

UW SYSTEM OPERATING BUDGET WITHIN THE ACCOUNTING SYSTEM

OVERVIEW: At the start of a fiscal year the operating budget within the UW accounting system is made up of four initial items which are the total published Redbook amount, the total of Prior Year Encumbrances, GPR Carryover and Extension authorized redistribution of the Extension budget between the institutions. During the fiscal year additional adjustments to the budget within the SFS Standard Budget Ledger are made by both UWSA and the institutions. All entries within the SFS Standard Budget Ledger require a scenario code and budget levels are monitored by UWSA during the fiscal year.

REDBOOK: Annual Operating Budgets are developed at each institution, compiled by the UW System Budget Office, and approved by the Board of Regents. The State's Biennial Budget dictates the amount of GPR the University receives; however the Budget Office may increase that amount for estimated pay plan increases and potential increases in fringe benefits for planning purposes. GPR and tuition revenue are allocated to the institutions while budgets for all other fund sources are established by the institutions. The final version of the Operating Budget is known as the Redbook.

At the beginning of a new fiscal year each institution has the primary responsibility for loading the Redbook to the SFS Standard Budget Ledger. Institutions are also responsible for reconciling the Redbook budget detail within the SFS Standard Budget Ledger. The REDBOOK scenario code is required for this entry.

Institutions may create the Redbook entry directly in SFS or another source of this information is found by running a query against the SFS table UW_REDBOOK_LOAD. If an institution's entry under the REDBOOK scenario code does not equal the published Redbook total, UWSA will contact the institution to have the entry corrected.

PRIOR YEAR ENCUMBRANCES: Approved purchase order encumbered balances submitted to the State during the fiscal year close are identified in the next fiscal year as Prior Year Encumbrances. As part of the fiscal year end close all institutions review and close purchase orders. For purchase orders with legitimate encumbrance balances, institutions review and approve a final total with UWSA SFS personnel. In the next fiscal year, the purchase order encumbrance amounts are known as prior year encumbrances and will need to be reestablished within the SFS Standard Budget Ledger. The PY_ENC scenario code is required for this entry.

At the start of a new fiscal year each institution has the primary responsibility for loading and reconciling the prior year encumbrances in the SFS Budget Ledger using the PY_ENC scenario code. If the prior year encumbrance entries do not equal the previous fiscal year's approved amount or are not entered under the PY_ENC scenario code, the institution will be contacted by UWSA to correct the entry.

GPR CARRYOVER: The unencumbered nonfringe budget balances recorded in SFS at the end of the previous fiscal year are identified in the next fiscal year as GPR Carryover. At the beginning of the next fiscal year, UWSA reconciles the GPR total carryover and will issue a letter specifying the amount of authorized GPR carryover to each institution. Carryover is distributed by UWSA. A budget transfer will be processed to the institutional clearing account in the SFS Standard Budget Ledger under the CARRYOVER scenario code.

EXTENSION REALLOCATIONS: UW Extension receives the total Extension budget through the Redbook process and determines the amount to redistribute to each institution at the start of a fiscal year as well as any redistribution of the Extension budget during the fiscal year. UW Extension notifies each institution of the fund and amount to be redistributed and creates a budget transfer entry in the SFS Standard Budget Ledger. Any budget entries affecting the Extension budget should use the EXTENSION scenario code.

UWSA AUTHORIZED BUDGET TRANSFERS: Throughout the fiscal year there are other adjustments to the budgets such as supplements, lapses or reallocations between institutions. UWSA will notify the institutions of the adjustments and process the entries to the clearing account in the SFS Standard Budget Ledger using the appropriate scenario code as defined in the scenario code listing.

INTERNAL INSTITUTIONAL BUDGET TRANSFERS: Institutions are allowed to make internal budget transfers which would fall under the adjusted, auxiliary, block grant & program revenue/segregated fees scenario codes. (Refer to the scenario code listing for detailed information.) Note: Institutions need to be aware adjusted shifts do not change the budget balance on the funds involved. And block grant shifts, while changing the balance of the specific funds within the block grant, should not change the total balance of the block grant itself. Changes to auxiliary, program revenue or segregated funds will typically increase or decrease the fund balance. Budget transfers between institutions require UWSA approval.

If the adjusted and block grant scenario code entries do not equal zero in total, the institution will be contacted by UWSA to correct the entry.

PROJECT GRANTS: Project Grants are covered by the project grants module. Project grant amounts should not show up in the annual operating budget and requires major budget account definitions starting with the letter "Z".

ATTACHMENT A

SCENARIO CODES TO BE USED IN BUDGET LOADS AND BUDGET TRANSFERS

SFS combination edits have been established requiring a scenario code on all budget journals in the Budget Ledger.

SFS Scenario Required Use	Budget Journal Source	Description and Comments
REDBOOK	Institutions	Redbook Budgets - Initial Redbook Budget Loaded to SFS Budget Ledger. Must be identified by the scenario code REDBOOK and equal the Redbook totals. May be created directly in SFS or uploaded from the UWSA Budget System. <u>At the beginning of each new year campuses have the primary responsibility for loading their Redbook totals and reconciling the Redbook budget detail in the SFS Budget Ledger to the published Redbook budget.</u>
PY_ENC	Institutions	Prior Year Encumbrance Budget - The PO encumbrance balance recorded in SFS and signed off on by campuses at the end of the prior year. In the current fiscal year these encumbrance amounts are considered to be "prior year encumbrances" and the budget must be reestablished in the SFS Budget Ledger. <u>At the beginning of each new year campuses have the primary responsibility for loading and reconciling the prior year encumbrances in the SFS Budget Ledger.</u>
CARRYOVER	UWSA	Carryover Budget - Unencumbered nonfringe budget balance recorded in SFS at the end of the previous year. UWSA will notify campuses of their authorized carryover budget and process the entry to the campus clearing account in the SFS Budget Ledger. (Note: Prior Year Encumbrance totals fall under the PY_ENC scenario code.)
REALLOC	UWSA	Systemwide Reallocations Between Business Units - Budget reallocations authorized by UWSA. Budget transfers between business units or block grants require prior approval by UWSA. UWSA will notify the campuses of their authorized amount and process the entry to the campus clearing account in the SFS Budget Ledger.
SUPPLE	UWSA	GPR Supplements - <u>UWSA Authorized</u> GPR Budget Increases due to GPR Supplements. Supplements represent adjustments to authorized spending authority of an appropriation. (Pay plan is the most common type of budget supplement.) UWSA will notify campuses of supplement budget adjustments and process the entry to the campus clearing account in the SFS Budget Ledger.
LAPSE	UWSA	DOA Required Lapses - DOA mandated lapses of spending authority. UWSA will notify the campuses of their authorized amount and process the entry to the campus clearing account in the SFS Budget Ledger.
EXTENSION	UW Extension	Extension Reallocations - <u>UW EXT Authorized</u> reallocation of Extension budget between campuses. UW Extension will notify campuses of their authorized amount and create the budget transfer entry in the SFS budget ledger.
ADJUSTED	Institutions	Internal Institutional Reallocations - Reallocations between Orgs, Programs and Accounts within the business unit and within a fund. Used by institutions to group budget transfers not requiring prior approval from UWSA. <u>(These budget transfers should equal zero.)</u>
AUXILIARY	Institutions	Auxiliary Accounting Budget Increases/Decreases - Increases/decreases budgets on fund 128 operations not requiring prior approval from UWSA.
BLOCKGRANT	Institutions	Internal Institutional Reallocations - Reallocations between funds within a block grant within a business unit. <u>(These budget transfers should equal zero in total within the block grant, but will increase/decrease the total of the specific funds involved.)</u>
PR_SEG	Institutions	PR/SEG Budget Increases/Decreases - Increase/decrease budgets on Program Revenue Continuing, Program Revenue Federal Continuing and Segregated Continuing appropriations. <u>Changes to Seg. Annual funds need prior UWSA approval.</u>
PROJ_GRANT	Institutions	Project Grant Budgets - Used to create budget journals for project grant accounts in the grants module. Requires major budget account definitions starting with the letter "Z".
WSMRTALLOT	UWSA ONLY	<u>FOR UWSA USE ONLY</u> during final year end reconciliation with DOA.

UW REDBOOK LOAD : SFS Table Name

Only contains 1 year of Data

Extracted from UW System Budget Tables

Fields:

Business_Unit – Business Unit
ROW_SEQ – Row Sequence Number
ACCOUNT – Account
FUND_CODE – Fund Code
DEPTID – Department
PROGRAM_CODE – Program Code
BUDGET_PERIOD – Budget Period
MONETARY_AMOUNT – Monetary Amount

Budget Account Codes used:

SALUCL – Unclassified Salaries
SALCLA – Classified Salaries
LTE1 – LTE Salaries
STUDNT – Student Salaries
FRING1 – Fringe Benefits
SPEXP1 – Supplies and Expense
SALCR1 – Sales Credits
CAPEX1 – Capital
FNAID1 – Financial Aid
SPPUR1 – Special Purpose