UNIVERSITY BUDGET OFFICE

NAU NORTHERN ARIZONA UNIVERSITY

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 Office

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

University Budget Director

Under the leadership of the Associate Vice President, the Budget Director 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.

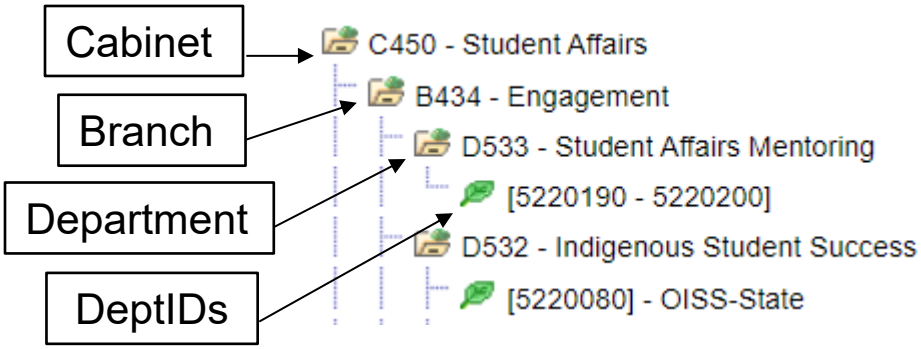
Responsibilities Include:

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. Report and document an action plan during monthly review for resolving any anticipated budget deficits.

Account Structure

Financial Tree

- The hierarchy structure of your financial accounts



Funds

- State (Appropriated): Monies allocated by legislation
- Local (Non-Appropriated): Doesn't require further legislation

1100	STATE	General Fund Appropriation
1200	STATE	Yuma Appropriation
1500	STATE	Tuition & Fees Appropriated
2200	LOCAL	Tuition & Fees Non-Appropriated
2400	LOCAL	Overhead (Indirect Cost Recovery)
2500	LOCAL	Miscellaneous Designated
3XXX	LOCAL	Restricted
4XXX	LOCAL	Auxiliary Funds

Program Codes

- Program codes, also referred to as functional expense classifications, are a method used to group expenses according to the purpose for which the costs are incurred.

PROGRAM	DESCRIPTION
A000	Instruction
	A001 - A006
B000	Research
	B001 - B005
C000	Public Service
	C001 - C003
D000	Academic Support
	D001 - D007, D009
E000	Student Services
	E001 - E008
F000	Institutional Support
	F001 - F006
G000	Scholarships & Fellowships
	G001 - G002
H000	Operations & Maint. - Plant
	H001 - H007
I000	Auxiliary Enterprises
	I001-I004, I007-I010

Speedchart

DEPT ID		PROGRAM		FUND	
XXXXXXX	_	AXXX	_	2X	XX
XXXXXXXF2X					

DEPT ID		PROGRAM		FUND	
8000010	_	F002	_	25	00
8000010F25					

Revenue Account Classes

Fund 2200	Tuition & Fees Non-Appropirated
511	Tuition
514	Mandatory Fee
515	Program Fee
517	College Fee
519	Other Fee

Fund 2400	Overhead (Indirect Cost Recovery)/F&A
550	Departmental Revenue

Fund 2500	Miscellaneous Designated
530	Foundation/Restricted
550	Deparmental Revenue
560	Misc. Other Revenue

Fund 4XXX	Miscellaneous Designated
540	Auxiliary Revenue
550	Deparmental Revenue
560	Misc. Other Revenue

Internal Revenue – FY26 Reporting Change

- Moving away from account class 555
- Allows for more accurate financial reporting

Fund	Current Account	New Account	Current Acct Class	New Acct Class	Description
Campus Living	555000	555410	555	556	Campus Living Internal Revenue
Campus Living	555010	555411	555	556	Campus Living Internal Rent
Other Aux	555000	555430	555	557	Aux Interdept Revenue
Other Aux	555005	555431	555	557	Aux Internal Sales
Other Aux	555010	555432	555	557	Aux Internal Rental
Other Aux	555005	555433	555	557	Aux Other Internal Fees
Other Aux	555060	555434	555	557	Aux Other Oper Rev - Pass Thru

Expense Account Classes

Account	Description
PERSONNEL	
711	Salary Expense
712	Other Wages
713	Student Wages
714	Work Study
715	Graduate Assistants
720	Employee Related Expenses
NON-PERSONNEL	
730	Operations
740	Utilities/Other Ops/Insurance
741	University Charges
750	Professional & Outside Services
761	In-State Travel
762	Out-of-State Travel
770	Student Support
780	Land, Buildings, Infrastructure
783	Equipment

FY26 Budget Process

FY25 Year End Forecast

TO DO: Enter FY25 year-end forecast

- Remember the importance of accurate forecasting for future planning
- Enter FY25 year-end forecast into the budget template in the FY25 Est. Year End Budget
- Revenue forecasts
    - Actual Revenue should be included in your forecast
    - Use trends, historical data, and involve key stakeholders to assist with your projections
- Personnel forecast

    - At a minimum, your forecast total should be actual expenditures plus encumbrances
- ERE forecast
    - Use a consistent method to forecast ERE
    - Do not forecast ERE in your State accounts
- Non-Personnel forecast
    - Forecast must include your actual expense to date and what is projected to be spent moving forward
    - Review encumbrances – will all funds be used?

FY26 Position Budgeting

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.

FILLED POSITIONS

TO DO: Review Filled Positions

- **FY26 Merit increases will be loaded into Anaplan on April 24th.**
- The position budget template in Anaplan includes all positions that were funded in FY25.
- Review each position for accurate **FTE count** 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 all positions in Position Inquiry to confirm that Position Inquiry matches what you are budgeting.
    - To change the funding sources or titles of positions for FY26 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, 2024, that information will be imported into the **actual** FTE and **actual** salary columns in the position budget template.

VACANT POSITIONS

TO DO: Review Vacant Positions

- Truly vacant positions will be inactivated
    - Not actively being searched
    - Not posted
    - Any position that is not going to be used in FY26 need to be deactivated. To deactivate email the Budget Office, Budget@nau.edu. Include the position(s) you would like inactivated and any pertinent information to the inactivation. The Budget Office will review your request and process accordingly. The requests will still route for approvals.

- Future need for new positions should be presented to the budget office for discussion with a source of funding identified.

Position Guidelines

Split Funded Positions

- For split funded positions confirm that the total FTE is not greater than 1.0 and the current 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.

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.

Local Finance Template

TO DO: Complete FY26 Budget Entry

- Enter FY26 Revenue Budgets
  - Enter FY26 projected revenues in the FY26 Budget Input column
  - Look at your FY25 revenues and use as a guide for the next fiscal year
  - Administrative Overhead will automatically be calculated for eligible revenues

- Review and Allocate Expense Budget Lines
  - Salary expense (711) and EREs (720) automatically load from the position budget template.
  - Salaries including the July 1st salary increase will load into Anaplan April 24th
  - 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.
  - Charge is automatically calculated in Anaplan for eligible revenues

FY26 ADMINISTRATIVE OVERHEAD RATES				
DESIGNATED DEPTIDS	15%		HOUSING	30%
AUXILIARY	15%		DINING	35%
ENERGY REBATES	20%			

- **FY26 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 FY26 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 FY25 (prior year) personnel services (711, 712, 713, 714, 715) expense for the General Liability insurance.

FY 26 RISK INSURANCE	
VEHICLE	$750 PER VEHICLE
GENERAL LIABILITY %	1.75%

- 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 **will be automatically calculated by Anaplan** in class 741 -University Charge.
  - Actual expense will be charged in PS Financial account 741010.

- ITS Network Charge and Long Distance

FY26 ITS NETWORK CHARGE
1.00%

- 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.
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- **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.

Transfer Account Classes	
Voluntary Transfer In	810
Budget Transfer In	815
Mandatory Transfer In	820
Voluntary Transfer Out	830
Budget Transfer Out	835
Mandatory Transfer Out	840

Capital & Debt Transfers	
Capital Project	840
Debt Service	840

State Finance Template

TO DO: Reallocate non-personnel expenses as needed

- The State Finance Template calculates the “FY26 Final Budget” by adding the “FY25 Starting Budget” with the “FY26 Budget Reallocation” column.
    - The 1% Network Fee will auto calculate in 740 – Utilities/Other Ops/Insurance
    - Non-personnel expenses can be reallocated between operating expense classes but must net to zero.