget of another organization, select the "blue arrow" icon (next to the yellow diskette icon).**

Quick! What's My Budget Balance? (Banner Form FGIBAVL)

Using Banner form FGIBAVL, budget supervisors can review the available balance in their 710 pool. Transactions are posted to FGIBAVL immediately. Budget supervisors should be aware that the balance in the 710 pool represents the total available balance remaining until May 31 of the fiscal year being reviewed. If the balance in the current fiscal year shows a negative number, the Budget Office will request a budget transfer to cover the shortfall plus an estimated amount to cover anticipated expenses through May 31.

Budget supervisors need to be aware that certain expenses will not be charged to their departments until after May 31. These expenses include, but are not limited, printing services, ARA, postage, bookstore charges. When budget supervisors estimate the amount needed for expenses through May 31, these expenses should be considered.

From the Banner Main Menu in the "Direct Access" field, enter FGIBAVL.

The Chart of Accounts field will default to "2."

Fiscal Year will default to the current fiscal year. If you would like to view a prior fiscal year, enter the two-digit year that you would like to review or select a fiscal year from the 'flashlight.' Budgets prior to fiscal year 1991 are not available on Banner.

Fund "111001" will default.

Tab to "Orgn" and enter your six-digit organization code.

Enter "710" in the "Account" field.

Depress the "Control" and "Page Down" keys simultaneously.

Operating budgets will appear in the following order:

    710 Pooled Expenses
    710704 Telephone (if you have a telephone budget)
    710722 Insurance (if you have an insurance budget)
    730 Pooled Capital Equipment (if you have capital equipment expenses)

Detail is not available on this form. FGIBAVL gives only the total budget, total expenses, current commitments, and the available balances. Detailed information can only be viewed using FGIBDST.

> **Select the "Red Door" in the upper right-hand corner to exit FGIBDST and return to the main menu. Or, if you wish to review the budget of another organization, select the "blue arrow" icon (next to the yellow diskette icon).**

Incurring Expenses

What if I don't have any money in that account?

All operating expenses must be charged to the 710 account that describes the nature of the expense, regardless of the budget status. For example, if a department has a $0 budget for account 710724 Memberships, and it applies for membership in a professional society, the expense must be charged to account 710724. The available balance for account 710724 will indicate a negative balance (a budget shortfall), but the positive available balances in other accounts will cover the shortfall in account 710724.

Budget transfers to cover account shortfalls *within* a department's 710 pooled accounts are generally not required or processed.

When the combined budget shortfalls exceed the combined budget surpluses in the pooled accounts (refer to FGIBAVL), the Budget Office will request a budget transfer to cover the shortfall along with an estimated amount to cover anticipated expenses through May 31.

Accounts Payable

Check Processing

Checks are processed every Wednesday and Friday. If a check run falls on a holiday or the University is closed for an extended holiday, the check runs are rescheduled and a notice is placed on b:board and on the Accounts Payable/Budget Office web page. Rescheduled check runs occur at Easter, Thanksgiving and Christmas. Other holidays, such as July 4th, may require a rescheduled check run.

To receive a check on Wednesday, a check voucher must be received in the Accounts Payable Office by 2:00 p.m. on Tuesday. To receive a check on Friday, a check voucher must be received in the Accounts Payable Office by 2:00 p.m. on Thursday.

Checks are available on Wednesday and Friday at approximately 1:00 p.m.

Check Voucher or Special Compensation Voucher?

If you are paying someone to provide a service, the following procedures apply:

Service providers who are considered to be university employees are paid by **Special Compensation Voucher**. The voucher is submitted to the **Payroll Department**. Employees will be paid in the normal payroll cycle.

Service providers who are non-university employees (independent contractors) are paid by **Check Voucher**, and the expenses will be charged to 710731 Professional Fees, 710735 Police & Firemen, 710740 Speakers & Lecturers, or 710762 Officials (710762 is primarily used by Athletics). The account that is used is dependent upon the nature of the expense. **Social security numbers must be provided on the check voucher**. The **check voucher** is processed by the **Accounts Payable Office** in the normal check processing cycle. Any expenses for which the provider is being

reimbursed should also be charged to the same account as the service. Reimbursed expenses include mileage, meals, etc.

General guidelines for determining employee or independent contractor status are available from the Payroll Office. Please contact Paulette Karlavige, Payroll Manager, at extension 4066 or KarlavigeP1@Scranton.edu.

Prepaid Expenses

As the end of a fiscal year approaches (May 31), it is sometimes necessary to make arrangements for travel to conferences or conventions that will be held on or after June 1 (which is in the new fiscal year). When arrangements are made and expenses are paid, such as for airline travel or hotels, these expenses are charged to a "Prepaid Assets" (aka prepaid expenses) account. The expenses will not appear on any of the budget reports you receive for the current fiscal year.

On or about June 1 of the new fiscal year, the expenses are transferred from the Prepaid Assets account to the department that is incurring the expense. These expenses will appear on your June budget report.

Purchasing Card

Over the past two years, the University has been piloting a purchasing card program in which departments can use a purchasing (credit) card for departmental expenses. This program will be expanded in the near future. If you are interested in obtaining a University of Scranton Purchasing Card, please contact Janine Freeman, Purchasing Systems Administrator, at extension 4276 or e-mail at FreemanJ1@Scranton.edu.