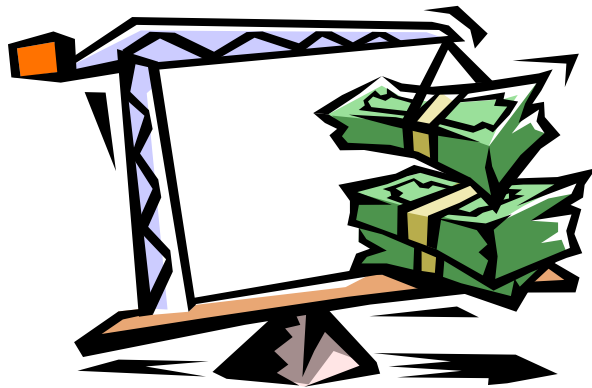




# Budget Development Cycle

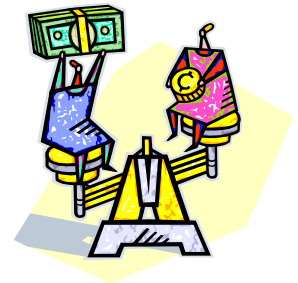
## University Budgeting & Financial Analysis



# University Budgeting & Financial Analysis

## Principal Function

- Manage and control the University's budgeting process for both the current and future years
- Gather and review income and expense budgets for all divisions/departments within the University (BAS)
- Initiate and direct the planning stage of the annual budget cycle
- Analyze income in relation to expenses & perform forecasts
- Prepare presentations to the Board of Trustees, The Finance Committee and Financial Planning Advisory Council, process budget amendments, and manage salary position control.



# Budget Cycle

## Two Distinct Cycles:

Fall – Macro budget presented to Board of the Trustees to support rate increases

Winter/Spring – Incorporate assumptions developed during the fall cycle into the accounting unit level budget



# Budget Cycle - Fall

The Fall Budget Calendar is developed and distributed during the summer. It includes all critical activities related to preparation of the budget. These include:

- Timing for information to be distributed and returned
- The review meeting schedule (F-PAC meetings)
- Preparation and mailing dates
- Board of Trustees meeting dates
- Various other activities necessary for a smooth preparation of the budget



# Budget Cycle - Fall Cont.

## Financial Planning Advisory Council (F-PAC)

Includes representatives from the University, Academic Affairs, Academic Medical Affairs, LUHS, Deans and selected major administrators

### Membership

- Executive Committee
- Administrative Operations
- Health Science's Operations
- Lakeside Academic's Operations
- Lakeside Enrollment/Housing/Business Services
- Lakeside Capital Planning
- Rome Center

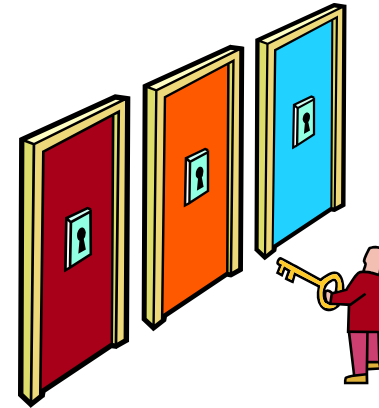


# Budget Cycle - Fall Cont.

## Major Assumptions

A set of assumptions to be used in developing the accounting unit budgets include:

- Pricing
- Enrollment
- Housing – Capacity and Occupancy
- Financial Aid – Discount Rate
- Incremental Expenses
- Mandated Costs



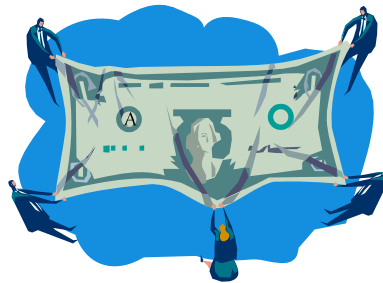
In late November/early December the proposed tuition rates supported by a budget prepared on the MACRO level is submitted to the Finance Committee of the Board of Trustees.



# Budget Cycle - Winter/Spring

The Winter/Spring Budget Calendar is used to prepare the detail (accounting unit, account, and position) budget. The assumptions generated during the fall cycle are reevaluated for validity and incorporated in the budget.

Each division is given a “not to exceed” base. This base establishes the maximum amount of money that may be spent by the division.



# Budget Cycle - Winter/Spring Cont.

## Divisional Budget Base

Generally consists of the amount each division was allocated during the prior year budget, plus or minus any adjustments.

Adjustments may include:

- A salary increase pool determined during the fall cycle
- Any changes in fringe benefits rates
- Funding for any new programs or costs approved during the the fall cycle
- Removal of any “one time” cost included in prior year budget
- Funding related to mandated cost

The total of the budget base is entered into the (BAS) and is an amount which cannot be exceeded.



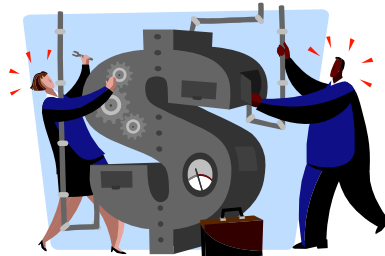
# Budget Cycle - Winter/Spring Cont.

## Budget Application System (BAS)

Loyola University Budgeting Application System is a comprehensive Web-based application designed to incorporate all aspects of Loyola's budgeting process.

BAS is the system used by the University to:

- Assist the users in developing their budgets in a standardized format
- Distribute and return budget information
- Upload the information into the Lawson General Ledger system.



# Budget Cycle - Winter/Spring Cont.

## Budget Application System Process

Each January, the budget office loads the following data in BAS

- Prior year Actuals (Lawson activity from period 1 – 12)
- Current year-to-date activity as of 12/31 from Lawson
- Current year budget
  - Operating – Lawson budget
  - Gifts, Endowments, Grants, Loan and Plant Funds
- Budget year (pre-fill)
  - Operating & Gifts, Endowments, Grants, Loan and Plant Funds – Lawson Budget
  - Staff and Faculty Salary (from Salary Planning Application) and calculated Benefits
- Budget year (Control Totals)



# Budget Cycle - Winter/Spring Cont.

In February, the following are distributed to identified BAS users:

- Budget Application System
- Salary Planning Application (staff and faculty)



Users can work on their budget in the BAS system and the Salary Planning Application from early February through late March.

Budget seminars are held at both Lakeside and Water Tower campuses. These seminars provide detail instructions and hands-on-training on the Budget Application System for those who need it.

BAS Manual - available online at

[http://www.luc.edu/finance/pdfs/BAS\\_User\\_Guide\\_FY2008.pdf](http://www.luc.edu/finance/pdfs/BAS_User_Guide_FY2008.pdf)



# Budget Cycle - Winter/Spring Cont.

Budget Application System - is located under "Administrative Applications" on the Loyola Software menu. You may also log on via the following URL using LUC Internet Explorer:

<https://data.luc.edu/admin/bp> HINT: You may wish to add this URL address to your Internet "Favorites."

- Click on the Login to Budget Planning link
- Enter your UVID (LUC sign-on ID) and password



Connect to data.luc.edu

Logon to Budget Planning

User name: user

Password: ●●●●●●●

Remember my password

OK Cancel



# Budget Cycle - Winter/Spring Cont.

The timing of the BAS distribution as well as the date the information is to be returned to the Budget Office is governed by the Budget Calendar. It is essential that everyone within the University follow the budget calendar.



In March users finalize their budgets in the BAS systems. The information is reviewed, formatted and analyzed and a written summary of activity is prepared by the Financial Planning and Budgeting Office.



# Budget Cycle - Winter/Spring Cont.

## Final Decisions

The budget is presented to the Finance Committee and the Board of Trustees in June for Approval.



# Budget Cycle - Winter/Spring Cont.

## Upload

Following the Board of Trustees approval of the budget, the Budget Office uploads the budget into the Lawson System for use during the new fiscal year.

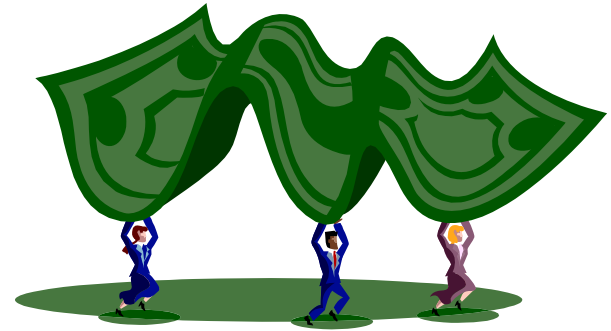


# Salary Position Control



# Salary Position Control

- Definition
- Purpose
- Responsibility
- Monthly Reports
- Monthly Reconciliations
- Budget Amendments



# Position Control System

## What is Salary Position Control?

A system Loyola University Chicago uses to manage and control personnel cost.



## What is the Purpose of Salary Position Control?

To ensure that all positions are fully funded and monitor budgeted vs. actual expenditures for all full time-exempt, full-time non-exempt and regular part-time budgeted positions.

## How is this being achieved?

All positions are assigned to a specific department and each position is uniquely related to a single position number. It is updated each fiscal year from the salary planning application and updated during the year by payroll expenditures and budget revisions.



# Position Control System

## Who is responsible for Position Control?

The executive level responsibility for position control administration belongs to Senior Executive Officers - deans, directors, and department heads.

*Business Managers / Administrators (BM/A) are responsible for the information pertaining to their accounts and must ensure that the information is correct. If inconsistencies appear in an account, BM/A should reconcile the differences within each accounting unit and initiate correcting entries via a BA or BF.*



# Position Control System

## What role does the University Budgeting & Financial Analysis Department (UB&FA) play in position control?

The UB&FA department plays a key role in managing the position control system of the University by approving and monitoring employment requisitions and budget revisions. The department also tracks positions within the University, both in terms of dollars and headcount additions. It also provides financial analysis and forecasting services to the division and the University as a whole.



# Position Control System

## Monthly Reports

Three monthly reports are generated by the Financial Systems Department for both staff and faculty personnel.

- HR vs. GL Budget by Accounting Unit
- Summary by Department
- Detail



These reports assist in monitoring and evaluating the status of all full-time exempt, full-time non-exempt and regular part-time budgeted salary positions and indicate differences between budgeted, committed, and expended salary funds.



# Reconciliation

## How are variances reconciled ?

Final budgeted salary upload report is compared to the detail report.

## How do you correct reconciling items?

Corrections can be made through budget amendments (BA or BF).

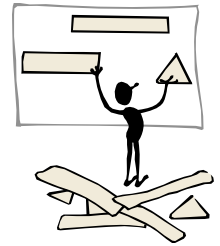
## What are budget amendments?

Adjustments to the budget.



# Budget Amendments

**Permanent Budget Adjustments (BF)** are adjustments that will permanently alter the budget base, (i.e. transfer between departments, equity adjustments, etc).



**Temporary Budget Amendments (BA)** are temporary adjustments that apply only to the current fiscal year and will not affect the future year budget, (i.e. one time bonus, temp help due to staff shortage, etc).

Budget revisions dealing with non-salary items should be directed to UB&FA. Budget revisions dealing with staff salary must be communicated to both Human Resources and the UB&FA office. Budget Revisions dealing with faculty should come through the Provost office or Nursing Administration (for school of Nursing) to UB&FA department. For BA's only the GL budget is adjusted.



# Resources & Tools - Contact Information

**All Permanent Budget Adjustments (BF)** – should be directed to:

## University Budgeting & Financial Analysis

Ramiza Vulic

Phone: 5-7673

Email: [rvulic@luc.edu](mailto:rvulic@luc.edu)



**All Temporary Budget Amendments (BA)** – should be directed to:

Loretta Morales

Phone: 5-7670

Email: [financialplanning@luc.edu](mailto:financialplanning@luc.edu)



# Financial Planning & Budgeting Contact Information

- > When you need assistance
- > When you have any questions
- > When you have suggestions

Our contact information is:

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Loretta Morales	Administrative Assistant	x5-7670	<a href="mailto:lmoral3@luc.edu">lmoral3@luc.edu</a>
Mark Pawlowski	Senior Financial Analyst	x5-7672	<a href="mailto:mpawlow@luc.edu">mpawlow@luc.edu</a>
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