

MARSHALL UNIVERSITY

FY2015 BUDGET INSTRUCTIONS

FEBRUARY 21, 2014

Overview and Deadline

Marshall University is engaged in a strategic planning process to determine how we can not only survive, but flourish in a time of diminishing public funding. We expect that through this process a new financial model will emerge. As this new model will not be developed in time for the fiscal year 2015 budget, we must address the reality of the current budget environment in a thoughtful manner which will be a first step toward Marshall's future.

The current budget environment is one of reduced state support, flat enrollments, and historic levels of student debt. Despite these challenges, there is hope that we can make investments in our people through potential compensation pools and in funding for initiatives that encourage retention, increase net revenue and improve efficiency. Based on the Governor's proposed budget bill, various expense projections, and initial efforts at budget reductions, the preliminary fiscal year 2015 Operating Fund Budget reflects a deficit in excess of \$14 million.

In order to present a balanced budget to the Marshall University Board of Governors (BOG) at their April meeting, we must work together to cover this deficit. At this time, there is not a set reduction amount or percentage for each Budget Unit; we are asking each and every budget unit to identify in their budget forms as much in cost reductions and/or sources within their budget to contribute to filling the gap in the operating budget. The Budget Work Group will continue to explore options to combine with the efforts of the budget units so that we are able to make the investments mentioned above while minimizing tuition increases which put strain on students already under financial pressure.

The Fiscal Year 2015 budget forms reflect the changes made to our Banner Budget Structure. The preliminary budget forms are due in the Budget Office via email (budgetoffice@marshall.edu) by 5pm, March 14, 2014. **The cumulative results of these preliminary budgets will be analyzed and budget units will be notified of any additional actions that may be required.**

Training

The Budget Office will hold training workshops from February, 28th through March 12th. These sessions are being offered to provide assistance with the FY2015 Budget Request worksheets and any other aspect of the FY2015 budget development process. The sessions are being offered in one hour blocks, you can register through the HR website which can be accessed by clicking <http://www.marshall.edu/human-resources/training/training-schedule/>. All sessions will be held in Drinko 349. Please note that there is a capacity of 3 participants per session. You may, as a Budget Unit, want to capture all 3 openings for a session and bring additional individuals that may be working with the FY2015 Budget Request file. Please note that the room capacity is limited to 25 seats. We recommend that you bring your FY2015 Budget file on a flash drive.

As a refresher, we have attached the Budget Language & Concepts and Budget Guidelines that were introduced during the new banner budget structure training session.

Links to Instruction sections:

[Forms and Information](#)

[Operating Fund Budget](#)

[Closing Operating Budget Gap](#)

[Labor Tab Instructions](#)

[Org Tab Instructions](#)

[Summary Tab Instructions](#)

Forms and Information

Your Budget Unit has been provided with three files to be utilized in preparing your FY2015 Budget Requests. Please read through the entire instructions before beginning any entries to the worksheets. The three files provided are:

- "FY2014 Allocated Budget" which reflects the FY2014 Approved Budget for all funds and orgs within your Budget Unit. This file is for reference only.
- "FY2015 Budget Request" which will be utilized to input your budget figures and submit your Budget Unit's FY2015 proposed budget.
- "FY 2015 Supplemental Forms" which provides justification forms for active vacant positions and one-time expenditures.

The original FY2015 Budget Request file will need to remain intact to ensure that the summary pivot tables will roll up correctly. Please make a working copy of the file. This will help in maintaining the original file, particularly if you need to distribute the various org tabs to different individuals. Any changes to positions will need to be made in the original file's labor tab. Budget amounts can be copied into or entered directly into the original file. If you choose to distribute tabs and copy values into the original file, the ranges of cells that need to be copied are in 4 ranges and are shown as salmon colored cells in the screen capture below. Please note that the size of the ranges may vary depending on what fund and account codes are listed for the orgs. These ranges are the cells that are NOT shaded light grey. The light grey shaded cells are protected and will return an error message if you attempt to copy over them.

Budget Units Orgs

Each file contains an Index sheet which allows for quick navigation to tabs included in the worksheet. If you have an org listed that should not be in your Budget Unit or are missing an org that you feel should be in your budget unit please contact the Budget Office.

Getting started

We have not included any actual historical cost or activity information in the files provided. In developing your budget we recommend that you review and consider historical amounts within your fund/org/account activity that can be found in Banner forms FGIBDSR and FGIBDST. This will provide you reference from which to start with your entries.

Copy Ranges Screen Capture

Finance									
Organization		4900	University Budget Office						
FY15 Budget Request									
		One Time	119002	119005	119014	119301	A14484		x FYTotal
			Operating	-	Operating	-	Operating	-	
Acct #	00 Source Budget		Allocation-Administrati on-MU	Other E&G Revenue - MU	Institutional Personal Services	Grant/Gft/Co ntrct Unrest-MU	FY14 Unclassified - MU	-	
500001	01 Balance Forward								-
546710	02 Local Grants & Contracts								-
596961	03 Fines and Fees								-
596960	03 Misc Collections/Fees/Licenses/Etc.								-
536710	03 State Grants & Contracts								-
5T0151	05 Strategic Priorities Transfer								-
5T0055	05 Unit to Unit T emp Transfer								-
5T0023	05 Work Study Allocation								-
5T0050	05 Internal - Unit T emp Transfer								-
	06 Other Sources - enter Acct #								-
5T0030	06 Salary Base Allocation	-	-	-	48,148.00	-	203,680.00	-	251,828.00
5T0010	06 Committed Base Allocation	-	-	-	-	-	-	-	-
5T0010	06 Discretionary Base Allocation	-	25,975.00	-	-	-	-	-	25,975.00
5T0010	06 Operating Budget Allocation Adjust								-
	07 Total Source Budget	-	25,975.00	-	48,148.00	-	203,680.00	-	277,803.00
	08 Use Budget								
60011	09 Full Time Faculty	-	-	-	-	-	-	-	-
60012	10 Non-classified Salaries	-	-	-	-	-	-	-	-
60013	11 Classified Salaries	-	-	-	-	-	-	-	-
6001E	12 Annual Employee Increment	-	-	-	-	-	-	-	-
6000B	13 Estimated raise pool	-	-	-	-	-	-	-	-
600FB	14 Benefits on Regular positions	-	-	-	-	-	-	-	-
	15 Total Regular Positions	-	-	-	-	-	-	-	-
60014	16 Extra Help								-
60015	17 Graduate Assistants								-
60016	18 Student Assistants								-
60017	19 Part Time Faculty								-
60018	20 Casual Help								-
60019	21 Work Study								-
6001C2	23 Faculty Summer Term								-
6001F	24 Overtime								-
6001R	25 Faculty Research								-
6001S	26 Faculty Stipends								-
6001T	27 Cell Phone Stipend								-
6001U	28 Internet Stipend								-
600FB	29 Benefits on Pooled positions	-	-	-	-	-	-	-	-
	30 Total pooled labor	-	-	-	-	-	-	-	-
	31 Total Labor	-	-	-	-	-	-	-	-
70021	33 Utilities								-
70022	34 Scholarships and fellowships								-
70024	35 Supplies and Other Services								-
	36 Total Direct Expenditures	-	-	-	-	-	-	-	-
	37 Total Use Budget	-	-	-	-	-	-	-	-
	38 Net Total Budget	-	25,975.00	-	48,148.00	-	203,680.00	-	277,803.00

Operating Fund Budget

The \$14 million unfavorable budget variance exists in the Operating Funds listed below.

- A14484-State Appropriation Fund
- A84484-State Appropriation Fund
- 119014-E&G Salary Fund
- 189014-E&G Salary Fund
- 349004-Athletics E&G Salary Fund
- 119001-E&G Academic Allocation Fund
- 119002-E&G Administration Allocation Fund
- 119008-Student Activity Fee Fund
- 119007-Institutional Commitment Fund
- 349001-E&G Athletics Allocation Fund

All other funds such as 119005, 189005 & 119301, among others, are not part of the Operating Budget. These "Non-operating" funds may be used to absorb costs or be utilized as a source for transfers to operating funds in an effort to balance the Operating Budget.

Closing Operating Budget Gap

There are basically 3 methods to contribute to the current projected Operating Fund Budget deficit.

1. Freeze or Cancel regular positions. More information on this method is available in the regular positions section below on how to accomplish this.
2. Reduce Operating Fund Use Budgets.
3. Transfer Sources from non-operating funds to cover Operating Fund Use Budgets

We have included 4 simplified examples of these methods:

In **Example #1**, there are 3 regular positions in FY2014 Approved Allocation fund A14484 with total labor of \$150,000 that will not be needed for FY2015. We would therefore cancel or freeze these positions for FY2015. This action generates a savings in the Operating Fund Budget of **\$189,000**. More information on how to cancel positions is listed below in the regular positions section below.

EXAMPLE #1	Approved FY2014				Requested FY2015				
	Fund	A14484	119001	119005	Total	A14484	119001	119005	Total
Sources									
Balance Forward	-	-	500,000	500,000	-	-	348,000	348,000	
Allocation	756,000	426,000		1,182,000	756,000	426,000		1,182,000	
Revenue			200,000	200,000			100,000	100,000	
Transfers-5T0050				-				-	
Total Sources	756,000	426,000	700,000	1,882,000	756,000	426,000	448,000	1,630,000	
Uses									
Labor	600,000	100,000	200,000	900,000	450,000	100,000	200,000	750,000	
Benefits	156,000	26,000	52,000	234,000	117,000	26,000	52,000	195,000	
Direct Expenditures	-	300,000	100,000	400,000	-	300,000	100,000	400,000	
Total Uses	756,000	426,000	352,000	1,534,000	567,000	426,000	352,000	1,345,000	
Net	-	-	348,000	348,000	189,000	-	96,000	285,000	

For **Example #2** let's assume that we will reduce our Extra Help needs by \$10,000 and reduce travel costs by \$7,000 in our Operating Fund Budget. Additionally, we have identified that our annual conference costs, funded from our non-operating fund 119005, will be \$8,000 less than budgeted for FY2014.

The reductions of \$10,000 and \$7,000 result in an Operating Budget reduction of \$19,600. Please note that the \$8,000 reduction, while a savings for the University as a whole, does not impact the Operating Fund Budget.

EXAMPLE #2	Approved FY2014				Requested FY2015				
	Fund	119014	119002	119005	Total	119014	119002	119005	Total
Sources									
Balance Forward	-	-	100,000	100,000	-	-	122,200	122,200	
Allocation	226,800	148,000		374,800	226,800	148,000		374,800	
Revenue			100,000	100,000			100,000	100,000	
Transfers-5T0050				-				-	
Total Sources	226,800	148,000	200,000	574,800	226,800	148,000	222,200	597,000	
Uses									
Labor	180,000	50,000	30,000	260,000	180,000	40,000	30,000	250,000	
Benefits	46,800	13,000	7,800	67,600	46,800	10,400	7,800	65,000	
Direct Expenditures	-	85,000	40,000	125,000	-	78,000	32,000	110,000	
Total Uses	226,800	148,000	77,800	452,600	226,800	128,400	69,800	425,000	
Net	-	-	122,200	122,200	-	19,600	152,400	172,000	

We have determined in **Example #3** that in order to adhere to Budget Guidelines #7 for accounting principles, we cannot reduce our Operating Fund Budget. We can however, transfer Sources from our non-operating fund in the amount of \$50,000 to cover direct expenditures. The result is a savings of \$50,000 in the Operating Fund Budget which contributes to the projected Operating Fund Budget deficit.

EXAMPLE #3	Approved FY2014				Requested FY2015				
	Fund	189104	189001	189005	Total	189104	189001	189005	Total
Sources									
Balance Forward	-	-	250,000	250,000	-	-	334,000	334,000	
Allocation	934,920	195,600		1,130,520	934,920	195,600		1,130,520	
Revenue			250,000	250,000			250,000	250,000	
Transfers-5T0050				-		50,000	(50,000)	-	
Total Sources	934,920	195,600	500,000	1,630,520	934,920	245,600	534,000	1,714,520	
Uses									
Labor	742,000	60,000	100,000	902,000	742,000	60,000	100,000	902,000	
Benefits	192,920	15,600	26,000	234,520	192,920	15,600	26,000	234,520	
Direct Expenditures	-	120,000	40,000	160,000	-	120,000	40,000	160,000	
Total Uses	934,920	195,600	166,000	1,296,520	934,920	195,600	166,000	1,296,520	
Net	-	-	334,000	334,000	-	50,000	368,000	418,000	

Example #4: It has been determined that funding in the amount of \$100,000 can be transferred from non-operating funds to cover salaries in our Operating Fund Budget. This action would move sources into the Operating Fund and create a dollar for dollar impact on the Operating Fund Budget Deficit.

EXAMPLE #4	Approved FY2014				Requested FY2015				
	Fund	A14484	119001	119005	Total	A14484	119001	119005	Total
Sources									
Balance Forward	-	-	245,000	245,000	-	-	245,000	245,000	
Allocation	441,000	128,000		569,000	441,000	128,000		569,000	
Revenue			175,000	175,000			175,000	175,000	
Transfers-5T0050				-	100,000		(100,000)	-	
Total Sources	441,000	128,000	420,000	989,000	541,000	128,000	320,000	989,000	
Uses									
Labor	350,000	50,000	75,000	475,000	350,000	50,000	75,000	475,000	
Benefits	91,000	13,000	19,500	123,500	91,000	13,000	19,500	123,500	
Direct Expenditures	-	65,000	55,000	120,000	-	65,000	55,000	120,000	
Total Uses	441,000	128,000	149,500	718,500	441,000	128,000	149,500	718,500	
Net	-	-	270,500	270,500	100,000	-	170,500	270,500	


Mechanics of the FY2015 Proposed Budget worksheet

Labor Tab Instructions

Each FY2015 Proposed Budget file contains a Labor tab for each Budget Unit listing all regular positions contained in the January 31, 2014 WV11 Banner file (the file used to submit position information to the State).

Regular Positions

The legislature has proposed a \$504 salary increase per employee. Notification of the official action on this proposal is not expected to be disclosed prior to mid-March. To accommodate this possible cost increase we have included a 3% labor pool increase in non-operating funds that fund regular positions. Once the official notification is given, we will adjust budgets accordingly prior to submitting the FY2015 Budget for BOG approval.

Every regular position on your labor worksheet tab will need to be reviewed to classify the status of each into one of three categories. Active, Frozen or Cancelled. The worksheet is formatted to limit the selection of the Status column to these choices. Select the appropriate cell and click on  to make your selection.

Active: position is needed for FY2015. Can be either currently filled or vacant.

Frozen: position is not needed for FY2015 but may be needed in FY2016 or beyond.

Cancelled: position is no longer needed.

Process and actions for each position:

- Will the position be needed for FY2015?
 - Yes – insure/change “Status” to ACTIVE in labor worksheet tab.
 - No – Will the position be needed in FY2016 or beyond?
 - Yes – insure/change the “Status” to FROZEN.
 - No – insure/change “Status” to CANCELLED.

The labor tab will automatically update the labor and benefits on the Org tabs for changes to positions based on the status field changes. Changing the status of positions to FROZEN or CANCELLED in Column J will generate Operating Fund reductions that will reduce the current projected deficit.

- If a position is VACANT and ACTIVE for FY2015 you will need to complete the **Position Justification Schedule** tab in the Supplemental Forms file for each position and submit with your FY2015 Budget Request file. If the position has previously been approved by HR and has an active search, then it does not need to be included on the form.
- If a position is ACTIVE for FY2015 **AND** the FY2015 Salary entry is not the correct amount needed for FY2015, then an adjustment will be needed in OTHER ADJUSTMENT column. Each requested change will require a brief justification entered in the JUSTIFICATION FOR CHANGES column. Please note that this change can be either an **increase or a decrease** to the current FY2015 Salary entry.

AEI

We have included projected increase in AEI within the Labor tab. If changes for FY2015 are known, you can adjust the amount in the Labor tab for the position effected.

Org Tab Instructions

Each FY2015 Proposed Budget file will contain a tab for each Org within their Budget Unit. Each of these tabs contains all funds which had a FY14 budget. Regular position labor and benefits budgets will populate from the Labor tab. Base allocations from Operating Funds have been prepopulated based on adjusted FY14 base allocations (i.e. removed any temporary reductions). Activity for all Orgs within the Budget Unit will roll-up into the Summary tab.

Pooled Positions

Fund 119004 and 189004 will not be utilized beginning in FY2015 and the associated centrally pooled benefits have been eliminated from the Operating Budget. All pooled position costs and associated benefits should be budgeted in the org/fund that supports the activity of the labor effort. Benefit budgets will calculate automatically upon entering a labor budget.

One-time fund

In order to move toward understanding the operating costs for activities, we have created funds to budget for one-time/non-recurring expenditures. By isolating these expenditures we should move closer to understanding our operational costs. These are costs that do not typically occur every year. Examples are: equipment replacement, lab upgrades, remodeling projects, one-time conference or event.

Any Use Budget entries for the One Time Fund must have a Source transfer to fund the Use Budget. The Net Total Budget for the One Time Fund must be zero or greater. The Net Total Budget may be greater than zero if the One Time Expenditure may cross into the next fiscal year(s).

To gain an understanding of the timing and cash flow requirements for these one-time expenditures please complete the **One-Time Expenditure Schedule** tab in the Supplemental Forms file for each planned expenditure and submit with your FY2015 Budget Request file.

Student Activity Fee Allocation Fund 119008

The approved FY2014 allocation is reflected in the FY2015 Budget Request file. The actual FY2015 allocations may change based on the recommendation of the President's Advisory Committee on Student Activity Allocation (PACSAA).

Institutional Commitment 119007 Fund Allocations

The FY2014 approved allocation plus any permanent adjustments are reflected in the FY2015 Budget Request file. Any contractual increases will need to be requested in your budget submission.

Input Source Budget

Input your projected Balance forward Acct# 500001 for the appropriate funds.

Input your anticipated revenue budgets in the appropriate account code (5XXXXX) and fund. The most common revenue account codes are listed in the worksheet. There are two blank rows that have been provided for account codes that are not listed. Input the account code # in column B. If more than two additional revenue account code entries are needed, please contact the Budget Office. A complete list of Revenue account codes can be found at <http://www.marshall.edu/finance/files/2014/01/rev14.pdf>

Input your transfers in the appropriate TO & FROM funds and/or org. Typically, most transfers will occur in Acct# 5T0050 Internal – Unit Temp transfer which are transfers between funds and/or orgs within a Budget Unit. Acct# 5T0055 Unit to Unit Temp Transfer are transfers between Budget Units such as E-Course transfers. The fund/org receiving the transfers will be a positive number (a source increase). The fund providing the transfer will be a negative number (a source decrease). The Total column for Acct# 5T0050 in the SUMMARY TAB for your Budget Unit should be equal to zero. If it does not, your transfers are out of balance and will need to be corrected. The Total column for Acct# 5T0055 in the SUMMARY TAB for your Budget Unit may not be zero as your particular Budget Unit may be receiving or providing transfers to/from another Budget Unit.

Input Use Budget

Input your pooled position budget requests in the appropriate account code 60013 through 6001U and appropriate fund. Benefits will automatically calculate. Remember Fund 119004 is not available for FY2015.

Input your direct expenditure budget request in the appropriate account code and fund. There are three options for direct expenditures (Utilities, Scholarships and Fellowships, and Supplies and Other Services). The majority of entries will be in account # 70024.

As you input the various pieces of your budget in the worksheets, your changes will automatically update the worksheet. All **Operating Funds (except Fund 119008)** for each org must have a **Net Total Budget** equal to zero. The cells have been highlighted light yellow and hard coded in line item Acct# 5T0010 Operating Budget Allocation Adjust for the Operating funds to accomplish this balance. The total for this line (if negative) will indicate the amount the Org is contributing to the Operating Budget deficit. **Operating Fund 119008** is the exception as it is the only Operating Fund that has the balance forward characteristic and therefore may not balance to zero.

Example: The Budget Office has input their anticipated budgets. Their Acct# 5T0010 Operating Budget Allocation Adjust line items reflects (10,175). In this example, The Budget Office would be contributing \$10,175 towards filling the Operating Fund gap.

Finance				
	Organization	4900	University Budget Office	
	FY15 Budget Request			
		One Time	119002	119005
			Operating	-
Acct #	00 Source Budget		Allocation- Administrati on-MU	Other E&G Revenue - MU
500001	01 Balance Forward			8,000.00
5T0055	05 Unit to Unit Temp Transfer			
5T0023	05 Work Study Allocation			
5T0050	05 Internal - Unit Temp Transfer	5,000.00		(5,000.00)
	06 Other Sources - enter Acct #			
5T0030	06 Salary Base Allocation	-	-	-
5T0010	06 Committed Base Allocation	-	-	-
5T0010	06 Discretionary Base Allocation	-	25,975.00	-
5T0010	06 Operating Budget Allocation Adjust		(10,175.00)	
	07 Total Source Budget	5,000.00	15,800.00	3,000.00
	08 Use Budget			
60011	09 Full Time Faculty	-	-	-
60012	10 Non-classified Salaries	-	-	-
60013	11 Classified Salaries	-	-	-
6001E	12 Annual Employee Increment	-	-	-
6000B	13 Estimated raise pool	-	-	-
600FB	14 Benefits on Regular positions	-	-	-
	15 Total Regular Positions	-	-	-
60014	16 Extra Help		5,000.00	
60015	17 Graduate Assistants			
60016	18 Student Assistants		5,000.00	
60017	19 Part Time Faculty			
60018	20 Casual Help			
6001T	27 Cell Phone Stipend			
6001U	28 Internet Stipend			
600FB	29 Benefits on Pooled positions	-	800.00	-
	30 Total pooled labor	-	10,800.00	-
	31 Total Labor	-	10,800.00	-
70021	33 Utilities			
70022	34 Scholarships and fellowships			
70024	35 Supplies and Other Services	5,000.00	5,000.00	2,000.00
	36 Total Direct Expenditures	5,000.00	5,000.00	2,000.00
	37 Total Use Budget	5,000.00	15,800.00	2,000.00
	38 Net Total Budget	-	-	1,000.00

Summary Tab

The worksheet utilizes pivot tables to summarize your inputs on the Summary tab. In order to calculate/update the worksheet you will need to issue a REFRESH command. You can accomplish this by pressing CTRL+ALT+F5 keys simultaneously.

The FY15 Budget Request and FY2015 Supplemental Forms files are due in the Budget Office by 5pm, March 14, 2014. Please return via email to budgetoffice@marshall.edu.

If you have any questions or need assistance please contact the Budget Office.