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**Budget Oversight Guidelines**

The University Budget Oversight guidelines establish direction for the university’s budget management practices.

Roles, Responsibilities, and Authority

**The following are general levels of authority associated to budget oversight:**

**University Budget Director**

The Director of the University Budget Office is responsible for monitoring university budget guidelines under the leadership of the Senior Vice President for University Operations/CFO.

**University Budget Office**

Under the leadership of the Director of the University Budget Office, the Budget Analyst develops, analyzes, and executes budget projects; promotes effective resource allocation, prepares the annual budget, and meets university financial requirements.

**Cabinet/Department Fiscal Oversight Role**

The Fiscal Oversight role oversees proper management and integrity of the cabinet/department’s budget, ensuring compliance with all university regulations concerning management of the related budget (s), confidentiality or records, security requirements, and other related provisions on behalf of the Vice President for their respective cabinet/department.

This role has the authority to approve all expenditures from the departmental units for which they are assigned responsibility by either their department head or the Vice President.

Responsibilities Include:

1. Reconcile and report financial status monthly including a forecast for year end
2. Verify expenditures are authorized, appropriate, and accurate
3. Verify accuracy of budget allocations
4. Ensure funds are expended for their intended purposes
5. Document an action plan during monthly review for resolving any anticipated budget deficits.
6. Complete the Budget Review Certification Form and submit to the University Budget Office.

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**FY24 Budget Process**

1. **Position Budget Template**

Position Budgeting is a system of tracking and managing academic and staffing resources based on positions and FTEs rather than employees. Position budgeting helps managers plan for and monitor continual staff and faculty resources relative to availability of budget.

**TO DO: Review Positions**

* The position budget template in Anaplan includes all positions that were funded in FY23.
* Review each position for accurate FTE count, salary amount, and funding source.
	+ Salary positions should remain at 100% when not vacant regardless of temporary FTE reductions.
	+ Anaplan will automatically calculate ERE expenditures in the position budget template.
	+ Review positions in Position Query. Any positions that are not going to be used in FY24 need to be deactivated using the reports to structure function in Position Management (PeopleSoft HR).
	+ To change the funding sources or titles of positions for FY24 budgeting, an ePar and/or Funding Change form will need to be submitted.
	+ As budgeting for local and state funds occurs prior to the start of the new fiscal year on July 1st, the data being imported into Anaplan reflects the positions and funding as of the most recent funding eForm. For any future dated position changes through September 1st, 2023, that information will be imported into the **actual** FTE and **actual** salary columns in the position budget template.

**Position Guidelines**

**Split Funded Positions**

* For split funded positions confirm that the total FTE is not greater than 1.0 and the total annual salary is correct. If position is split funded across departments please work with other department to make sure these positions are property budgeted.

**Salary Increases**

* Should NAU’s practice to use targeted salary adjustments over the past several years (e.g. performance-based increases, market adjustments, faculty technical adjustments) be implemented for this upcoming fiscal year, the expectation would be that departments will cover the increase unless the increase has been typically funded by the University.

**Employee Related Expense (ERE) Estimates**

* Anaplan will automatically calculate ERE expenditures in the position budget template.
* For Graduate Assistant budgeted dollars in the Local budgeting template the ERE are automatically calculated to include tuition and health.
* Marginal rate average: 20.83%. Use to calculate estimated ERE increase associated with a current employee salary increase.
* Please see our ERE calculation sheet on the Budget Office website at [Budget Management | University Budget Office (nau.edu)](https://in.nau.edu/budget/budget-management/) for specific current rates.
1. **Local Finance Template**

**TO DO: Complete FY23 Year End Estimates and FY24 Budget Entry**

* **FY23 Year End Estimates**
* Review FY23 actuals and enter/revise the FY23 Year End estimate.
* Any DeptID projected to end FY23 with a deficit must include a plan on how it will be resolved. Email this plan to the Budget Office (your budget representative) by March 29th.
* **FY24 Interdepartmental charges**
	+ If your department charges other University areas for services and your rates are changing for FY24, your customers must be notified by **March 29th, 2023** of the fee/cost changes.
* **Enter FY24 Revenue Budgets**
	+ Graduate Program Fee RSA %: Will remain at 14% for FY24, which translates to 86% of program fee revenue being directed to designated fund department IDs.
	+ College Fees
	+ Enter FY24 projected revenues in the FY24 Budget Input column.
* **Review and Allocate Expense Budget Lines**
	+ Salary expense (711) and EREs (720) automatically load from the position budget template.
	+ Non-Personnel Expenses can be reallocated with the changes netting to zero.
* **Administrative Overhead Charge:** Consider this expense when setting fees and rates for some services and conferences.



* + Budget this expense as an operating expense in class 741-University Charges. Actual charges will be charged in PS Financial account 739150. **This charge needs to be manually calculated and entered into Anaplan.**
* **FY23 Risk Insurance (Vehicles and General Liability) Charges:** *This insurance charge is received annually from the State of Arizona for our Automobile and General Liability Insurance. The University’s state appropriations have covered a varying percentage of these costs in the past, and for FY23 the allocation is currently estimated to cover 50% of the overall expense. The remaining 50% will be allocated to the local fund department IDs based on the number of automobiles for the Auto Insurance and by a percentage of FY22 (prior year) personnel services (711, 712, 713, 714, 715) expense for the General Liability insurance.*



* Vehicle Component:
	+ This expense should be budgeted in class 741-University Charge. NOTE – **this expense needs to be manually budgeted for each university vehicle.**
		- Actual expense will be charged in PS Financial account 741010.
* General Liability Component:
	+ This expense should be budgeted in class 741-University Charges and **will be automatically calculated by Anaplan.**
		- Actual expense will be charged in PS Financial account 741010.
* **ITS Network Charge and Long Distance**



* The charge for network services is calculated as a percentage of the personnel service expenses in the 711, 712, 713, 714, 715 account.
* Long-distance calls continue to be an additional charge and should be budgeted.
* Both the network services and long-distance should be budgeted in account class 740. The **ITS network charge is automatically calculated by Anaplan**. The budget for **long distance will need to be manually entered.**
* The ITS network charge will continue to be charged in PS Financial account code 745101, Telephone Service.
* **Transfers**
* Transfers between department IDs other than University Central must be input on the Local Transfer tab at the department ID level. Coordinate with the other departments or JFRs to ensure accurate budgeting of transfers outside of your direct area.







1. **State Finance Template**

**TO DO: Reallocate non-personnel expenses as needed**

* The State Finance Template calculates the “FY24 Final Budget” by adding the “FY23 Starting Budget” with the “FY24 Budget Reallocation” column.