California State University
SAN MARCOS

<u>Fiscal Year 2023 - 2024</u>

Budget Guidelines

New for FY 2023-24

1. *Position Numbers*

Position numbers will now be included in the Operating Fund Budget upload. A column labeled Position Number has been added to the Budget Submission Form.

2. *Central Sweep of FY 2022-23 Carry Forward*

A portion of the Divisions' FY 2022-23 Carry Forward will be swept to central reserves using account 660875 - Budget - Univ Fiscal Reserve.*

3. *Division Reserves*

The Divisions will hold a budgetary reserve using account 660875 - Budget - Univ Fiscal Reserve. The Divisions can fund their portion of this reserve using FY 2022-23 Carry Forward, salary savings or other discretionary one-time budget.*

*Please refer to your area's Division Allocation Memo for more information.

Budget Review and Submission

Overview

These guidelines are for use in preparing the budget review documents and the final budget submission documents for the **FY 2023-2024** Operating Fund Budget.

The following budget documents will be provided to assist with the process:

- Base Budget Review (BBR from prior year) – (available upon request)
- Budget Submission Form (**required** to submit your budget to the Budget Office for upload)

Additional information:

- Operating Fund Budget by Division schedule reflects each division's **current** budget.
- Carryforward from **FY 2022-2023** year-end is also shown in the division schedule, in addition to the allocation committed to one-time funds.
- Any further **FY 2023-2024** budget changes will be communicated should any additional information become available from the Chancellor's Office.
- *FY 2023-2024 budget submission must reconcile to the target numbers.*

Salaries

The campus continues to follow the consistent methodology that all permanent employees **MUST** have a base budget established that is equal to their permanent salary. The Budget Office will be conducting analysis of the **FY 2023-2024** division budget submissions to ensure that this methodology is being followed.

> **General Salary Increases (GSI):** Do not budget for the GSI. The additional budget will be posted by the Budget Office.

Benefits

Departments that receive student fees or user fees, **which are considered self-support departments, *are responsible for benefit costs***.

As in the past and consistent with university policy, self-support programs are required to fully fund the actual benefit costs of each employee. During **FY 2022-2023,** the average benefit costs for faculty employees were 45%, and the average benefit costs for staff employees were 60%. It is recommended that grant proposals seeking replacement costs or stating matching costs use these percentage levels in projecting or reporting costs.

Split Funding

Salaries that are funded from various sources that can be distributed by percentages should be set up as a split funded position. The advantage of using this method is that it automatically distributes the salary and can be changed at any time prior to the effective payroll month. Distribution can be made between funds, departments, and program/class/project codes by completing the Split Funding Request form found on the Budget Office webpage. Retroactive split funded transactions cannot be done in the Labor Cost Distribution process and must be done by using the Salary Expense Adjustment form. All personnel documents requiring split funding **MUST** forwarded to the Budget Office.

Salary Savings

Salary savings is considered a one-time source of funds that is available for other uses. Divisions determine whether savings will be used to offset other needs and should be included in the initial budget upload. Make sure to use the correct budget scenario for salary savings (OSS - One-time Salary Savings).

Employee Moving and Relocation expenses

Although the Employee Moving and Relocation Expenses account (603094) is a benefit account, the Budget Office WILL NOT provide allocation for this account. You will need to budget for this account as you are planning for Moving and Relocation expenses.

Travel

To help manage travel funds, specific planned expenditures for travel related costs should be included. The scope of travel costs includes event accommodations, destination travel costs, car rental, local mileage, parking, meals and incidentals. Travel includes in-state and out-of-state destinations and can be budgeted to reflect expected costs for the upcoming year.

When planning travel, please reference the latest CSUSM travel and safety guidelines and updates at https://www.csusm.edu/travel/index.html

Registration Fees

Registration fees **should not be charged** to in-state travel or out-of-state travel as these accounts are reserved for such costs as transportation, lodging and meals. Object codes to be used for registration fees:

- 660009 - Professional Development: registration related to training programs
- 660858 - Other Professional Development: registration for an event without a training aspect

Equipment

To help manage equipment funds, specific planned expenditures for equipment should be included. Equipment budgets should use the appropriate equipment accounts.

Technology Equipment Costs:

- Computer equipment (includes software, networking, and support)
  - Please visit the IITS Refresh Charges webpage for a full list of current charges:
    https://www.csusm.edu/iits/trp/refresh/charges.html
- Telephone: Divisions do not budget for telephone charges (see below)

Elimination of Chargebacks within 485

- Consistent with prior years, **DO NOT** budget for the following services within your respective divisions: Mail, Moves, Signage, Telephone, Vehicles, UPS, FedEx, Shredding, IITS Technology, and Facility Service Work Order.

Exceptions: For Facility related activities (Moves/Signage/FS Work Orders) that are above a $1,000 threshold, Facilities will continue to charge. Certain IITS purchases will still be charged. Please refer to the Technology Equipment Costs section for more details.

Cost Recovery

- All cost recovery activities are to be recorded in 48500 – no utilization of 543 / 544 funds.
- Divisions retain their current process regarding budgeting for cost recovery.
- Recurring cost recovery activities will be posted (initial budget upload only) as a credit expense entry.
- Divisions can utilize these budgeted items for either base or one-time commitments (likely will offset with OTB / BRT).
- Upon receipt of actual funds posted to 485 revenue – the Budget Office will post budget revenue to central UCWA and budget expense entry to specific division / department.
- Accountability for receipt of cost recovery remains with the divisions.

Non-Discretionary Revenue

Non-Discretionary refers to resources that are reserved (designated) for specific purposes. Revenue dependent programs have direct operating expenditures that are proportionate to the services delivered making service fees non-discretionary. An Executive Order or an approved campus Fee Proposal Form describes the use and collection of the fee by Category (I, II, III, IV or V) and is issued by the Chancellor's Office or CSUSM for all non-discretionary fees.

The Budget Office, in collaboration with the divisions/departments, must remain proactive in monitoring the revenue stream to ensure adequate resources exist. Divisions must identify the estimated revenue that is anticipated to be recognized during the fiscal year and include it as part of their base budget review and their submission. Budget revenue will be adjusted up or down as needed ("true ups").

The following 2023-2024 enrollment headcount range is being provided below for planning. Please be <u>conservative</u> in your revenue projections as enrollment can vary and is not final until census.

2023-2024 Enrollment Range		
	Low	**High**
Fall	**13,667**	**13,800**
Spring	**12,361**	**12,482**
Avg	**13,014**	**13,141**
Retention	*90.4%*	*90.4%*

In order to comply with the Chancellor's Office reporting requirement, non-discretionary revenue and expenditure plans / budgets must be submitted to the Budget Office. Revenues from non-discretionary fees are designated to fund activities in the period (fiscal year) in which the fees are paid for. **However, any balance available at June 30 of the prior fiscal year is to be restored to the appropriate department in the current fiscal year budget, please include justification for restoration of funds. This balance is designated and cannot be used to fund other activities. <u>Use scenario OBR to identify this balance restoration.</u>**

Analyze non-discretionary fees annually to determine if the amount is appropriate for the student fee expenses that it is allocated for based on the approved fee purpose and usage (from Executive Order or approved Fee Proposal Form). Request modification, if needed, from the Student Fee Advisory Committee (SFAC). Non-discretionary student user fee amounts are listed at:

https://www.csusm.edu/sfs/tuition/undergraduate.html

Academic Affairs	Student Affairs	FAS
Career/Writing/Math Center Fee	Academic Records Fee	Childcare Services Fee
Chemistry Lab Breakage Fee	Athletics Fee	Student Payment Plan Fee
Course Fees	Augmented Health Services Fees	
LVN-BSN Skill Assessment Fee	Career/Writing/Math Center Fee	
Nursing Program Evaluation Fee	Duplicate Diploma Fee	
Teacher Credential Application Fee	Mental Health Fee	
Professional Program Fee	Orientation Fee	
Teacher Performance Assessment Program Late Fee (TPA)	Student Health Services Fee	
Thesis Binding Fee		
VPA Equipment Late Fee		

Budget Scenarios

A budget scenario is a PeopleSoft chartfield value that is used to identify various types of budget transactions. The following budget scenarios should be used when developing budget allocations:

BBB – Base Budget: This scenario is used in the *initial* budget submission and represents the base budget that recurs from one year to the next to fund ongoing operations. At the division level, the budget submission for BBB should match the division's current year Operating Fund base allocation.

BBS – Base Budget AE&SS (AA, FAS and SA ONLY): This scenario is used in the *initial* budget submission and represents the base budget for **Academic Excellence and Student Success** Fee. The budget submission for BBS should match the division's AE&SS base budget allocation in the Operating Fund.

BBT – Base Budget Transfer: This scenario is used to identify base budget transfers between departments and/or divisions. BBT entries **must net to zero**. Departments/divisions must ensure that the amount transferring corresponds with their submission. **Do not use BBT in the initial budget upload.**

BRT – Base Reimbursement (FAS ONLY): This scenario is used to identify **recurring** reimbursements which are permanent from one year to the next and are funding for ongoing operations (BBB). **These are entered as a credit (negative) amount** and must be included in dedicated account code **660990**.

OBR – One-time Budget Restoration: Restore budgets for carry-forward, Non-Discretionary areas (see page 5), plus to restore budget for purchase orders that roll forward from the prior year.

OBT – One-time Budget Transfer: This scenario is used to identify one-time budget transfers between departments and/or divisions. OBT entries must net to zero. Departments/divisions must ensure that the amount transferring corresponds with their submission. **Do not use OBT in the initial budget upload.**

ORT - One-time Budget Reimbursement: This scenario is used to identify **cost recovery**. Please note in the description for cost recovery activities. **These are entered as a negative amount using the same account number as the expense being reimbursed.**

OTB – One-time Budget: This scenario is used in the *initial* budget submission and represents any initial budgets being allocated one-time. **Note:** This scenario is also used when identifying other sources of funds that augment a department's budget.

OSS – One-time Salary Savings: This scenario is used in the *initial* budget submission only and identifies base salary that will not be used in the current fiscal year due to a position not being filled, salary being reimbursed from another source, salary increases that aren't effective for the entire year, etc. **These are entered as a negative amount using the same account number as the salary expense being reimbursed.**

Budget Review Instructions

The Budget Review process and template provide tools to enable the campus to develop and submit the Budget. The Budget Review template is **NOT** mandatory but is provided as a tool to help develop your budget.

The Budget Review is a variation of Zero-Based Budgeting. Zero-Based Budgeting assumes that each year department budgets begin at zero, and budget is allocated from the division level based on identified needs to meet service levels. CSUSM uses a variation of this budget approach by continuing to maintain a base budget at the campus, division and salary levels[1], applying the needs-based budget at the department/ operating expense level.

[1] *Excludes new permanent salaries and augmentations to existing permanent salaries*

Base Budget Review – Department Detail

Section A – Salaries and Wages (and Benefits- if self-support)

- All positions: permanent, temporary, vacant, new and student assistant
- Base salary budget reductions
- Any applicable salary savings are entered as a negative number using scenario OSS
  - ➢ Use the same account number as the salary expense being reimbursed
- Pending non-bargaining unit salary increases for permanent employees
- All salary increases for temporary employees
- Overtime, shift differential, etc.
- Vacant positions with retreat rights for positions that are temporarily reassigned

Section B – Operating Expenses

- Base budget needs for operations
- For one-time expenditures, specify OTB for one-time budget
- Non-recurring one-time expenses to be funded this year
- Unique, one-time, special request items
- Compare prior year expenditures as a guide for historical analysis

Section C – Reimbursements

- Costs initially paid for by Operating Fund and are being reimbursed for by other sources
  - ➢ This may represent reimbursements from the Chancellor's Office, indirect cost recovery, grants, billings to outside agencies, etc.
    - ▪ **Note: on cost recovery – use account number 660990 and the word "Cost Recovery" as the first entry on the description**

- If these reimbursements are one-time only, the scenario **ORT** is used
  - ➢ Use the same account number as the expense being reimbursed

- Transactions in Section C - denoted by using a credit (negative) number

Budget Review – Department Summary

This form summarizes all the department sources and uses of funds. Department totals can be linked to the department detail sheets.

Uses of Funds (Needs)

- Base Salaries – Section A
- Base FTE – Section A
- One-time Salaries – Section A
- One-time FTE – Section A
- Base OE&E – Section B
- One-time OE&E – Section B
- One-time or Base Recurring Reimbursements – Section C
- Total Base and One-time budget needs

Budget Review – Division Summary

This final summary looks at the overall base and one-time sources and uses of funds in an easy to follow format. It can be linked to the totals on the Department Summary Form. Totals at the division level should correspond exactly to the target numbers shown on the current year Operating Fund Budget Allocations by Division schedule for base budgets.

Note: Forms may be modified to conform to division and department internal processes and/or preferences. The Budget Office can assist with this process, if needed.

Budget Submission Instructions

Budget Submission – Budget Submission Form

The budget submission form is the vehicle used to complete and post the initial budget allocation to the PeopleSoft Financial System. This form is completed once the base budget review process has been approved at the division level. It provides the initial budget detail that resides in PeopleSoft for use throughout the fiscal year. Budgets will be posted exactly as they are shown on the form and may or may not mirror the division's budget review. Division budget submissions are due to the Budget Office on or before **September 12, 2023**.

The following information is provided on the budget submission form:

- Sub-division
- Section information as it relates to the base budget review form
- PeopleSoft chartfield string for the budget submission
- Employee ID
- Position Number
- Line-item description (limited to 30 characters, **no commas can be used**)
- Scenario
- Budgeted amount

Employee ID and Position Number: Include any leading zeros; ex 000012345 or 00001234. It is recommended that the employee ID and position number columns be formatted as 'text' on the budget submission form.

Employee Name Format: Use the following format for all employee names on Line-Item Description: Last Name First Name (ex. Smith John). For vacant positions, the word "Vacant" should be the first word on your line-item description and may be follow by other details, ex, "Vacant – Budget Analyst" or "Vacant – Doe John". **Do not use any commas on the budget submission form**.

While the budget submission form can be populated by linking to the base budget review form(s), it may be rather cumbersome. It is recommended that the information be cut and pasted into this form.

Timeline

Task Description	Date	Responsibility
Allocations to Divisions	August 18	Budget Office
Budget Guidelines Distributed	August 23	Budget Office
Submit Detail Budget to Budget Office for Upload (including Base, One-Time and One-Time Carry-Forward)	September 12	Division Budget Representatives
Upload 2023-24 Budget to PeopleSoft	**September 15**	**Budget Office**