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- Purpose of Budgeting
- The Budget Process and Budget Terminology
- Creating Budget, Expense, and Revenue Projections
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- When to use a Budget Transfer vs. requesting an Actuals Transfer
Purpose of Budgeting
Purpose of Budgeting

- Assists in the preparation, analysis, and management of the university’s resources
- Budgeting is the process of creating a spending plan
- Ensures funds are being spent according to an approved plan
- Demonstrates a plan for fixed, variable & one-time costs
The Budget Process and Budget Terminology
State Budget Allocation Process

State of California
Governor’s January Budget → May Revise → Final June Budget

Higher Education
8.5% of State Budget

California State University
23.3% of Higher Education Budget

CSU, Chico
2.7% of CSU Campus Budgets
Campus Budget Allocation Process

- CSU, Chico Allocation
  State Support Allocated from Chancellor's Office

- Centrally Managed
  Financial Aid, Utilities, Risk Pool, Student Health Services, CCF, SLF, etc.

- Division Allocations
  President, AA, B&F, SA, IT and UA

- College and Unit Allocations
  College/Unit Level

- Department Allocations
  Department Level
## Transaction Types Terminology

<table>
<thead>
<tr>
<th>Budget</th>
<th>Encumbrance</th>
<th>Actual</th>
<th>Budget Balance Available (BBA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reflects the authority to spend according to an approved plan.</td>
<td>• Funds earmarked through the PO process for specific purchases.</td>
<td>• Expense has been recorded from a received invoice, CPO, etc.</td>
<td>• Budget less encumbrances and actuals.</td>
</tr>
<tr>
<td></td>
<td>• Reflects a reduction in BBA</td>
<td>• Revenue recorded from a check receipted by cashiering or CPO posted via JE</td>
<td>• Balance remaining to spend</td>
</tr>
</tbody>
</table>
Budgeting Process
Expense and Revenue Projections
Keys to Successful Budget and Expense Projections

KNOW YOUR “INCOME”

- **Do you have REVENUE?** - Revenue can be projected based on prior years’ amounts or in some cases on enrollment numbers.

- **Do you have a BUDGET ALLOCATION?** - Budget can be estimated based on prior years’ spending along with any other known base budget changes.

- **Maybe you have BOTH…** Whether you have revenues, a budget, or a combination of both, you can project your budget sources and uses. Remember, it is just an estimate, projections can always be changed!
Keys to Successful Budget and Expense Projecting

Know Your Expenses

**Fixed Expenses** - Expenses that are known at the beginning of the fiscal year and can be projected out.
- Most Salaries
- Telecommunication charges
- Annual contracts/subscriptions
- Routine maintenance

**Variable Expenses** - Expenses that vary from year to year.
- General office supplies and services
- Service fees such as printing and postage
- Planned onetime projects
- Unexpected projects and maintenance
Keys to Successful Budget and Expense Projecting

**Know Your Tools**

- **Data Warehouse**
  - Financial Summary reports showing departments' budget to actuals. The reports can be run in a variety of ways, specific to your financial needs
  - Transactional reports, showing individual line items
- **Insight and LCD Reports**
  - Transactional reports, showing individual line items
  - Salary detail reporting
- **PeopleSoft HR**
  - Individual accounting of filled positions in a department
- **Excel**
  - The tool that brings it all together
Tracking Transactions
Tracking Transactions

Review of Financial Transactions Monthly Checklist

- Review accuracy of **budget balances** – did your budget transfer process the way you were intending?
- Review accuracy of **encumbrances** – Are POs within their proper chartfield and can any be disencumbered?
- Review posted **payroll expenses** in LCD reports – are positions posting to the correct chartfield?
- Review **posted transactions** to ensure correct chartfield coding
Tracking Transactions

Who to Contact if Something isn’t Looking Right

• Budget Office - budgetcfs@csuchico.edu
  ➢ LCD (payroll) postings
  ➢ Budget posting
• Financial Accounting and Reporting – far@csuchico.edu
  ➢ Actuals posting
• Procurement - procurement@csuchico.edu
  • PO postings
When to use a **Budget Transfer** vs. requesting an **Actuals Transfer**
Budget or Actuals Transfer?

What are you trying to move?

• Did an expense or revenue post to the wrong fund/account/deptid?
  ➢ You need an ACTUALS transfer!

• Are you delegating spending authority within your department or division?
  ➢ You need a BUDGET transfer!

• Are you going to pick up shared costs for a project or event with another department, or are you reimbursing another department?
  ➢ You need to contact Financial Accounting & Reporting or the Budget Office to find out the most efficient way to complete the transaction.
Budget or Actuals Transfer?

Example: Below is a screenshot of a Data Warehouse report for Financial Service's general fund. This report shows us that there are three account numbers with **Actuals** but no **Budget**: 601303, 619N01, and 670C32.
Budget or Actuals Transfer?

Example Continued: The **first question** I need to ask - “Do these charges belong to the chart field G1006 D12400?"

- **If the answer is YES – Budget Transfer:** Please use the budget transfer template to allocate budget to these specific chart fields. **The goal is NOT to zero out BBA,** it’s okay to have a negative BBA, but we should be asking ourselves why there was never any budget posted there in the first place.
- **If the answer is No – Actuals Transfer:** Please contact **FAR@csuchico.edu** to assist with this transfer.
Budget or Actuals Transfer?

Example Continued: The **Second question** I need to ask - “Is this a one-time charge for this chartfield or am I expecting more expenses to hit this chartfield?**

- If the answer is a **one-time charge** – Use the budget transfer template to transfer a whole dollar amount to cover the one-time charge, **but more importantly, ask if this a charge I should plan for next year?**
- If the answer is I’m **expecting more expenses** – Use the budget transfer template to transfer a whole dollar amount to cover all the expenses expected to hit this chart field throughout the year.

<table>
<thead>
<tr>
<th>Fund Fldscr</th>
<th>Dept Fldscr</th>
<th>Account Fldscr</th>
<th>Current Budget</th>
<th>Actuals</th>
<th>Encumbrances</th>
<th>Balance Available</th>
<th>% Used Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>01006 - CSU OPERATING FUND</td>
<td>D12400 - Financial Services</td>
<td>601201 - Management And supervisory</td>
<td>156,369.00</td>
<td>91,210.00</td>
<td>0.00</td>
<td>65,150.00</td>
<td>50%</td>
</tr>
<tr>
<td>601300 - Support Staff Salaries</td>
<td>106,258.00</td>
<td>24,038.00</td>
<td>0.00</td>
<td>82,170.00</td>
<td>23%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>601303 - Student Assistant</td>
<td>554.80</td>
<td>0.00</td>
<td>(554.80)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>602001 - Work Study On Campus</td>
<td>24,500.00</td>
<td>2,143.40</td>
<td>0.00</td>
<td>22,356.60</td>
<td>9%</td>
<td></td>
<td></td>
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<tr>
<td>606001 - Travel-In State</td>
<td>9,000.00</td>
<td>179.96</td>
<td>0.00</td>
<td>8,820.04</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>613001 - Contractual Services</td>
<td>500.00</td>
<td>0.00</td>
<td>500.00</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>615001 - NonCap Other Equip</td>
<td>11,969.07</td>
<td>0.00</td>
<td>(11,969.07)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>660003 - Supplies And Services</td>
<td>2,000.00</td>
<td>1,721.92</td>
<td>0.00</td>
<td>278.08</td>
<td>8%</td>
<td></td>
<td></td>
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<tr>
<td>660009 - Training &amp; Professional Dev</td>
<td>1,200.00</td>
<td>1,190.00</td>
<td>0.00</td>
<td>10.00</td>
<td>99%</td>
<td></td>
<td></td>
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<tr>
<td>670000 - Transfer Out - Same CSU Fund</td>
<td>2,400.00</td>
<td>0.00</td>
<td>2,400.00</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>670001 - FMS Intrafund Costs Rvrd</td>
<td>50.00</td>
<td>0.00</td>
<td>50.00</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>67018 - Computer Networks Intrafund</td>
<td>360.00</td>
<td>237.35</td>
<td>0.00</td>
<td>82.65</td>
<td>79%</td>
<td></td>
<td></td>
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<tr>
<td>67019 - Other Communication Intrafund</td>
<td>1,750.00</td>
<td>1,319.84</td>
<td>0.00</td>
<td>430.16</td>
<td>75%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>67032 - ITSS Compl Inventory Supplies</td>
<td>65.00</td>
<td>0.00</td>
<td>(65.00)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>67035 - TSRV Intrafund</td>
<td>100.00</td>
<td>31.63</td>
<td>0.00</td>
<td>68.37</td>
<td>32%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

G1006 - CSU OPERATING FUND Total | 304,369.00 | 134,557.97 | 0.00 | 169,810.03 | 44% |
Please contact the Budget Office for additional information.

- budgetcfs@csuchico.edu
- 530-898-5931

Thank you!