

SDSU BUDGET 101

MORE THAN YOU EVER WANTED TO KNOW...



Let's Take A Closer Look
at the Budget Process!!!



SAN DIEGO STATE
UNIVERSITY

Introductions

- Name
- Department
- Job Title



- ❑ Budget Process
- ❑ Funding Sources
- ❑ Budget Carry-Forward
- ❑ Account Strings
- ❑ Questions



*Please feel free to ask questions
anytime during the training!*



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State of California Budget



California State University



San Diego State University



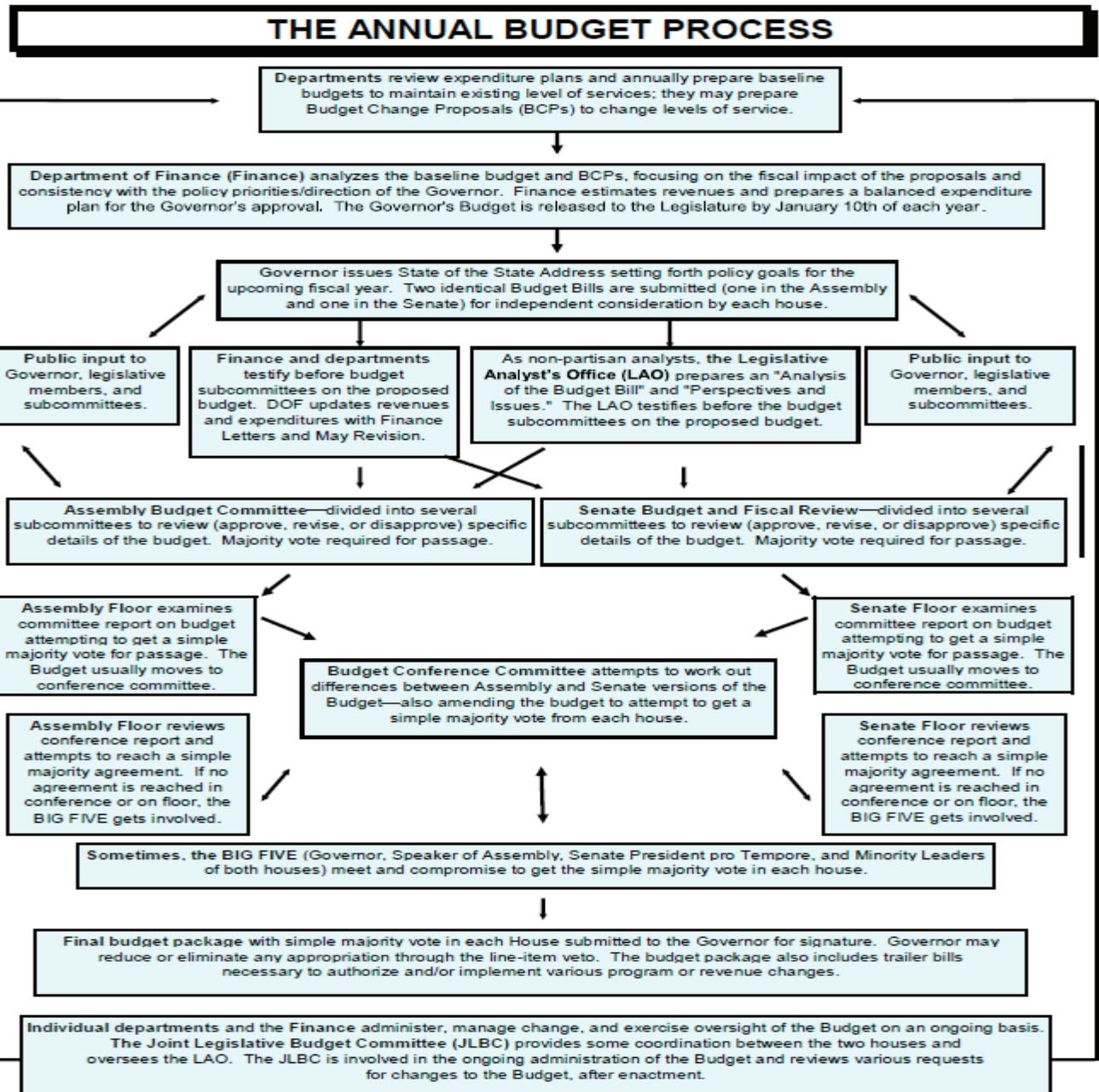
SDSU Divisional Budget



SDSU Departmental Budget



State of California



State of California Budget Process

January

- State Constitution requires that the Governor submit a balanced budget to the legislature by January 10th
- Governor issues State of the State Address
- Senate Budget and Fiscal Review Committee and the Assembly Budget Committee hear the Budget Bill.

February

- Legislative Analyst's Office issues the "Analysis of the Budget Bill"



State of California Budget Process

February - April

- State Department of Finance proposes adjustments to the Governor's Budget.
- Budget Conference Committee attempts to work out differences between Assembly and Senate versions of the Budget Bill.

May - June

- Governor's May Revision of January Budget.
- Budget Conference Committee reconciles and adopts budget.



State of California Budget Process

June

- State Constitution requires that the Legislature pass a balanced Budget Bill by midnight on June 15th.
- Proposition 25 requires a simple majority vote by the Legislature to pass the Budget Act.
- Governor allowed to reduce or eliminate an item of appropriation (line-item veto). Cannot increase appropriations above the level approved by the Legislature.
- *State Budget is enacted upon the Governor's signature.*



Questions For You!

- ❑ What is the deadline for the Governor to submit a balanced budget to the Legislature?
- ❑ What is the deadline for the Legislature to pass a balanced budget?



BUDGET CYCLE



California State University



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CSU Budget Process

July – September

- Budget consultations with campus President's
 - Set priorities
 - Review enrollment targets

- Prepare CSU Support Budget for Trustee's approval

November

- Trustees adopt CSU Support Budget request
 - Includes approving student fee rates

- Budget request sent to Department of Finance



CSU Budget Process

January – April

- CSU Budget Office reviews Governor's January Budget

- Issues **PRELIMINARY** Budget Letter (BL) to campuses
 - Prior year budget is starting point for campus allocation
 - Incremental changes are based on plus/minus of
 - Enrollment targets
 - Cost Adjustments
 - New programs and/or special initiatives

- ❖ SDSU begins campus budget process



CSU Budget Process

May

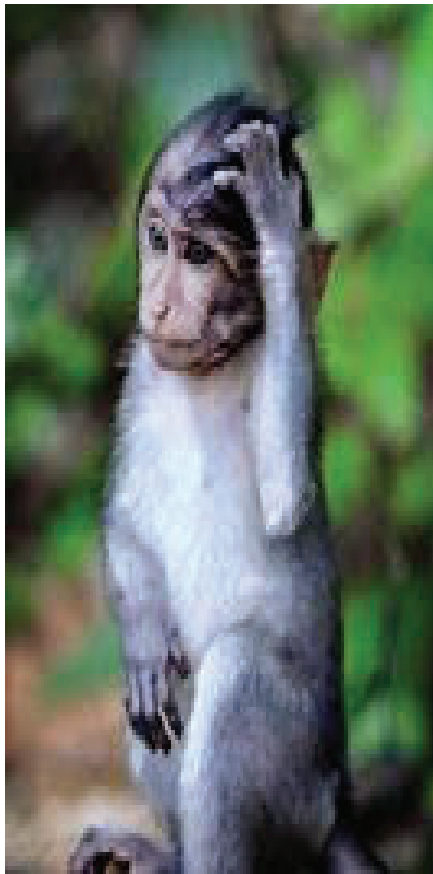
- CSU Budget Office reviews Governor's May Revision of the January Budget
 - CO may issue revised Budget Letter (BL) to campuses
- ❖ SDSU campus budget is approved by President.

June

- CSU Budget Office reviews Governor's Enacted Budget
- CO will issue **FINAL** Budget Letter (BL) or indicate current BL is **FINAL** if there are no changes to CSU allocations



A Question For You!



- What month is the CSU Support Budget request sent to the Department of Finance?



San Diego State University

- B&F provides estimates of **University Operating Fund (UOF)** one-time and base funds available.
- Divisional Vice Presidents identify and discuss one-time and base budget funding requests for critical support needs and strategic initiative funding or discuss plans to address budget reductions.
- Consultation occurs via various shared governance committees (BRAT, AR&P and PBAC) and PBAC makes a recommendation to the President.
- President approves **UOF** budget allocations.



San Diego State University

➤ Budget Review Advisory Team (BRAT)

- ❖ Associate Vice President of Academic Affairs
- ❖ Associate Dean of Graduate and Research Affairs
- ❖ Associate Vice President of Business & Financial Affairs
- ❖ Associate Vice President of Student Affairs
- ❖ Chief Financial Officer of University Relations & Development
- ❖ Chair of Academic Resources and Planning (Senate committee)
- ❖ Representative from Human Resources
- ❖ Representative from Budget & Finance

➤ BRAT is advisory to the university Vice Presidents.



San Diego State University

➤ Academic Resources and Planning (AR&P)

Appointed Members

- ❖ Nine (9) faculty member (each college, the Library and IVC)
- ❖ One (1) staff member
- ❖ Two (2) students

Ex Officio Members

- ❖ Associate Vice President for Academic Affairs – Resource Mgmt.
- ❖ Vice President for Business & Financial Affairs or designee
- ❖ Vice President for Student Affairs or designee

- AR&P is advisory to PBAC.



San Diego State University

➤ President's Budget Advisory Committee (PBAC)

- ❖ Provost
- ❖ Vice President of Graduate & Research Affairs
- ❖ Vice President of Business & Financial Affairs
- ❖ Vice President of Student Affairs
- ❖ Vice President of University Relations & Development
- ❖ President's Chief of Staff
- ❖ President of Associated Students
- ❖ Chair of Academic Resources and Planning (Senate Committee)
- ❖ Senate Chair
- ❖ Senate Representative

➤ PBAC is advisory to the President.



SDSU Division

- Vice Presidents develop proposals for critical support needs and support for strategic initiatives
- Divisions provide input in the SDSU budget process as members of the various committees.
- Each division is responsible to make internal resource allocation decisions consistent with university, divisional and departmental goals.



SDSU Department

➤ Each division has a budget coordinator who is the primary resource for departments as it relates to budgetary matters.


➤ **Divisional Budget Coordinators:**

- ❖ President's Office – Elizabeth Davis
- ❖ Academic Affairs – Mary Anne Kremicki, Andrea Bauer
- ❖ Diversity And Innovation – Dania Brett
- ❖ Information Technology – Sheryl Necochea
- ❖ Business & Financial Affairs – Dana Smith, Natasha Manus
 - ❖ Athletics – Chuck Lang, Andrew Miller
 - ❖ KPBS – Vince Petronzio
- ❖ Student Affairs – Tony Chung, Rodolfo Badilla-Antunez
- ❖ Univ. Relations & Development – Leslie Levinson, Mehrnoush Jamshidi



SDSU Department

- Each division has an internal budget process for how budgets are allocated to departments.
- Departmental budget coordinators can utilize the Budget Transfer form to reallocate budgets as necessary to meet business needs.



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Budget Transfer Request

DEPT'S. ID #

B&F TRF #

Name of Organization/Department initiating the transfer:

ACCOUNTING FLEXFIELD:

BUDGET CATEGORY	EFF DATE (MM-YY)	ORG (9)	ACT (9)	NACCT (9)	ENDV (9)	FUND (9)	FUNC (9)	RFU (9)	TO (DEBIT)	FROM (CREDIT)	POSITION (601xx NACCTs ONLY)	TRF ID (AUTOFILL)	DESCRIPTION (Reason for transfer)
Budget TR Base								0000				TRF ; TRF ; TRF ;	
Budget TR 1x								0000				TRF ; TRF ; TRF ;	
Budget TR 1x								0000				TRF ; TRF ; TRF ;	



Two Questions For You!

- ❑ Who is the primary resource for departments as it relates to budgetary matters?
- ❑ What does PBAC stand for?



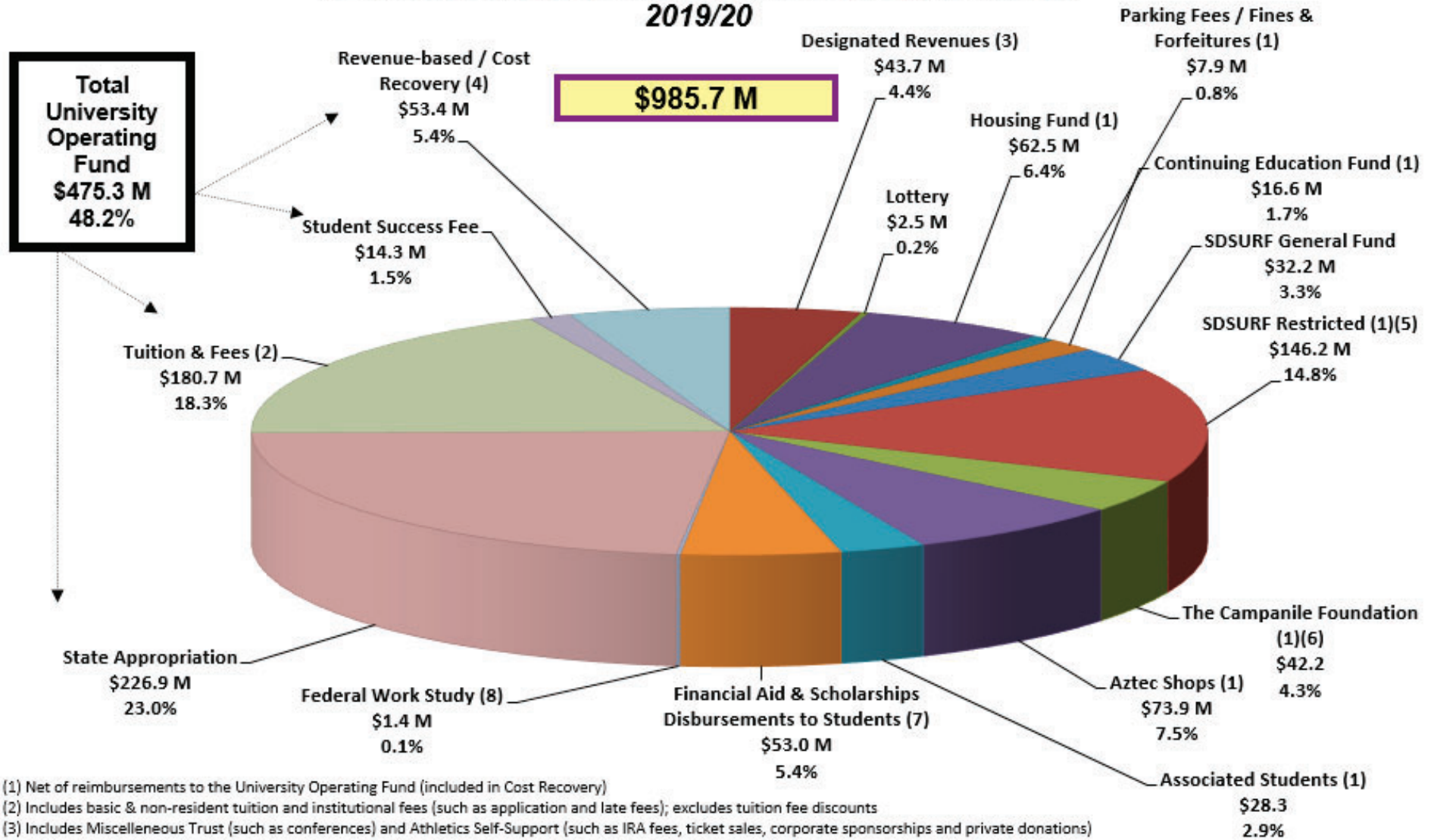
Funding Sources



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University Budget (Including Auxiliary Organizations)

2019/20



(1) Net of reimbursements to the University Operating Fund (included in Cost Recovery)
 (2) Includes basic & non-resident tuition and institutional fees (such as application and late fees); excludes tuition fee discounts
 (3) Includes Miscellaneous Trust (such as conferences) and Athletics Self-Support (such as IRA fees, ticket sales, corporate sponsorships and private donations)
 (4) Departmental revenues and cost recovery from Housing, Parking, Continued Education, Auxiliaries and external entities
 (5) Includes KPBS self-generated sources (such as grants, membership fees and private donations)
 (6) Excludes Athletics Grant-in-Aid (included in Athletics Self-Support)
 (7) Excludes loans
 (8) Excludes campus match

Funding Sources

- University Operating Fund (UOF)
 - ✓ State Appropriation
 - ✓ Tuition and Fee Revenues
 - ✓ Revenue-based (departmental student fees)
 - ✓ Student Success Fee (SSF)
 - ✓ Cost Recovery (CR) - reimbursements for goods and/or services
- Lottery Fund
- Instructionally Related Activities Fund (IRA)
- Continued Education Revenue Fund (CERF)
- Housing/Parking Funds
- Miscellaneous Trust Funds



Funding Sources - UOF

- University Operating Fund (UOF)
 - ✓ State Appropriation
 - ✓ Student Tuition and Fee Revenues
- Funds are allocated to divisions via the campus allocation order (CAO) process.
- Allocated as approved by the President.

NOTE: Compensation/Benefits are centrally funded and budget is allocated to departments based on actual expenditures.



Funding Sources – UOF Revenue-based

- Student fees that are designated to a specific college/department are structured as revenue-based accounts
 - Category III and IV fees - Course Fees, Program Fees, User Fees, etc.
- Identified by use of UOF Fund 1021 for revenue and expenditures.
 - And UOF 1018 for Student Success Fee revenue and expenditures.
- Executive Order 1102 and the Campus Fee Policy provides the authority for establishing and adjusting campus fees.
- **All revenue-based accounts must be approved by B&F.**
 - ❑ Refer to [SDSU Fee Policy & Procedures](#) document on the intranet.



Funding Sources – UOF Cost Recovery

- Used to record any activity for which a fee is charged to internal customers (i.e. campus funds) and/or external users (i.e. auxiliaries or individual persons) for campus goods or services.
- Executive Order 1000 requires that direct and allocable indirect cost be recovered by the University.
- Identified by use of UOF Fund 1025 for direct cost recovery (i.e. salary reimbursements) or UOF Funds 1006/1026 for indirect cost recovery. Both revenue and expenditures are recorded in these funds.
- Cost Recovery activities are [self-supporting](#).
- **All cost recovery accounts must be approved by B&F.**
 - ❑ Refer to [University Account Policy and Procedures](#) document on the intranet.



More Questions For You!

- ❑ Revenue-Based and Cost Recovery accounts must all be approved by what office?
- ❑ What funding sources make up the University Operating Fund?



Funding Sources - Lottery



- SDSU receives an annual allocation of state Lottery Funds
- Funds are allocated for campus programs and instructional equipment replacement as approved by the Senate Committee on Academic Resources and Planning.
- Systemwide Lottery Policy for Lottery program expenditures:
 - ✓ Funds will be allocated for instructional activities to achieve maximum impact in enhancing education.
 - ✓ Lottery revenue should be used to “supplement” instruction and education beyond the expected level of state support and should not be used to replace programs and activities receiving state funds.
 - ✓ Great care should be exercised to ensure that lottery revenue usage is clearly consistent with the intent of the [California State Lottery Act of 1984 \(CA Government Code Section 8880\)](#).



Funding Sources - IRA



- Instructionally Related Activities Fee is a mandatory student fee and revenues are designated for this purpose.

- SDSU Policy:

- Instructionally related activities are defined in [Educational Code](#) Section 89230 as follows:

“Instructionally related activities” means those activities and laboratory experiences that are at least partially sponsored by an academic discipline or department and that are, in the judgment of the president of a particular campus, with the approval of the trustees, integrally related to its formal instructional offerings.

- Campus Fee Advisory Committee (CFAC) makes a recommendation as to the distribution of IRA funding.

- Includes allocations consistent with the purpose for which the fee was established (e.g. Academic programs, Athletics and Sports Clubs).

- Academic Affairs provides program allocations to colleges.



Funding Sources - CERF



- Revenue is derived from fees of students enrolled in extension classes and self-supporting instructional programs in accordance with [Education Code](#) Section 89704.
- Funds are designated for the support and development of self-supporting instructional programs.

Funding Sources - Housing

- Revenue is derived from room license and rental fees for housing facilities.
- Fees are governed by [Education Code](#) Sections 89700, 90012, 90068 and 90079 and Executive Order 1102 CSU Fee Policy.
- Funds are designated for housing program operations, maintenance and repairs and future capital outlay.



Funding Sources - Parking



- Revenue is derived from payment of parking fees in accordance with [Education Code](#) Section 89701 and Executive Order 1102 CSU Fee Policy.
- Funds are designated for parking program operations, maintenance and repair and future capital outlay.



Funding Sources – Misc. Trust

- Revenues are derived from conference fees and special project sources.
- Funds are expended for the designated purpose consistent with [Education Code](#) Section 89721.



Two Questions For You!

- ❑ What committee makes a recommendation as to the distribution of Instructionally Related Activities (IRA) funding?
- ❑ What is the governmental document that governs the use of Lottery, IRA, CERF, Housing, Parking, and Miscellaneous Trust funds?



Budget Carry-Forward



Budget Carry-Forward - UOF

- Campus policy allows each division to carry-forward UOF budget balances from year to year.
 - ✓ Includes funds available budget balances and budget to fund year-end open encumbrances
 - ✓ Includes revenue-based and cost recovery budget balances
 - ✓ Includes Student Success Fee (SSF)
 - ✓ Both surplus and shortfall balances are carried-forward

- Reallocation of UOF budget balances is at the discretion of the Provost or the divisional Vice President.



Budget Carry-Forward – Other

- Unexpended funds remain as fund balance and are available for expenditures in subsequent years.
 - **Lottery** – fund balances are reallocated by Academic Affairs
 - **Instructionally Related Activities** – unexpended academic program allocations are returned to the IRA fund balance (reserve) and are not available for program expenditure in the subsequent year
 - **CERF Savings** – program balances are carried-forward in Fund 4440 accounts and are available for expenditure by program departments
 - **Housing/Parking/CERF operations**
 - **Miscellaneous Trust**



A Question For You!

- ❑ Who determines the reallocation of divisional year-end budget balances in the carry-forward process?



Account Strings



Account Strings

- Organization (department)
- Activity
- Natural Account
- Endeavor
- Fund
- Function
- Reserved for Future Use

Example: 69021.000.66030.0000.1006.3301.0000



Account Strings

- ORG – 69021 – Budget & Finance Office
 - Department or mission-charged unit with budgetary control and management responsibilities.
- ACT – 000 – Unassigned (Default)
 - Program or an internal training effort.
- NACCT – 66030 – Supplies (Consumable)
 - Data captured at the transaction level i.e. Assets, Liabilities, Equity accts, Revenue and Expenses. Most departmental end users will only be concerned with revenue and expenses.



Account Strings

- ENDV – 0000 – Unassigned (Default)
 - Used to denote an effort that crosses fiscal years and/or crosses organizational lines.
- FUND – 1006 – University Operating Fund
 - Represents the funding source and restrictions on use of funds.
- FUNC – 3301 – Fiscal Operations
 - Public purpose or benefit to be served.
- Unused – 0000 – Reserved for future use.



Account Strings

- Use of the appropriate account string is important for:
 - ✓ Accountability in managing budgetary resources.
 - ✓ Accuracy in financial reporting to the Chancellor's Office and State Controller's Office.
 - ✓ Comparability with other educational institutions nationwide.
- ❖ A list of available Oracle Account Segments & their Descriptions is available on the intranet.



A Final Question For You!

- What are the main three reasons why it is critical to use the appropriate account string?



Budget Resources

- ✓ [SDSU Budget & Finance](#) (SDSU intranet)
- ✓ [SDSU Budget & Finance](#) (SDSU internet)
- ✓ [SDSU University Update](#)
- ✓ [CSU Budget Office](#)
- ✓ [CSU Executive Orders](#)
- ✓ [California Department of Finance](#)
- ✓ [California Education Code](#)
- ✓ [California Legislative Analyst Office](#)



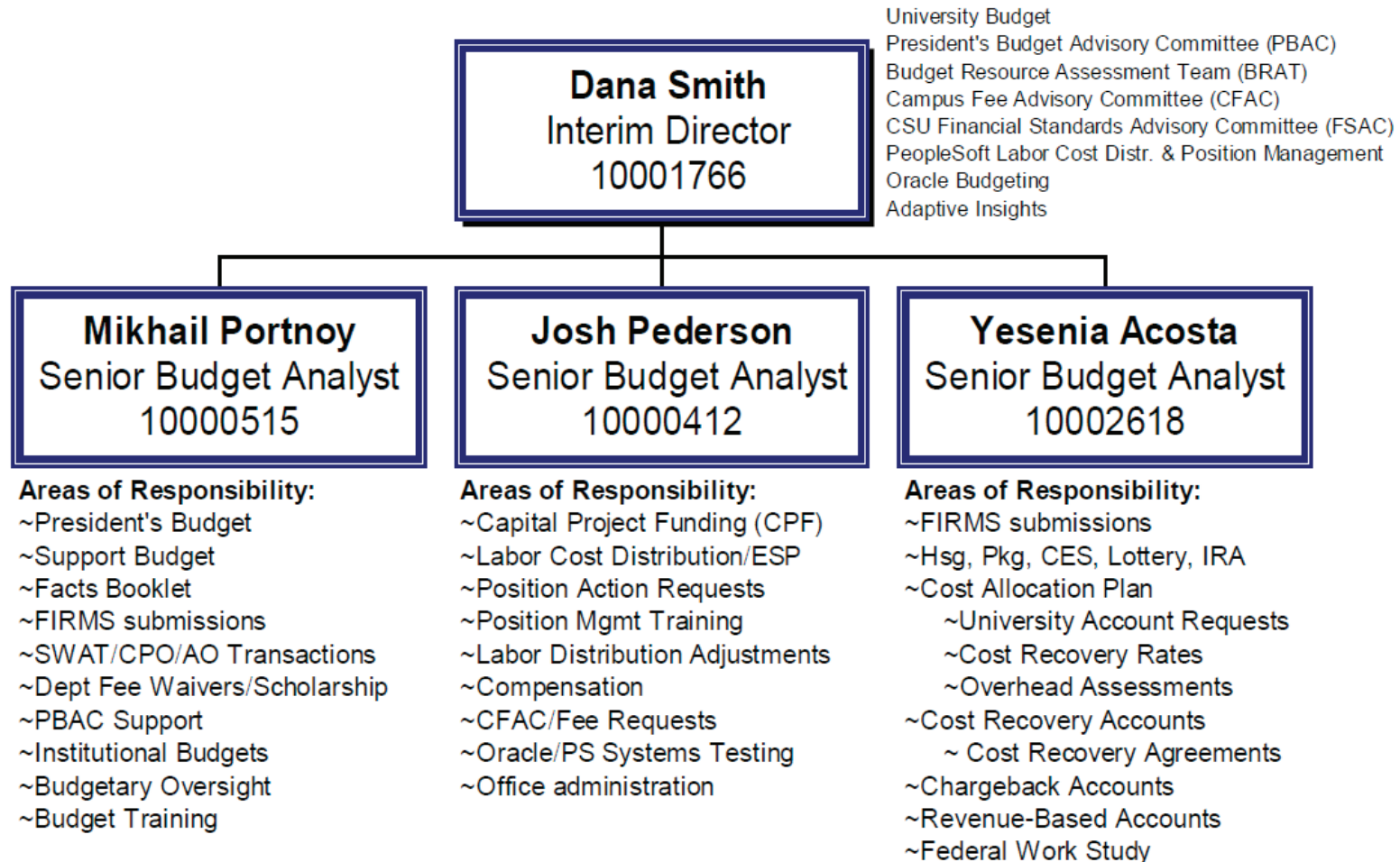
SDSU Budget & Finance Resources

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SDSU Budget & Finance



Friday Open Lab



BIS Applications Training Lab **10-11am**

- ❖ 1st Friday: Navigation, Running Reports, Managing Assets
- ❖ 2nd Friday: Budgeting & Planning in Adaptive Insights
(note: only open to Adaptive users)
- ❖ 3rd Friday: Requisitioning and Procurement processes
- ❖ 4th Friday: Invoicing, Credit Card, and iExpense processes

RSVP to Business Information Systems
(BIS) 4-0899



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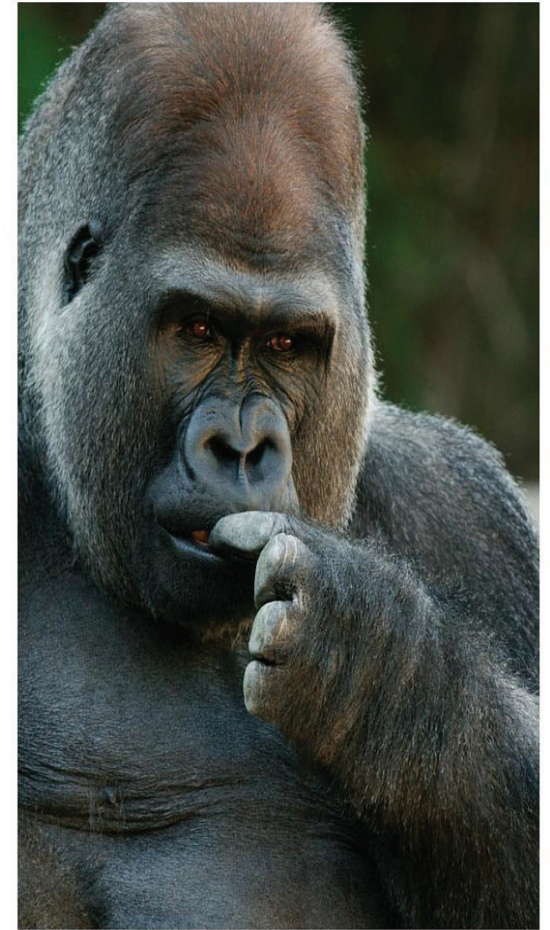
Final Thoughts...

- A *budget* is a method of worrying before you spend money, as well as afterward.”

---Anonymous

- A *budget* tells us what we can't afford, but it doesn't necessarily keep us from buying it.”

---William Feather



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