

A large graphic on the left side of the slide, consisting of several overlapping triangles in shades of blue, green, and yellow, forming a larger triangular shape pointing to the right.

CalPoly
Pomona

Management Training Program

December 7, 2022

***Budget Planning &
Analysis***

Agenda

- I. Understanding Chartfield Strings**
- II. Overview of 2022-23 CSU and CPP Budgets**
- III. Basics of Budgeting**
- IV. CPP Budget Process**
- V. Budget Management Tools and Resources**

Learning Objectives

- **Course purpose:** To provide basic information about the expectations regarding financial management for your Division and the University, as well as the tools available to support you.
- **Learning Outcomes:**
 - Improved working knowledge of budgeting and financial management at CPP to support your decision-making.
 - Greater awareness of resources available

Why You Are Here

- You, in tandem with various campus counterparts, have a responsibility to ensure the highest level of financial management for your division or department and, ultimately, Cal Poly Pomona as a whole. This includes:
 - Comprehensive understanding of the budget process
 - Ability to utilize resources to generate and assess financial reports
 - Thoughtful and efficient management of campus resources

Common Acronyms

- CFS – Chartfield String
- EO – Executive Order
- FTE/FTES – Full-Time Equivalent/Full-Time Equivalent Students
- IFT (formerly known as CPOs) – Inter-Agency Financial Transactions
- LAO – Legislative Analyst’s Office
- LCD – Labor Cost Distribution
- O/E, O&E – operational expenses (non-personnel costs)

Common Terminologies

- Base (perm) vs. One-Time (temp)
- Operating Budget
- Source of Funds vs. Uses of Funds
- Structural Deficit
- Undesignated, Designated, Fees

Understanding Chartfields

Understanding Chartfields

- What are Chartfields?
- Mandatory & Optional Chartfields
- Overview of Chartfield Types



What are Chartfields?

- **Fields and values that provide a common language for classifying financial activity.**
- **Used in PeopleSoft CFS to record transactions.**
 - Budget, expenditure transfers, requisitions, POs, etc.
- **Identifies the who, what, where, and other reportable criteria of a transaction.**

Mandatory & Optional Chartfields

Chartfield Structure

	Account	Fund	Dept ID	Program	Class	Project
Identifies	What	Where	Who	Reporting Criteria	Reporting Criteria	Reporting Criteria
Length of Chartfield	6 <i>Numeric</i>	5 <i>Alpha/Numeric</i>	5 <i>Alpha/Numeric</i>	4 <i>Numeric</i>	5 <i>Alpha/Numeric</i>	5 <i>Alpha/Numeric</i>
Required?	Yes	Yes	Yes <i>(Rev & Exp)</i>	Yes <i>(Rev & Exp)</i>	Yes <i>(Rev & Exp)</i>	Optional* <i>(Rev & Exp)</i>

*Project is used for Capital Project tracking and reporting

Chartfield Overview - Account

- Required on all transactions.
- Identifies the what or describes a financial transaction.
- Necessary for State and Financial Statement reporting.

Expenditure Account Categories	
601xxx	Salaries and Wages
602xxx	Work Study
603xxx	Benefits
604xxx	Communications
605xxx	Utilities
606xxx	Travel
616xxx	IT
66xxxx	Supplies and Other Services

Account Types
1 – Assets
2 – Liabilities
3 – Equity
5 – Revenues
6 – Expenditures

"x" above represents a numeric value that varies from item to item

Chartfield Overview - Fund

- Required on all transactions.
- Identifies where the money is coming from and what restrictions are required.
- Necessary for CSU systemwide and State Controller's Office (SCO) reporting.

Various Fund Types		
POM01 (Main Operating Fund)	PCR01 (Main Cost Recovery Fund)	POSxx (SW Operating Fund Grants)
TYxxx (Lottery)	TM001 (CPGE Operating Fund)	TM002 (CPGE Campus Partners)
TW001 (Parking Operations)	TZ001 (Housing Operations)	TOxxx, TXxxx (Trust Funds)

"x" above represents a numeric value that varies from item to item

Chartfield Overview – Dept ID

Chartfield | Division | Multi Year | Custom View | Fund Balance | PO Listing | PO Detail | Department Tree

Department Tree

Division	AVP/Dean	VP/Director	Dept ID
(All)	(All)	(All)	(All)
ACADEMIC AFFAIRS	AVP ACAD INNOVATION	ACADEMIC INNOVATION	20610 - Office of Undergrad. Research 20630 - Innovation Idea Lab 20700 - Academic Innovation
			62104 - OU-CAREER CENTER 62160 - Career Ctr-Alumni Placement
	AVP ACAD PLANNING	ACADEMIC PLANNING	21800 - Acad Planning & Fac Excellence 21810 - Acad Planning & Fac Exclnc Adm
		ACADEMIC RESOURCES	21700 - Academic Resources 60000 - Academic Resources Admin
	AVP ACADEMIC PROGRAM	ACADEMIC PROGRAMS	16900 - Academic Programs 16960 - Academic Programs Reimburs 16970 - Graduate Studies
		ACADEMIC SENATE	20400 - Academic Senate
	AVP ENROLLMENT SVCE	ENROLLMENT MGMT SVCS	63700 - AVP Enrollment Mgmt & Services 63800 - Enrollment Technology
		FINANCIAL AID	62300 - Fin Aid & Scholarship Off
		OFFICE OF ADMISSIONS	51200 - Academic Test Center 51260 - Test Center 63600 - Office of Admissions
			63461 - Diploma Processing 63462 - Registrar's Reim-Misc
		VISITOR SERVICES	60900 - Visitors Services
	AVP FACULTY AFFAIRS	ADV FAC EXCELLENCE	20100 - Ctr for Adv of Fac Excellence 20120 - Ethnic Studies Affinity T&S

- Provides organizational structure and identifies who can spend the funds.
- Required on all revenue and expenditure transactions.

Chartfield Overview - Program

- Used to define on-going activities that are tracked for reporting.
- Required on all revenue and expenditure transactions.

Most Common Program Series <i>(also known as functional classification)</i>	
01xx – Instruction Series	02xx – Research Series
03xx – Public Service Series	04xx – Academic Support Series
05xx – Student Service Series	06xx – Institutional Support Series
07xx – Operations and Maintenance Series	08xx – Scholarship & Fellowship Series
20xx – Auxiliary Enterprise Series	5000 – Revenues

Chartfield Overview - Class

- Required on all revenue and expenditure transactions.
- Used for specific reporting and tracking needs by a department or the university.

Examples:

C35xx – Student Success Fee Series

C336x – GI2025 Series

00000 - Undesignated

C4402 - Commencement

C2xxx – Capital Project Series

"x" above represents a numeric value that varies from item to item

Chartfield Overview - Project

- Used to identify a discrete set of activities that have a strict start and end date.
- Project is only available for reporting capital projects.

DMxxx

Non-Recurring Maintenance and Repair Projects (NRMR)

CIxxx

Capital Improvement Projects (CIMP)

"x" above represents a numeric value that varies from item to item

Use of State Funds

State-side funding comes with restrictions.

- Use of all campus funds is governed by the CSU Board of Trustees and campus policies.
- The campus or department may impose additional restrictions on the use of certain types of funds.
- You are responsible for knowing and operating in compliance with all relevant statutes, regulations, executive orders, policies, etc. governing the funding being used.
 - Including, but not limited to; ensuring university commitments and activities are properly authorized, supported by a documented business purpose, substantiated by applicable receipts/invoices, correctly processed for payment, and are in compliance with all applicable regulations.

Updates on 2022-23 Budget CSU & CPP

What's an Operating Budget?

- An **operating budget** is a detailed plan of what an organization expects its revenue and expenses will be over a period of time.
- The **goal** of budget planning is to create a balanced and sustainable operating budget that supports CPP's strategic direction in support of student success.
- The **Budget Planning and Analysis Office (BP&A, previously known as Budget Services)** guides the campus annual budget development process by facilitating the effective and efficient allocation and utilization of financial resources.



Myths



Myth #1 – Budget planning is done once a year.

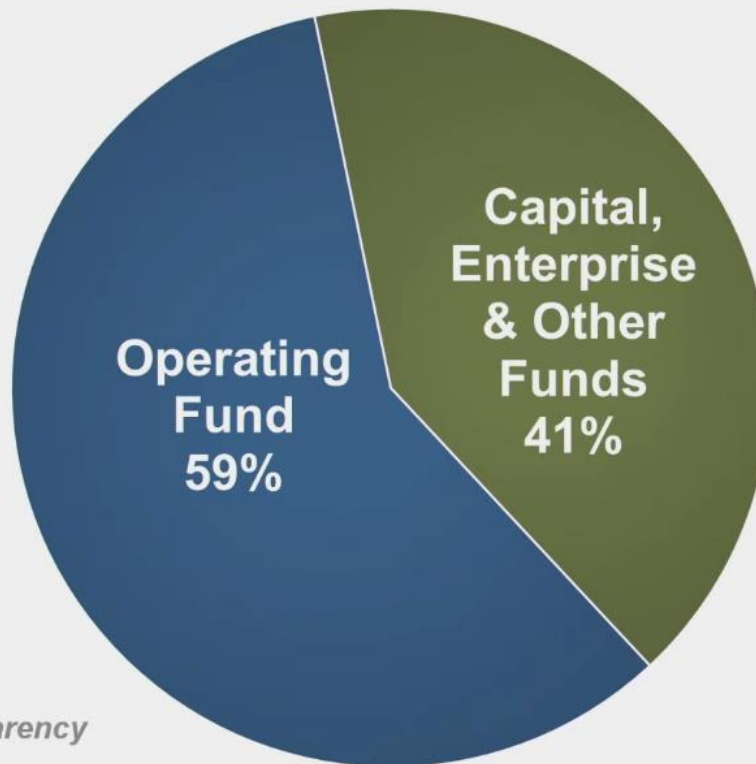
False. While there's an annual process to create the initial budget plan for the year, the budget process is on-going. Quarterly reviews are needed to provide an update on where you are with your spending (actuals), and where you expect to be at year-end (projection.)



Myth #2 – My budget analyst will take care of everything budget-related for my unit.

False. While your budget analyst can take care of transactional and analytical work for your unit, but ultimately, the responsibility of resource management falls on you as the leader of the unit.

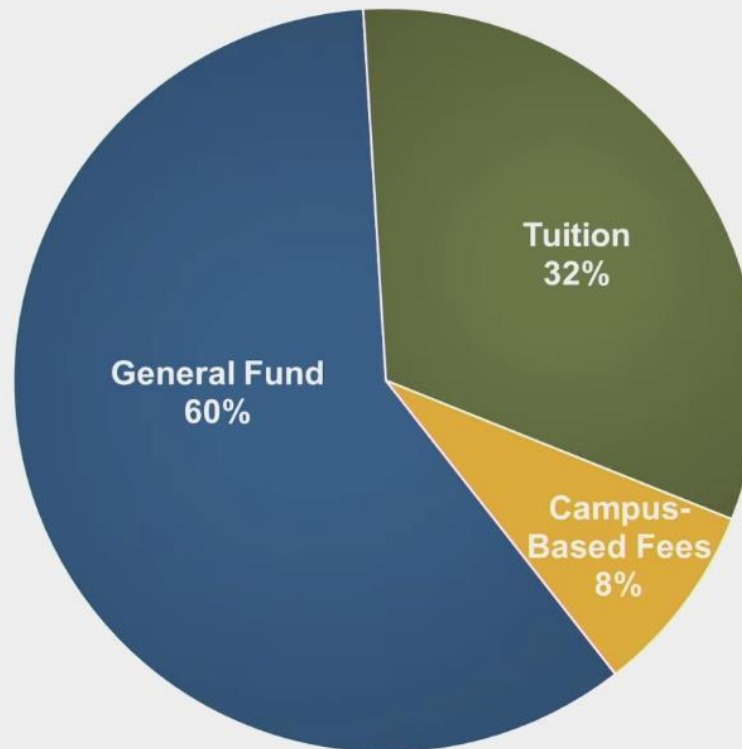
Total Revenue - \$14.4 Billion



2021-22 Actuals

www.calstate.edu/transparency

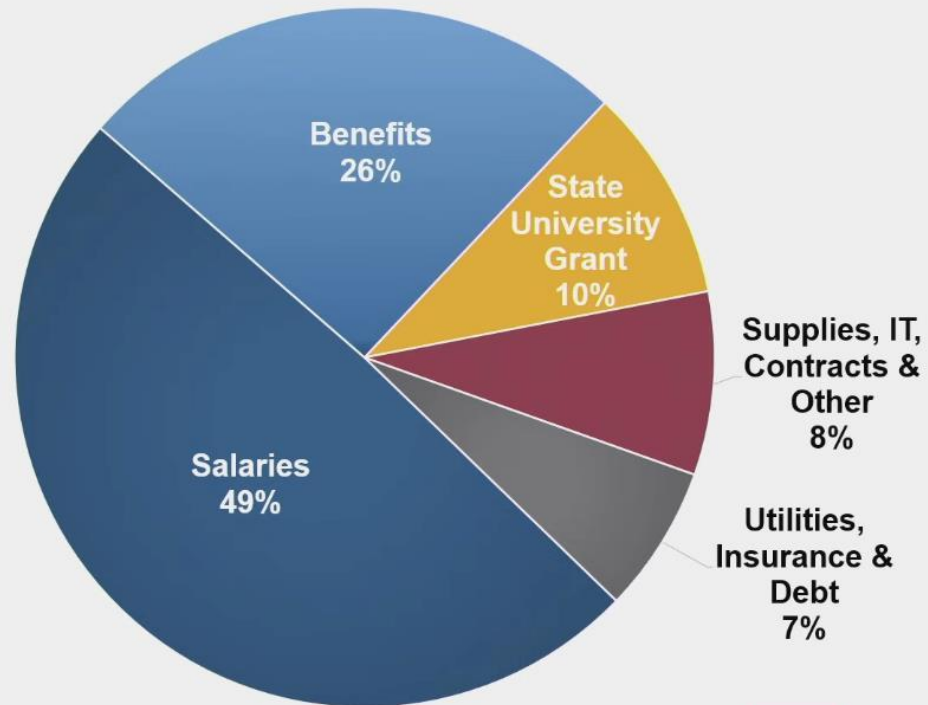
Operating Fund Budget - \$7.7 Billion



2022-23 Budget

5

Operating Expenses by Category - \$7.7 Billion



2022-23 Budget

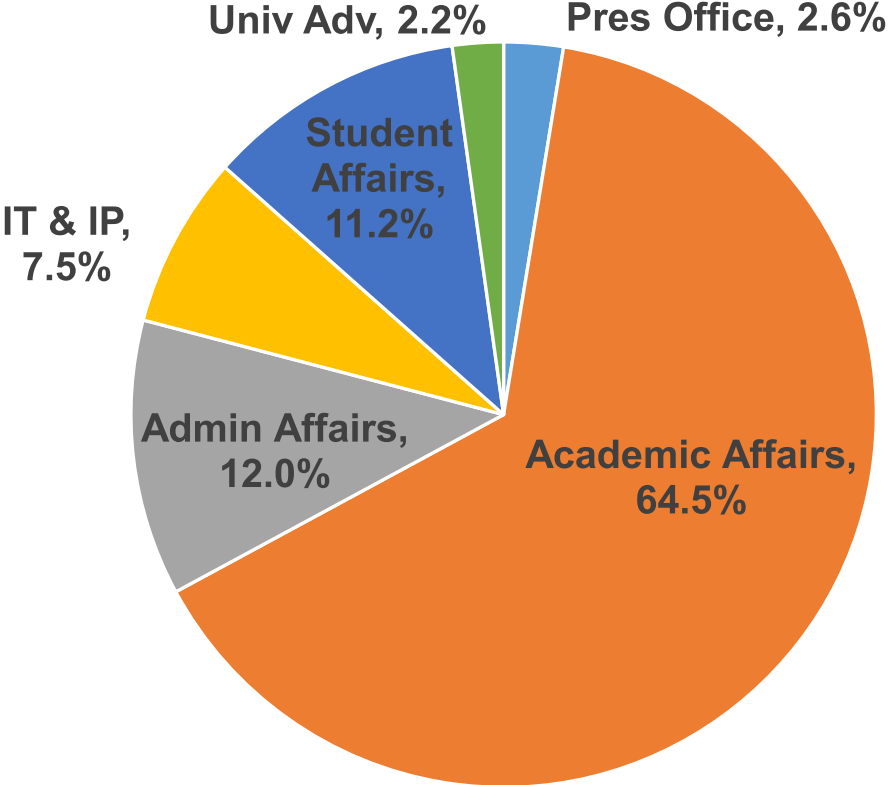
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Poll #1

What is the primary function of the Budget Planning & Analysis Office?



FY2022-23: CPP Base Budget



Note: Adjusted for 2021-22 compensation allocation

Basics of Budgeting

Budgeting Methods

STRATEGIC RESOURCE ALLOCATION

Hybrid approach of value proposition and incremental budgeting, where items included deliver value for the business and we add or subtract percentage or dollars incrementally

**most common
in the CSU**



ACTIVITY BASED

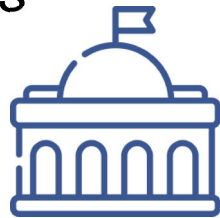
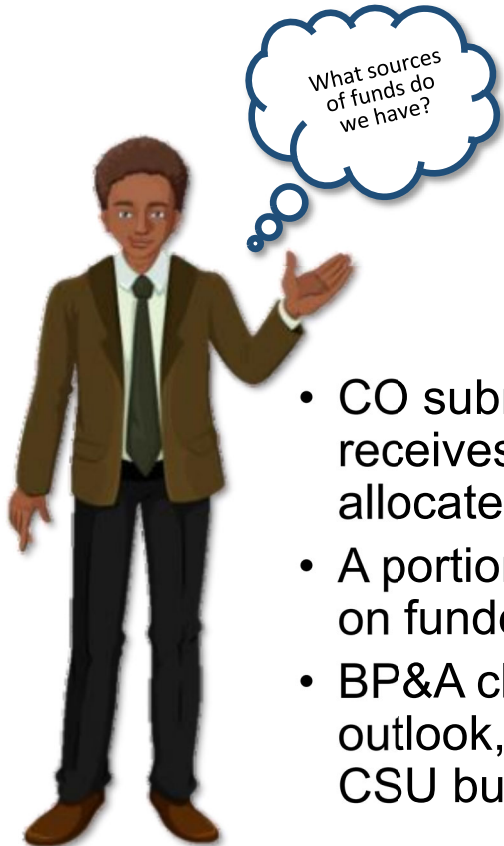
Company sets an output target then assesses the activities necessary. Common for for-profit

ZERO BASED

Build from scratch, good for discretionary expenses; time-consuming and requires preparers to be highly skilled in budgeting

Sources of Funds (Revenue)

State vs. Students



54%*

State

- CO submits budget requests, receives State appropriation, then allocates to the 23 campuses
- A portion of the allocation is based on funded enrollment target
- BP&A closely follows economic outlook, Governor's budget, and CSU budget, etc.

"General Fund" or
"General Operating Fund"



46%*

Students

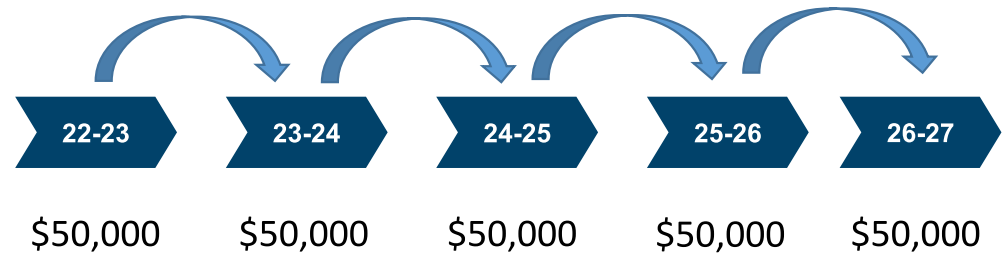
- Students pay tuition & fees, which become our sources of funds
- BP&A collaborates with the Enrollment Planning Group to provide revenue projection
- BP&A closely monitors enrollment trends at all levels

*State vs. student contribution percentages based on the 22/23 budget

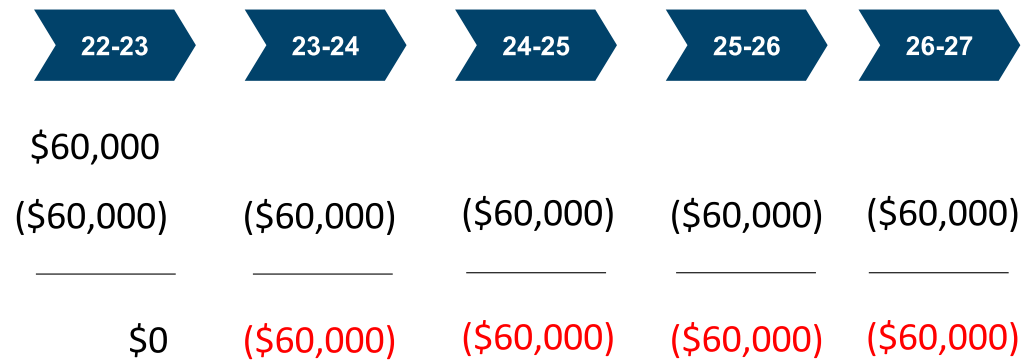
Sources of Funds (Revenue)

Base vs. One-Time

**Recurring:
Base, Perm
Allocation**



**Non-Recurring:
One-Time, Temp
Allocation**



Avoid using one-time funds for recurring expenses (structural deficit)

Sources of Funds (Revenue)

Restrictions

“Undesignated”

Undesignated revenues that can be allocated at the discretion of each campus [more flexibility]

Sources of Funds



State Appropriation (from State)

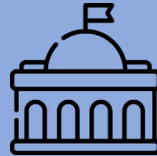


Tuition Revenue (from students)

“Designated”

Designated revenues that must be allocated based on systemwide mandates [limited flexibility]

Sources of Funds



State Appropriation (from State)

“Fees”

Designated revenues that must be used based on the purpose of each fee [limited flexibility]

Sources of Funds



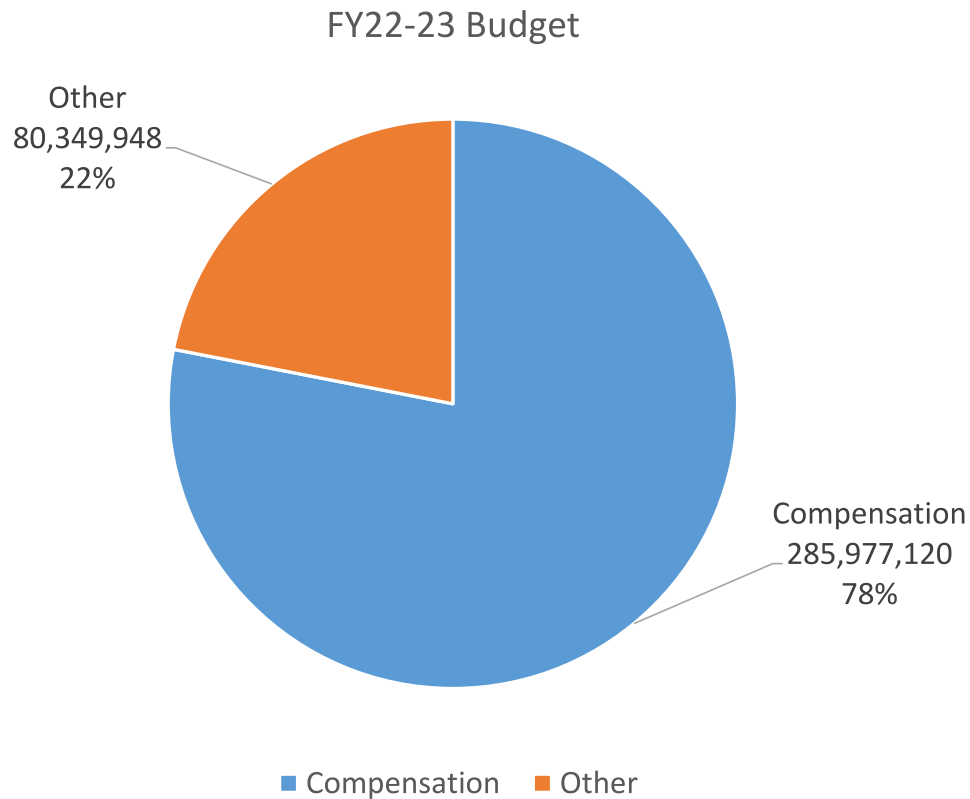
Fee Revenue (from students)

Uses of Funds (Expenses)

- Use restricted revenues for restricted expenses and exhaust funds with limited flexibility first
 - Examples: GI2025, Basic Needs, orientation expenses
- Use base revenues for recurring expenses aka fixed costs, and one-time revenues for non-recurring expenses to avoid structural deficits
 - Example: salaries and benefits, insurance, utilities, debt svc

“Undesignated” [more flexibility]		“Designated” [limited flexibility]		“Fees” [limited flexibility]	
Base	One-Time	Base	One-Time	Base	One-Time
<p>Avoid using undesignated revenues for designated expenses</p>		<ul style="list-style-type: none"> • GI 2025 • Basic Needs • Foster Youth Program... 		<ul style="list-style-type: none"> • Use Orientation Fee for Orientation expenses 	

FY 22-23 CPP General Fund Expenses



- Compensation makes up the bulk of our expenses
- 78% is the average for the institution
- Position management is key to successful budget management

Budget Transfers

- Purpose of a budget transfer is to move budget from one chartfield string to another or to reallocate available budget according to set plan
 - After the operating budget has been established and loaded
 - Whole numbers (no decimals)
- When developing a budget, make your best effort to reflect expenses in the correct line item.
- **NEW:** It is NOT necessary to make budget transfers to zero out variances
- You cannot move budget
 - Between Base Salaries and Base O/E
 - Between different fund codes
 - Between the restricted buckets i.e., designated, fees, or undesignated
- Transfers are needed only when you need to pass funds to another department

CPP Budget Process

Budget Development Guidelines



Budget Deliverables

Excel Budget Workbook (new)



- Position FTE, revenues & expenses
- Reallocation
- New funding requests

Budget Narratives (new)



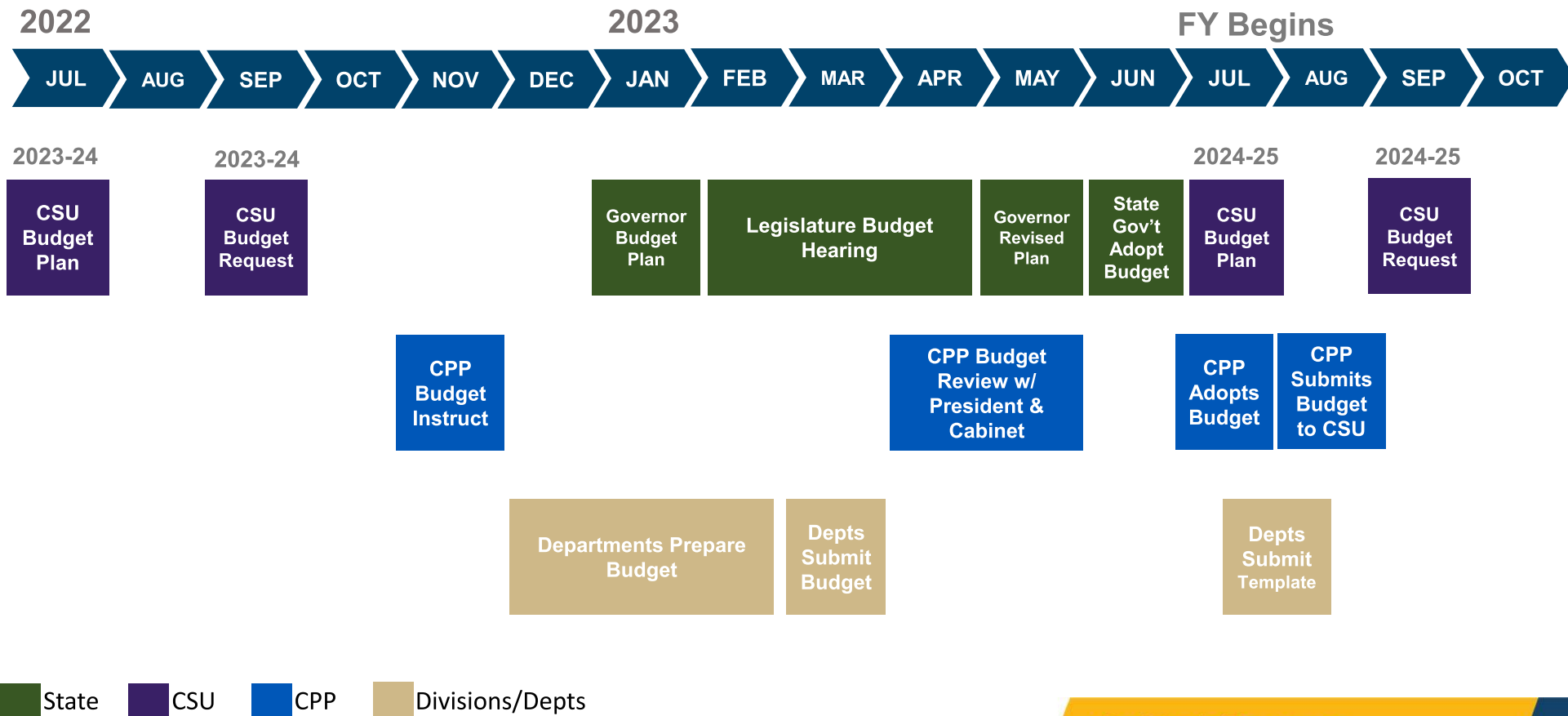
- Positions, revenues & expenses
- Reallocation
- New funding requests
- Space
- Org Chart

Excel Budget Template



- Budget template for upload to PeopleSoft

Budget Timeline (2023-24)

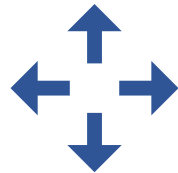


Budget Management Tools & Resources

Budget Strategies



Identify Other
Funding Sources



Reallocations



Cost
Reduction



Delay or
Reconsider
Expenditures

Position Management

- Definition: position management is a management tool that defines staffing by position rather than by employee. Enables one to organize and assess the required job functions with the resources available.
- BP&A's role in position management is to:
 - Maintain the Position Data Table within PeopleSoft.
 - Maintain the CFS associated with a Position within PeopleSoft.
 - In collaboration with the Divisional Budget Officer, confirms that there is sufficient funding to support recruitments and the creation of positions.

Tableau – HR Position Listing Dashboard

HR Position

Fund	Division	AVP/Dean	VP/Director	Dept ID	Class	Job Code
POM01 - OPERATING ...	ACADEMIC AFFAIRS	AVP ACAD PLANNING	ACADEMIC PLANNING	21810 - Acad Plannin...	00000 - No Class Value	3300

Rate of Pay Overall

click to filter

Division	AVP/Dean	VP/Director	Dept ID	Rate of Pay
ACADEMIC AFFAIRS	AVP ACAD PLANNING	ACADEMIC PLANNING	21810 - Acad Planning & Fac Exclnc Adm	0
Total				0
Total				0
Total				0

Rate of Pay Detail

Dept ID	Position Num.	Job Code	Description	Bronco ID	Name	Rate of Pay	Distr Pct	Account Code	RU
21810 - Acad Planning & Fac Excl..	00005278	3300	Assoc Provst Acad Plan F..		Currently Vacant	0	100%	21810-POM0160120100000406	200

Tableau – Finance Dashboard

Custom View												
Fiscal Year	Quarter	Period Month	Fund	Division	AVP/Dean	Dept ID	Account Type	Account	Program	Class	Project	
2022	(All)	(All)	POM01 - OPERA...	ADMIN AFFAIRS	AVP BUDGET & P...	75000 - Budget P...	Expenditure	(Multiple values)	0602 - Fiscal Op...	(All)	None	
Column 1	Column 2	Column 3	Column 4			Original	Adjustment	Budget Total	Encumbrance	Pmt/Rev	Actual Total	Available Balance
Fiscal Year	Dept ID	Fund	Account									
2022	75000 - Budget Planning & Analysis	POM01 - OPERATING FUND	601201 - Management and Supervisory			112,032.00		112,032.00		78,630.00	78,630.00	33,402.00
			601300 - Support Staff Salaries			133,752.00		133,752.00		47,692.00	47,692.00	86,060.00
			601816 - Special Stipends							10,500.00	10,500.00	-10,500.00
			Total			245,784.00		245,784.00		136,822.00	136,822.00	108,962.00
	Total					245,784.00		245,784.00		136,822.00	136,822.00	108,962.00
Grand Total						245,784.00		245,784.00		136,822.00	136,822.00	108,962.00

Presidential Quarterly Report

- Divisions, Auxiliary Enterprises, and Auxiliaries are required to submit quarterly financial analysis to BP&A. Departments do not need to submit Quarterly Report to BP&A.
- Quarterly Report is an accountability tool. It compares year-to-date actual to budget and provides a projection for future months.
- Quarterly Reports, especially the fourth quarter report, should be closely evaluated to assess trends, explain variances, and determine where budget line items may need to be shifted in the following budget cycle.