Budget Basics
A beginner’s guide to Budgeting
Budget Basics | Topics

1. Budget
   - Budget Overview
   - Budget Types
   - Budget Adjustment

2. Financial Transaction Components
   - FOAPAL and Index Elements
   - Rule Class Codes

3. Budget Tools & Reporting
   - Finance Program Guide
   - Banner Self Service (SSB)
     - Budget Terms/Fields
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   - OnBase

4. Budget Transactions & Review Processes
   - Budget Revisions
   - Carryforward Process
   - Budget Review Processes
What is the purpose of a budget?

- The University’s budget is a plan
- A control mechanism to match anticipated actual revenues and expenditures
- Essential for effective financial management
- Assists in controlling actual costs
Who is responsible for monitoring the budget?

- The Office of Financial Planning and Analysis is responsible for the development and implementation of the University’s budget throughout the academic and administrative areas.

- Each department’s Financial Manager is responsible for accurately reporting financial transactions as well as budget adjustments when necessary.
When is the budget reviewed?

**Spring Budget Cycle:**
Reviewing and adjusting the budget before the final University budget is approved by the Board of Trustees and put into effect for July 1st

**Fall Budget Cycle:**
Reviewing and adjusting the budget based on Fall enrollment and any other changes that may have occurred since the Spring review

**Year-Round Review:**
Financial Managers and Designees should continually monitor their department budget outside of the Spring and Fall budget cycles
Why is it important to understand the budget?

• To monitor actual revenues and expenses compared to the expected amounts (budget)

• Maintaining an understanding of a department’s accounts will help limit overexpenditures and keep revenue aligned with actual trends
  • Making sure to resolve any overexpenditures on a monthly basis

• To better assist with the Fall & Spring budget review cycles where budget is aligned with actual revenues and expenses
The University tracks two types of budgets in Banner:

**Base/Future**
- Base budget is made up of funding that is recurring and is expected to continue year after year
- Examples:
  - Recurring tuition & fees
  - Sales and Services

**Adjusted/Current Year**
- Adjusted budget is made up of recurring funding as well as any one-time funding
- Examples:
  - Non-recurring income/revenue
  - Conferences and workshops
The University captures two types of budget adjustments in Banner:

- **Permanent**
  - These budget adjustments are made to the **Base/Future Budget** for any permanent changes that will be recurring yearly or monthly
  
  - Examples:
    - Tuition rate change
    - Course fee change
    - Change in salary

- **Temporary**
  - These budget adjustments are made to the **Adjusted/Current Year Budget** for any temporary changes or one-time charges
  
  - Examples:
    - Funding a one-time event
    - Increase in travel due to attendance of a non-recurring conference
Financial Transaction Components
FOAPAL | Overview

What is a FOAPAL?

- FOAPAL is the acronym that represents each element in the University’s Chart of Accounts.
- FOAPAL information is needed on all financial transactions as this data is used by Banner to record and retrieve information for Financial reporting purposes.
- A FOAPAL is a string of digits made up by the following parts:
FOAPAL | Fund

Fund

- First element within a FOAPAL accounting string
- A six-digit code that identifies the source of the money
- Funds are classified into three main categories

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Funds / Education and General (E&amp;G) Funds</td>
<td>The University retains full control over these funds in achieving any of its authorized institutional purposes</td>
</tr>
<tr>
<td>Restricted Funds</td>
<td>Externally restricted funds that may be used only for the purposes established by the provider (e.g. grants, contracts, centers of excellence)</td>
</tr>
<tr>
<td>Auxiliary Funds</td>
<td>Self-supporting (break-even) enterprises that provide services to students, faculty, and staff</td>
</tr>
</tbody>
</table>
Unrestricted (E&G) Funds

- **Fund Codes:** 1XXXXX
- **Funding Sources:**
  - State appropriations
  - Tuition & Fees
  - Sales & Services of E&G Activities
  - IDCR
  - Other Unrestricted
- **Core functions of the University necessary to support the teaching, research, and public service missions**

Designated Funds

- **Fund Codes:** 12XXXX
- **Funding Sources:**
  - State appropriations
  - Tuition & Fees
  - Sales & Services of E&G Activities
- **E&G activities with special revenue and fees**
- **Designated as a “separate pot of money” within the E&G fund**
Restricted Funds

- Fund Codes: 2XXXXX

- Funding Sources:
  - Gifts
  - Grants
  - Contracts
  - Federal Financial Aid

- Externally restricted funds that may be used only for the purpose established by the provider
Auxiliary Funds

- **Fund Codes:** 3XXXXX

- **Funding Sources:**
  - Student Housing
  - Parking
  - Food Services

- **Self-supporting (break-even) enterprises that provide services to students, faculty, and staff**
Organization

- Second element within the FOAPAL accounting string

- A six-digit code that identifies a unit of budgetary responsibility and/or departments within an institution

- Defined as the area or department responsible for spending the funds

- Organizations distinguish schools, colleges, divisions, and departments

- Example: 205000 is the six-digit organization code mapped to the English department
FOAPAL | Account

Account

• Third element within the FOAPAL accounting string

• A five-digit code that identifies the type of transaction

• The account code indicates the type of revenue, expense, or transfer that is being recorded

• Example: 74500 is the account code mapped to supplies
What is a revenue?

- A revenue can be described as any income received through the sale of a good or service.
- The most common forms of revenue are tuition and fees, state appropriations, grants and contracts, and auxiliary operations.

What is an expense?

- An expense is a cost that is incurred when offering a good or service.
- The most common forms of expenses are salary, benefits, travel, and operating expenses such as supplies, printing, and phone charges.

What is a transfer?

- A transfer allows the university to move money between two or more funds.
- We can view transfers as having the same effect as revenue and expense where money is transferred in and/or transferred out of an account.
- Transfers net to zero.
See the chart below for account codes and their classifications

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Account Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1XXXX</td>
<td>Assets</td>
</tr>
<tr>
<td>2XXXX</td>
<td>Liabilities</td>
</tr>
<tr>
<td>3XXXX</td>
<td>Control Accounts</td>
</tr>
<tr>
<td>4XXXX</td>
<td>Fund Balances / Net Assets</td>
</tr>
<tr>
<td>5XXXX</td>
<td>Revenues</td>
</tr>
<tr>
<td>6XXXX</td>
<td>Salaries / Benefits</td>
</tr>
<tr>
<td>7XXXX</td>
<td>Expenditures / Departmental Revenues</td>
</tr>
<tr>
<td>8XXXX</td>
<td>Transfers</td>
</tr>
<tr>
<td>9XXXX</td>
<td>Fund Additions / Deductions</td>
</tr>
</tbody>
</table>
Accounts are either budgeted for in individual account codes or Budget Pool Account codes

• Account types WITHOUT budget pool accounts are allocated budget directly to the individual account codes (ex: Salary accounts)
  • There must be enough budget in the individual account to cover the expenses for that account

• Account types WITH budget pool accounts are allocated budget to these distinct budget pool accounts rather than the individual account codes (ex: Operating expense accounts)
  • There must be enough budget in the budget pool account to cover the expenses for all accounts within that account type

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Account Type</th>
<th>Budget Pool Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>61XXX</td>
<td>Salaries</td>
<td>N/A</td>
</tr>
<tr>
<td>62XXX</td>
<td>Employee Benefits</td>
<td>62000</td>
</tr>
<tr>
<td>71XXX</td>
<td>Travel</td>
<td>73000</td>
</tr>
<tr>
<td>74XXX</td>
<td>Operating Expenses</td>
<td>74000</td>
</tr>
<tr>
<td>751XX</td>
<td>Utilities and Fuel</td>
<td>75100</td>
</tr>
<tr>
<td>753XX</td>
<td>Allocated Charges</td>
<td>75300</td>
</tr>
<tr>
<td>754XX</td>
<td>Departmental Revenues</td>
<td>75400</td>
</tr>
<tr>
<td>78XXX</td>
<td>Capital Expenditures</td>
<td>78000</td>
</tr>
<tr>
<td>79XXX</td>
<td>Scholarships and Fellowships</td>
<td>79000</td>
</tr>
<tr>
<td>7AXXX</td>
<td>Depreciation Expense</td>
<td>N/A</td>
</tr>
<tr>
<td>7BXXX</td>
<td>Grant Related Expense Items</td>
<td>N/A</td>
</tr>
<tr>
<td>7CXXX</td>
<td>Other Non Operating Expense Items</td>
<td>N/A</td>
</tr>
<tr>
<td>7DXXX</td>
<td>Loan Fund Deductions</td>
<td>N/A</td>
</tr>
</tbody>
</table>
The FOAPAL accounting string includes a four-digit code that identifies the general purpose of expenditures. This code, known as a Program code, specifies how the money is being used or what function the expense is supporting. Program codes are grouped based on the Program Types listed in the following table:

<table>
<thead>
<tr>
<th>Program Type Code</th>
<th>Program Code</th>
<th>Program Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>1000-1999</td>
<td>Revenue</td>
</tr>
<tr>
<td>20</td>
<td>2000-2499</td>
<td>Instruction</td>
</tr>
<tr>
<td>25</td>
<td>2500-2999</td>
<td>Research</td>
</tr>
<tr>
<td>30</td>
<td>3000-3499</td>
<td>Public Service</td>
</tr>
<tr>
<td>35</td>
<td>3500-3999</td>
<td>Academic Support</td>
</tr>
<tr>
<td>40</td>
<td>4000-4499</td>
<td>Student Services</td>
</tr>
<tr>
<td>45</td>
<td>4500-4999</td>
<td>Institutional Support</td>
</tr>
<tr>
<td>50</td>
<td>5000-5499</td>
<td>Physical Plant</td>
</tr>
<tr>
<td>55</td>
<td>5500-5999</td>
<td>Scholarships and Fellowships</td>
</tr>
<tr>
<td>60</td>
<td>6000-6999</td>
<td>Transfers</td>
</tr>
<tr>
<td>70</td>
<td>7000-7999</td>
<td>Auxiliary Enterprises</td>
</tr>
<tr>
<td>80</td>
<td>8000</td>
<td>Depreciation Expense</td>
</tr>
<tr>
<td>99</td>
<td>9990</td>
<td>Nonprogram Transactions</td>
</tr>
</tbody>
</table>
Activity

• The fifth element within the FOAPAL accounting string

• The use of an activity code is optional for financial transactions

• A code that can be up to six-digits that is used to track a project or event within a department’s operating budget

• Used to subdivide activities for tracking multiple projects
  • (Ex: Grant Cost Shares, Physical plant projects)

Location

Not currently used at this time
Index

• A six-digit University code that maps to the FOAPAL

• Indexes are shortcuts used to speed up data entry and improve accuracy

• They are mapped to a unique combination of chart elements to automatically pull in the fund, organization, program, and activity (if used)

• Note the account code is not included in the index mapping. You will need to manually enter the account code
What does a Rule Class Code mean?

- Rule Class Codes can be found on all financial transactions in Banner
  - They are packets of posting instructions to control the processing of transactions
    - 4-character Rule Class Codes are standard
    - 3-character Rule Class Codes are UoM created

- Examples include:
  - BD02 - Permanent Budget Adjustments
  - BD04 - Temporary Budget Adjustment
  - CSS1 - Banner Student - Cash Payments
  - XCB – Carry Forward Budget
  - XPC – Purchasing Card

- For a listing of all Rule Class Codes, visit the Finance Program Guide: [https://bf.memphis.edu/spectrum/rules.php](https://bf.memphis.edu/spectrum/rules.php)
Knowledge Check | Financial Transaction Components

Which element of the FOAPAL accounting string does the following...?

- Identifies the budgetary unit or department
- Identifies the general purpose/function of the transaction
- Identifies the type of transaction
- Tracks projects or events
- Identifies the source of money

- Fund
- Program
- Organization
- Activity
- Account
- Location
Knowledge Check | Financial Transaction Components

Which element of the FOAPAL accounting string does the following...?

- Identifies the budgetary unit or department: Organization
- Identifies the general purpose/function of the transaction: Program
- Identifies the type of transaction: Account
- Tracks projects or events: Activity
- Identifies the source of money: Fund
- Not used: Location
Knowledge Check | Financial Transaction Components

Which elements of the FOAPAL accounting string are required on all financial transactions?

- Fund
- Organization
- Account
- Program
- Activity
- Location

What is an Index?

- A six-digit code that identifies the source of the money
- A six-digit code that identifies a unit of budgetary responsibility
- A six-digit code that maps to a specific FOAPAL
- A five-digit code that identifies the type of transaction
Knowledge Check | Financial Transaction Components

Which elements of the FOAPAL accounting string are required on all financial transactions?

- Fund
- Organization
- Account
- Program
- Activity
- Location

What is an Index?

- A six-digit code that identifies the source of the money
- A six-digit code that identifies a unit of budgetary responsibility
- A six-digit code that maps to a specific FOAPAL
- A five-digit code that identifies the type of transaction
Self-supporting (break-even) enterprises that provide services to students, faculty, and staff are considered Unrestricted (E&G) Funds. - True

Tuition & Fees and State Appropriations are funding sources that fall under Unrestricted (E&G) Funds. - False

All accounts are budgeted for at the individual account code level. - True
Self-supporting (break-even) enterprises that provide services to students, faculty, and staff are considered Unrestricted (E&G) Funds.

Tuition & Fees and State Appropriations are funding sources that fall under Unrestricted (E&G) Funds.

All accounts are budgeted for at the individual account code level.
For additional information or training on the FOAPAL elements or Index codes please review the **FOAPAL Training**
on the Financial Planning webpage

[https://www.memphis.edu/budget/fptraining.php](https://www.memphis.edu/budget/fptraining.php)
Budget Tools & Reporting
Budget Tools & Reporting

• **Finance Program Guide (Reference)**
  - To lookup Index Codes or FOAPAL information
  - To lookup signatures by org, to see the approval queue
  - To view Overexpenditure and Revenue Review reports

• **Banner Self Service (SSB)**
  - Budget Queries
  - Approve and View Documents
  - Budget Transfers

• **Banner Admin Pages**
  - To access certain position and finance information

• **Banner ePrint**
  - To access position and finance information as of certain point in time

• **Argos**
  - For a variety of reporting through queries and dashboards

• **OnBase**
  - The official document management system used by the University
Welcome to the Finance Program Guide!

This site is your online resource for all things related to the Banner Finance system. All information related to index numbers, FOAPALs, authorized signatures, and approval queues can be accessed via this program guide. You can access Banner Finance via the myMemphis portal.

Use the links at the left to begin. If you have any questions or need more help, please contact the Admin Helpdesk at 678-8888.

Visit: https://bf.memphis.edu/spectrum/
Banner Self Service (SSB)

Banner Self Service is where you can access all financial transactions:

• Budget Queries can be run to pull Actuals and Budget data

• Documents can be approved and viewed

• Budget Transfers can be made
How to Run a Budget Query

- Access Banner Self Service (SSB)
  - Navigate to the Finance tab
  - Click Budget Queries
  - Select Budget Status by Account and click Create Query
  - Select the columns to display (see right)
  - Enter Index/FOAP information and click Submit Query

- Adjusted Budget (Current Year) is a provided field in Banner

- Base Budget (Future) is not provided and must be added using the Compute Additional Columns option
  - Under the Compute Additional Columns for the query section, input the following calculation then click Perform Computation

Formula to Compute Base Budget Column

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Operator</th>
<th>Column 2</th>
<th>Display After Column</th>
<th>New Column Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21/PD14 Adjusted Budget</td>
<td>minus</td>
<td>FY21/PD14 Temporary Budget</td>
<td>FY21/PD14 Temporary Budget</td>
<td>Base Budget</td>
</tr>
</tbody>
</table>

Note: Any calculated fields cannot be downloaded into Excel
## Budget | Terms/Fields

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adopted Budget</td>
<td>The original adopted budget for that fiscal year. It does not include any budget revisions.</td>
</tr>
<tr>
<td>Budget Adjustment</td>
<td>Budget adjustments are made to adjust the Adjusted/Current Year or Base/Future Budget based on updated information/estimates.</td>
</tr>
<tr>
<td>Adjusted Budget</td>
<td>Adopted Budget plus all Budget Adjustments. Adjusted Budget is another term for Current Year Budget (they are used interchangeably between different reports).</td>
</tr>
<tr>
<td>Temporary Budget</td>
<td>Temporary Budget includes the temporary budget adjustments that were made to the Adjusted/Current Year Budget</td>
</tr>
<tr>
<td>Year to Date (YTD)</td>
<td>Actuals recorded as of the report date. These are actual financial transactions that have been recorded.</td>
</tr>
<tr>
<td>Encumbrances</td>
<td>Expenses that are expected to be paid during the fiscal year (ex: Salaries, Purchase Orders).</td>
</tr>
<tr>
<td>Available Balance</td>
<td>Available balance is calculated by subtracting the Year to Date (YTD) and Encumbrance amounts from the Adjusted Budget</td>
</tr>
</tbody>
</table>
Banner Admin Pages

Banner Admin Pages is where you can access certain position and budget information

- Position budget and job reports
- Budget availability reports
- Vendor detail reports
Some useful reports include:

<table>
<thead>
<tr>
<th>Report Name</th>
<th>When to Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBAPBUD – Position Budget</td>
<td>To look up base budget salaries</td>
</tr>
<tr>
<td>NBAJOBS – Employee Jobs</td>
<td>To look up individual base job/salary information including Job Labor Distribution</td>
</tr>
<tr>
<td>NBIPORG – Position List by Organization</td>
<td>To view all positions located under a specific OGR</td>
</tr>
<tr>
<td>NHIDIST – Labor Distribution Data Inquiry</td>
<td>To see all employees paid from a particular index by account code and to see all sources of pay for an individual (ex: GA’s account code 61257 paid from department index)</td>
</tr>
<tr>
<td>FGIBAVL – Budget Availability Status</td>
<td>To view the REAL balance for your department Index (pending documents are included in the balance calculation)</td>
</tr>
<tr>
<td>FAIVNDH – Vendor Detail History</td>
<td>To see if a person/vendor has been paid (non salary payments)</td>
</tr>
</tbody>
</table>
Banner ePrint

Banner ePrint is where you can access PDF reports run as of a certain date

• Reports related to **financial** data can be found under the **Banner Finance Repository**

• Reports related to **positions** can be found under the **Banner HR Repository**
• A list of all reports can be found on the drop-down menu
  • Most reports are run monthly

• Click the PDF icon to see the most recent version of a report

• Click the Drill icon to see a list of all versions of a report

• Click the TEXT icon to download as text file which can be opened in excel
Some useful reports include:

<table>
<thead>
<tr>
<th>Repository</th>
<th>Report Name</th>
<th>When to Use</th>
</tr>
</thead>
</table>
| Banner Finance Repository | FYBR001 – Revenue Budget Estimate/Worksheet by Organization  
FYBR005 – Budget by Organization Current Year and Base  
FYBR006 – Budget Status by Organization  
FYBR018 – Base Budget Transfer Listing  
FGRODTA – Transaction Detail Report  
FGROPNE – Open Encumbrance Report | When reviewing revenues  
When reviewing expenses  
When reviewing revenues, expenses, and transfers  
To see changes made to the Base Budget  
To see a detailed list of all transaction types  
To see a list of open encumbrances |
| Banner HR Repository | NYBR002 – List of Positions by Org with FOAPAL  
NYBR005 – Comparison Annual Salary to Base Budget  
NYPR001 – Labor Distribution by FOAPAL by Payroll | To view all positions and their base budget (filled and unfilled)  
To identify variances between annual salaries and base budget  
To review details of a payroll distribution |
Argos is a user-friendly tool that works by filling reporting requests through simple ad hoc queries and advanced dashboards

- Discuss with your supervisor to determine if access to Argos is needed

- Visit the following website to learn more: https://www.memphis.edu/umtech/service_catalog/software/argos.php
Some useful reports include:

- **Budget Status by Organization**
  - *Finance ➔ General Ledger*
  - This report shows a breakdown of Budget, Actuals and Available Balance by Fund/Org/Program/Account

- **Note:** some reports in Argos have user restrictions
OnBase

OnBase (formerly known as Matrix) is the official document management system used by the University. It allows the scanning, storage, and retrieval of paper and electronic documents as well as reports from other systems.

• Discuss with your supervisor to determine if access to OnBase is needed

• Visit the following website to learn more:
  https://www.memphis.edu/umtech/service_catalog/software/matrix.php
Budget Transactions

Budget Revisions

• Budget adjustments made throughout the year to adjust the Base or Current Year budgets based on new information

• Can be made online through Banner Self Service or by submitting PDF revisions to the Financial Planning office

• See the Financial Planning FAQ website for questions on Budget Revisions: https://www.memphis.edu/budget/faq.php

Carryforward Budget

• Carryforward budget is determined at the end of each fiscal year

• The amount of Carryforward is calculated based on the remaining Available Balance for departments at the end of the fiscal year
Budget Revisions

Why do I need a budget revision?

• Budget Revisions are necessary to maintain an accurate budget based on up-to-date information

• Examples of necessary budget revisions:

  • Travel expenditures were lower than planned (budgeted), but operating expenditures were higher than budgeted. Budget can be moved from travel to operating to cover these expenditures

  • Increase in enrollment caused an increase in course fee revenue, so a budget revision is needed to bring budgeted revenue in line with actual revenue collected
Budget Revisions

What is the process for creating budget revisions?

1. Receive information that affects revenues and/or expenditures.
2. Determine if a Budget Revision is necessary.
3. Run a Budget Query in Banner Self Service to determine what entry needs to be made.
4. Prepare the Budget Revision.
5. Get the appropriate approvals/signatures.
6. Submit to the Financial Planning office (PDF).

Whenever entering a budget revision, you must first make sure you have the appropriate budget in that Index or FOAPAL:
- If you are reducing revenues, where are you also reducing expenditures?
- If you are increasing revenues, where should the increase in expenditures be booked?

Typically, budget revisions will need to be signed by a Designee or Financial Manager, a Dean/Director/AVP, and finally the Provost/Vice President depending on the Organization structure. Academic Units should email PDF budget revisions to provostfinance@memphis.edu for approval at the Provost level. The Provost Office will then submit the completed form to the Financial Planning office.
Budget Revisions

What type of budget revision do I need to submit?

- A temporary or one-time charge should be reflected in the Adjusted/Current Year Budget through a Temporary budget revision (BD04 Form or BD4 online)

- A permanent change that will be recurring yearly or monthly should be reflected in the Base/Future Budget through a Permanent budget revision (BD02 Form)
Do I need to submit an online form or PDF form?

<table>
<thead>
<tr>
<th>Budget Revision Forms</th>
<th>When to Use?</th>
<th>Submitted via Paper (PDF) or Online</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Budget Adjustment BD02 (Base)</td>
<td>Permanent changes or charges that will be recurring yearly or monthly</td>
<td>Paper (PDF)</td>
</tr>
<tr>
<td>Temporary Budget Adjustment BD04 (Current Year)</td>
<td>Temporary changes or charges that are a one-time charge</td>
<td>Banner SSB (Online) UNLESS revenue, carryforward, or transfers between funds</td>
</tr>
<tr>
<td><strong>Positions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NBAPBUD Permanent Position Budget Adjustment BD02 (Base)</td>
<td>Base position changes</td>
<td>Paper (PDF)</td>
</tr>
<tr>
<td>Temporary Position Budget Adjustment BD04 (Current Year)</td>
<td>Current year position changes</td>
<td>Banner SSB (Online) UNLESS regular positions (account codes: 61110, 61210, 61310, 61312, 61610, 61630, 61635)</td>
</tr>
</tbody>
</table>

- Forms BD02 and BD04 will need to be submitted in PDF format after all departmental signatures, to FPRevisions@memphis.edu.

- Form BD4 is submitted via Banner Self Service (SSB) and follows the approval que in Banner.
Budget Revisions

Where can I access the budget revision forms?

The BD04 and BD02 forms can be accessed through the following link:
https://www.memphis.edu/bf/forms/index.php#budget

Financial Planning
Finance Forms

- Temporary Budget Adjustment BD04 (Current): Web | Excel
- Permanent Budget Adjustment BD02 (Base): Web | Excel

The BD4 is submitted via Banner Self Service (Budget Transfer or Multiple Line Budget Transfer)
The University of Memphis
Permanent Base/Future Year Budget Revision (BD02)

<table>
<thead>
<tr>
<th>Name:</th>
<th>Fiscal Year:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>First and Last Name</td>
<td>2022</td>
<td>September 1, 2021</td>
</tr>
</tbody>
</table>

Permanent Base Budget/ Future Year Request for BD02 Base Budget Revision

<table>
<thead>
<tr>
<th>Index</th>
<th>Org Title or Index Title</th>
<th>Fund</th>
<th>Org</th>
<th>Account Code</th>
<th>Program</th>
<th>Activity</th>
<th>Expense Budget Amount ($)</th>
<th>Expense Budget Amount ($)</th>
<th>Revenue Budget Amount ($)</th>
<th>Revenue Budget Amount ($)</th>
</tr>
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<tbody>
<tr>
<td>01</td>
<td>Dean Art Sciences</td>
<td>110001</td>
<td>201000</td>
<td>73000</td>
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<td>201000</td>
<td>74000</td>
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<td>5,000</td>
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<td>03</td>
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<td></td>
<td>10,000</td>
<td>Expense</td>
<td>Revenue</td>
<td></td>
</tr>
</tbody>
</table>

The Reason for requesting this revision is as follows:

Recurring Conference cancelled indefinitely, funds moved to operating

1. Input Name, Department, Fiscal Year, and Date
2. Input Index and FOAPAL information
3. Fill in the Budget Amounts
   1. Be sure to put expenses/revenues in the appropriate columns (based on account codes)
4. Include the reason for the budget revision
Budget Revision | Example Continued...

### The Reason for requesting this revision is as follows:
- Recurring Conference cancelled indefinitely, funds moved to operating

#### Departmental Signatures

<table>
<thead>
<tr>
<th>Approved</th>
<th>Department Authority</th>
<th>Date</th>
<th>Chief Financial Officer</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved</td>
<td>Vice President/PRO</td>
<td>Date</td>
<td>President</td>
<td>Date</td>
</tr>
<tr>
<td>Approved</td>
<td>Provost/As Provost</td>
<td>Date</td>
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<td></td>
</tr>
</tbody>
</table>

#### For Financial Planning Use Only

<table>
<thead>
<tr>
<th>BR Number</th>
<th>Fiscal Year</th>
<th>Entered by</th>
<th>Date Entered</th>
<th>Banner JV Number</th>
</tr>
</thead>
</table>

1. If authorized, sign and date the Departmental Authority line. If not, forward along to the appropriate approver.
2. After signing, send to the next level for review and approval.

Reminder – signatures by org can be found on the Finance Program Guide

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**THE UNIVERSITY OF MEMPHIS**
Financial Planning and Analysis
1. Is a BD02 the appropriate budget revision form? Refer to previous slides.
   - In this case, this involves an indefinitely cancelled conference which would affect all fiscal years to come, which would mean a BD02 must be submitted in PDF format.

2. Be sure the Index and FOAPAL information is correct.
   - Are conference expenses budgeted for in this Index and Account?

3. Run a Budget Query in Banner Self Service to be sure the Index/FOAPAL can support these entries.
   - Does account 73000 have $5,000 in base budget?

4. Does the Net Change equal zero?

5. Does the description provide enough information?
### 1. Input Name, Department, Fiscal Year, and Date

2. Input Index and FOAPAL information

3. Fill in the Budget Amounts
   1. Be sure to put expenses/revenues in the appropriate columns (based on account codes)

4. Include the reason for the budget revision

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**The Reason for requesting this revision is as follows:**

Chemistry Material Fees up for Fall and Spring. Trend not expected to continue.
**Budget Revision | Example Continued...**

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**The Reason for requesting this revision is as follows:**

**Chemistry Material Fees up for Fall and Spring. Trend not expected to continue.**

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<thead>
<tr>
<th>Approved</th>
<th>Departmental Authority</th>
<th>Date</th>
<th>Chief Financial Officer</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Approved</td>
<td>Dean/Director/AVP</td>
<td>Date</td>
<td>President</td>
<td>Date</td>
</tr>
<tr>
<td>Approved</td>
<td>Provost/Interim President</td>
<td>Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewed</td>
<td>Office of Financial Planning</td>
<td>Date</td>
<td>Director of Financial Planning</td>
<td>Date</td>
</tr>
</tbody>
</table>

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1. If authorized, sign and date the Departmental Authority line. If not, forward along to the appropriate approver.
2. After signing, send to the next level for review and approval.

Reminder – signatures by org can be found on the Finance Program Guide.
1. Is a BD04 the appropriate budget revision form? Refer to previous slides.
   - In this case, this involves a change that is only expected for this fiscal year, and it involves a revenue account which would mean a BD04 must be submitted in PDF format.

2. Be sure the Index and FOAPAL information is correct.
   - Are material fees budgeted for in this Index and Account?

3. Run a Budget Query in Banner Self Service to be sure the Index/FOAPAL can support these entries.

4. Does the Net Change equal zero?

5. Does the description provide enough information?

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**The University of Memphis**

**Temporary Current Year Budget Revision (BD04)**

<table>
<thead>
<tr>
<th>Index</th>
<th>Org Title or Account Title</th>
<th>Fund</th>
<th>Org Code</th>
<th>Account Code</th>
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</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Chemistry Materials</td>
<td>110001</td>
<td>204000</td>
<td>51801</td>
<td>2110</td>
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</tr>
<tr>
<td>02</td>
<td>Chemistry Materials</td>
<td>110001</td>
<td>204000</td>
<td>74000</td>
<td>2110</td>
<td>410103</td>
<td>1.000</td>
<td>1.000</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**The Reason for requesting this revision is as follows:**

Chemistry Material Fees up for Fall and Spring. Trend not expected to continue.
### The University of Memphis
Temporary Current Year Budget Revision (BD04)

**Budget Revision | Between E&G Funds**

1. **Input Name, Department, Fiscal Year, and Date**
   - Mary Blue
   - Department: Tom the Tiger Museum
   - 2020
   - September 5, 2019

2. **Input Index and FOAPAL information**
   - 212000
     - Startup Mark King
     - 110001
     - 281345
     - 74000
     - 2630
     - 40,219
   - 412345
     - Tom The Tiger Museum
     - 123456
     - 234560
     - 74000
     - 3570
     - 40,219
   - 412345
     - Tom The Tiger Museum
     - 123456
     - 234560
     - 82610
     - 3570
     - 40,219

3. **Fill in the Budget Amounts**
   - Be sure to put expenses/revenues in the appropriate columns (based on account codes)

4. **Include the reason for the budget revision**
   - To fund Tom the Tiger Startup for Mark King

---

**The Reason for requesting this revision is as follows:**

**To fund Tom the Tiger Startup for Mark King**
1. Is a BD04 the appropriate budget revision form? Refer to previous slides.
   - In this case, this involves funding that is only expected for this fiscal year, and it involves moving money between funds which would mean a BD04 must be submitted in PDF format

2. Be sure the Index and FOAPAL information is correct
   - Has an Index been created already for the Startup?

3. Run a Budget Query in Banner Self Service to be sure the Index/FOAPAL can support these entries
   - Does Index 412345 have $40,219 in account 74000?

4. Does the Net Change equal zero?

5. Does the description provide enough information?
Carryforward Process

Background
• At the end of each fiscal year, departmental accounts may have positive budget balances, or negative budget balances within certain limits. These balances are the net of revenue, salary, travel, operating, and equipment account codes.
• The final carryforward amount is dependent upon final review by executives

Responsibility
• The Office of Financial Planning is responsible for the calculation, reporting, and transfer of carryforward funds between fiscal years
• It is the responsibility of each budget unit to direct funds to cover negative account balances
• Self-supporting activities are responsible for initiating budget revisions to re-budget prior year balances
Carryforward Process

Calculation of Carryforward Budget

Available Balance (Adjusted Budget less Actuals & Encumbrances) for:
- Revenues
- Expenses

Negative Balances

- Each budget unit will be required to offset excess negatives with positive balances in other accounts or departments within the budget unit.
- The budget unit should identify the positive balances that will be used to offset any excess deficits and coordinate with the Financial Planning office to process the necessary budget adjustment.
Overexpended Budgets

- Monthly process which runs October through June

- Overexpenditure notice is sent out to Financial Managers and Designees if an account is overexpended (expense accounts only)
  - This means there is a negative Available Balance (Adjusted Budget less Actuals & Encumbrances)
  - The overexpended balance should be investigated and corrected by the Designee or Financial Manager within 30 days of the notice

- This report can also be accessed via the Finance Program Guide under Utilities & Reports
Budget Review Processes

Revenue Budget Reviews

• Semi-Annual process which runs each budget cycle (Fall & Spring)

• A Revenue Budget Review Notice is sent out to Designees and Financial Managers for all revenue accounts
  • Adjustments should be made using the most up-to-date information available
  • Adjusted/Current Year Budget should be aligned with Actuals
  • Base/Future Budget should be aligned with projections for the current and proceeding fiscal years
  • It is important that your current estimates and future projections are realistic and accurately reflect the activity you expect for the respective current and base budgets.

• This report can also be accessed via the Finance Program Guide under Utilities & Reports
For additional information or training on Budget concepts please view the Training Resources, Presentations, and FAQs on the Financial Planning webpage

https://www.memphis.edu/budget/