

University of Arkansas at Little Rock

Budget Guidelines and Instructions

The budget build process for the university is inclusive of all funds groups you plan to utilize during the next fiscal year including Educational & General (E&G), Auxiliary, Designated, Restricted, Plant funds, and any Foundation funds you deposit at the University. Departments are responsible for building the budget for all of these funds in coordination with grant managers and the Budget Office. Though most funds operate in a very similar manner, there are slight differences in how they should be treated for budgetary purposes. Thus, these instructions are outlined by the fund group with specific details for each group.

*** Please remember to submit your budget pages through your respective Budget Accountant.**

EDUCATION & GENERAL (E&G) FUNDS

In Workday, E&G funds are your operating budget in fund FD100. Revenues for E&G funds are generated primarily from state appropriations, tuition and fees. Additional revenue is generated through indirect cost recovery on grants and contracts, investment income, and a small portion from sales and services. UALR uses an incremental budget process, so budget pages with current allocations will be distributed to departments to be verified for accuracy. As the budget build cycle progresses, departments will have multiple opportunities to review these pages based on the published budget calendar.

DESIGNATED FUNDS

In Workday, Designated funds are your operating budget in fund FD103. The major difference between designated funds and E&G funds is that the department's dean or vice chancellor and financial manager, as custodians of the fund, are responsible for forecasting both revenues and expenditures and monitoring the "Actual" amounts throughout the year so that the fund will not go into a deficit as these funds may carry a "fund balance" until the funds which have been set aside for that given purpose are exhausted.

AUXILIARY FUNDS

In Workday, auxiliary funds are your operating budget in fund FD1-4. Most academic units, with the exception of the Law School, do not have auxiliary funds. At UA Little Rock, the primary auxiliary funds are for Athletics, Residence Life, Donaghey Student Center, Food Service, Bookstores, University Plaza, Printing, and Parking. Like Designated funds, the department's dean or vice chancellor and financial manager, as custodians of the fund, are responsible for forecasting both revenues and expenditures and monitoring the "Actual" amounts throughout the year so that the fund will not go into a deficit.

PLANT FUNDS

In Workday, Plant funds are your operating funds FD5XX. The two major categories of plant funds are:

- **Unexpended Plant Funds** - established to record expenditures for capital improvements and major maintenance of the physical facilities of the university. Funds are provided primarily by the issuance of bonds or notes, allocations from current funds, and gifts. Unexpended plant funds generally are used to capture costs of projects that may overlap fiscal years or are considered major improvements. These funds may be restricted by external parties or unrestricted.
- **Renewal and Replacement Funds** - used to provide funds to cover the cost of major building repairs and equipment replacements that do not meet capitalization thresholds. Transfers from other funds provide resources for these projects. These funds may be restricted by external parties or unrestricted and may be combined with an Unexpended Plant Fund.

Plant funds should not be used for consumables or compensation. Please remember, other than emergencies, you can only spend plant funds that you control and budget. The budget office can assist with building plant fund budgets if needed.

RESTRICTED FUNDS

In Workday, Restricted funds are your operating funds in FD2XX. The restricted funds typically track revenues and expenditures for grants and contracts and are budgeted by the grant manager with advice from the Office of Research and Sponsored Programs in accordance with the awarded grant or contract. Budgets for these funds are handled by the department's dean or vice chancellor and financial manager, as custodians of the fund, who are responsible for forecasting both revenues and expenditures and monitoring the "Actual" amounts throughout the year.

ENDOWMENT FUNDS

In Workday, Endowment funds are your operating funds in FD3XX. The expenditures for these funds are budgeted by the grant manager with advice from the Office of Research and Sponsored Programs in accordance with the terms of the endowment. Revenues are generally projected by the Vice Chancellor of Finance and Administration based upon anticipated earnings of the related investment according to current and anticipated market rates of return.

Instructions for Budget Build:

1. Departments will receive links to spreadsheets with the current base budgets **for all funds** including E&G. In addition, departments will receive historical information for all funds they are responsible for budgeting.
2. The information provided from this data should be utilized to help determine the amount to budget for the fiscal year. Adjustments for any known or reasonable assumed changes in operations in the upcoming fiscal year need to be taken into consideration.
3. **Use of Prior Year Funds:** If needed, the Vice Chancellor of Finance & Administration can allocate prior year fund balance dollars to balance the overall budget.
4. **Transfers In:** If you are transferring funds from another cost center, list the dollar amount, include the appropriate work tags, and note the purpose of the transfer in the comments column.
5. **In the Expense section,** you should change the budgeted lines as necessary or enter additional lines with the appropriate work tags and amount for any expenditures you anticipate making. All expenses other than labor, fringe benefits, and scholarships, can be rolled together in a general supplies line.
 - a. **Labor/Salary lines:** You should budget both pooled ("unallocated") labor (extra help, overtime, summer salaries, extra compensation, etc.) and individual position numbers.
 - b. **Fringe Benefits:** Fringe benefits will be budgeted by the Budget Office based on an analysis of fringe rates for each position restriction/spend category analysis.
 - c. **Transfers Out:** show any amounts planned to be transferred to other areas using the appropriate work tags and an explanation for the transfer in the comments column.
 - d. **Transfers In and Out** may be changed by the AVC of Budgeting & Financial Analysis in cooperation with the AVC of Financial Services and the VCFA to ensure that they balance. The Debt Service transfers will also be budgeted by the AVC of Budgeting & Financial Analysis in cooperation with the AVC of Financial Services and the VCFA
6. The overall Revenue and Expense sections for each fund category **must** balance to the dollar.

Verification of Base Budgets

In preparation for the budget buildup, base budgets should be verified. The Revenue, Transfer, Unallocated, and Supplies budget sheets will be the amounts from the prior year's finalized budget updated for any permanent budget amendments for the year. The Position budget sheets will be based upon the current Position budget including any position budget amendments that have been made since the last budgeting cycle. Through the budget buildup process, these will become the basis for the FY21 Budget Book.

PLEASE CHECK THE SHEETS AND INDICATE ALL MODIFICATIONS OR CHANGES IN RED OR HIGHLIGHT IN YELLOW.

1. Please ensure that each position has the correct Name, Title, Supervisory Organization, PSR classification and NACUBO code. Positions may be split among departments, funds and NACUBO codes as appropriate.
2. If we have not added your new personnel, add new employees who are permanent hires who have prior Cabinet approval. Also, include any visiting faculty member who will be returning. The funding source would have been indicated on the Position Budget Amendment Request form.
3. Note any personnel who will be changing from a 9-month contract to a 10 ½ or a 12-month contract or vice Versa by changing the employee spend category and/or PSR.
4. If there are grant-funded salaries for which (documented) commitments have been made to absorb with hard money, please be sure to enter the correct grant and fund work tags and budget the related revenue.
5. Fringe benefit amounts will be calculated centrally and will be based on actual benefits being paid at the time the budget is finalized.
6. If employees are paid from multiple funds, cost centers, or grants, their salaries should be split accordingly by using multiple lines with the same position number and the correct percentage of the total compensation in the related column. All faculty whose contract includes research and public service duties in addition to instructional duties should have their salaries split among the various NACUBO functions.

ANY CORRECTIONS OR CHANGES THAT ADD TO OR SUBTRACT FROM THE BASE TOTAL MUST BE JUSTIFIED.. ANY CHANGES IN POSITIONS WOULD HAVE BEEN APPROVED WITH THE SUBMISSION OF THE POSITION BUDGET AMENDMENT REQUEST FORM.

**This is a very important step in the budget build process.
CAREFUL CORRECTION OF THESE PAGES WILL HELP TO ELIMINATE
BUDGET SHORTFALLS AND TROUBLESOME BUDGET ERRORS.**