Job Aid: Budget Development Template

Introduction

The budget development template is an **Excel-based tool** that consists of **13 different sections** to help units manage their budgets.

- The budget development tool will provide units with their budget allocation broken into its component parts, including base budget allocation, direct revenues, and new allocations awarded through the budget model.
- Units will use the template to document their permanent and one-time expenses for FY23 and FY24. The template will then calculate the unit's projected net surplus / deficit.
- The template includes guidance for units on managing their anticipated surpluses and deficits. The Budget Office is always available to review your unit's assumptions and projections and help you plan for future budget needs or investments.

Considerations

Completing the budget development template is a required exercise for financial leaders responsible for managing their unit's budget. This template will be available to teams each year in early October, at the start of the annual budget development cycle, and units will be responsible for completing and submitting it to the Budget Office in early December. The Budget Office will release specific dates for submission and review each year.

Teams should keep a few things in mind while completing the template, including:

- When opening the file, a **yellow Excel warning** at the top will prompt users to enable macros. To ensure all tabs within the template update accordingly, **activate macros.** If macros are not enabled, the Department Expense Summary tab will not work.
- Not all tabs within the template will require users to input information (e.g., summary tabs and additional information).
- For information on how to pull the data needed for this template, please use the **Budget Data and Reports Job Aid,** accessible through the "Helpful Links" section at the end of this document

Budget Development Sections

Budget Development Introduction: This tab is meant to serve as an introduction to the template. If a unit would like to request an additional conversation with the Budget Office, they can indicate that here. Towards the bottom of this page, units can track their progress on the budget template. Each time the user marks a section as complete, the **Status** section will update automatically. **This section is meant to serve as a reference for users.**

Summary of Progress

	Status
Current Permanent Expenses	*Incomplete*
FY23 New Expenses	*Incomplete*
FY24 New Expenses	*Incomplete*
Budget Development Review	*Incomplete*
Surplus & Deficit Planning	*Incomplete*
Department Expense Summary	*Incomplete*
FY24 Budget Project	*Incomplete*

Interested in a conversation about your unit's projected surplus, deficit, or financial position this fiscal year?	

Current Permanent Expenses: This tab outlines current expenses that exist within the unit. This section should be **filled out by users**.

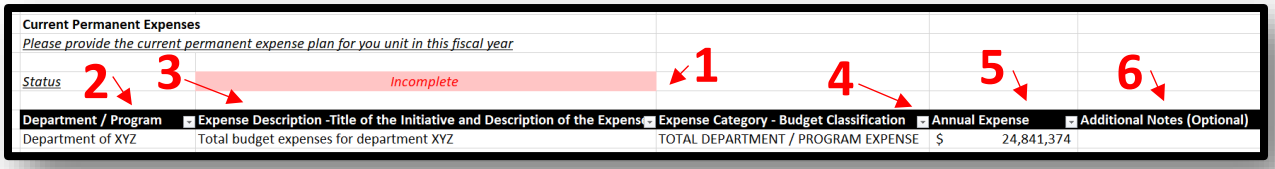
There are a couple of ways a unit can document their current permanent expenses. Units should select the approach that best reflects how they manage their annual budgets.

Please review the following scenarios and consider which option is best for your unit.

Scenario 1: At the Total Department / Program Level

For some units, it may be easier to document expenses at the department or program level, without classifying expenses by category (salaries, equipment, etc.). If this is more aligned with how you budget within your unit, please provide information about the department or program on a single line in the table:

1. **Status:** This field will initially be marked as **"Incomplete"**. After all current expenses are documented, use the drop-down menu to indicate the section is **"Complete"**. This is designed to help users track progress as they complete or review the tabs in the template.
2. **Department / Program:** Provide the name of the department or program (example: Department XYZ).
3. **Expense Description:** This line will document all the expenses for the department or program that was listed in the **Department / Program** column.
4. **Expense Category:** Use the drop-down menu to locate the **Total Department / Program Expense**. This classification is specifically used when documenting expenses at the department or program level.
5. **Annual Expense:** List the total annual expenses for the department or program.
6. **Additional Notes:** Provide any additional notes for reference. This field is optional.



Current Permanent Expenses

Please provide the current permanent expense plan for you unit in this fiscal year

Status 2 3 *Incomplete* 1 4 5 6

Department / Program	Expense Description -Title of the Initiative and Description of the Expens	Expense Category - Budget Classification	Annual Expense	Additional Notes (Optional)
Department of XYZ	Total budget expenses for department XYZ	TOTAL DEPARTMENT / PROGRAM EXPENSE	$ 24,841,374	

Scenario 2: At the Expense Category Level

Some units may have additional information about the nature of expenses in their division and can provide additional detail beyond the department- or program-level. If this is the case for your unit, you can use multiple lines to document these expenses:

1. **Status:** This will initially be marked as **"Incomplete"**. After all current expenses are documented, use the drop-down menu to indicate the section is **"Complete".** This is designed to help users track progress as they complete or review the tabs in the template.
2. **Department / Program:** Document the department or program where the expense occurs within the unit (example: Department XYZ).
3. **Expense Description:** Provide a description of the expense using the free-form text field.
4. **Expense Category:** Use the drop-down menu to locate the best category for the expense. This column will be used to align the expense to the expense categories included in the Institute's budget model.
5. **Annual Expense:** List out the annual financial expense for the identified budget category. A single department may have multiple line items to document the individual expense categories within that department.
7. **Additional Notes:** Provide any additional notes for reference. This field is optional.

Current Permanent Expenses

Please provide the current permanent expense plan for you unit in this fiscal year

Status 2 3 *Incomplete* 1 4 5 6

Department / Program	Expense Description -Title of the Initiative and Description of the Expense	Expense Category - Budget Classification	Annual Expense	Additional Notes (Optional)
Department of 123	Faculty salaries	Faculty Salaries	$ 6,617,184	
Department of 123	Staff salaries	Staff Salaries	$ 627,144	
Department of 123	Supplies and materials	Supplies & Materials	$ 1,605,589	
Department of 123	Equipment expenses	Equipment	$ 998,525	

FY23 & FY24 Permanent and One Time Expenses: These tabs document expenses that will occur within the unit in the **current fiscal year** and **expenses that are anticipated within the unit in the next fiscal year**. Think of these tabs as a redesign of the Form 2. Users must complete both sections for the tool to calculate the unit's anticipated surplus and deficit and summarize new expenses in the next fiscal year in the Budget Projection tab.

1. **Status:** This will initially be marked as **"Incomplete".** After all current expenses are documented, use the drop-down menu to indicate the section is **"Complete".** This is designed to help track progress as the exercises are completed or a review of each tab within the Budget Development template takes place.
2. **Department/Program:** Document the department or program where the expense will occur within the unit (example: Department XYZ).
3. **Expense Description:** Provide the title of the initiative and description of the expense using the free-form text field
4. **Expense – Main Category:** Select the appropriate category for the unit's expense from the drop-down. The category options are from the legacy Form 2.
5. **Expense – Subcategory:** Choose the appropriate category for the unit's expense from the drop-down list. The category options are from the legacy Form 2.
6. **Expense Category – Budget Classification:** Select the classifications that are aligned to the expense categories in the budget model. Please note, this has similar categories to those found on the **Current Permanent Expense** tab. As it relates to new expenses, we encourage users to think about both where **new expenses are occurring** across departments or programs, but also **what new expenses are covering**. However, we also recognize it can be difficult to know the details behind new expenses, especially as it relates to new program costs. Therefore, if there are new expenses occurring in a department or program, but you are unable to provide the details, please **use the General Operating Expense** category under **Expense Category – Budget Classification**.
7. **Strategic Focus Area:** Pick the appropriate focus area for the unit's expense from the drop-down list, just as you previously did on the legacy Form 2
8. **Institute Values:** Choose the appropriate value that aligns to the unit's expense from the drop-down list, just as you previously did on the legacy Form 2
9. **Permanent / One Time:** Select "Permanent" if the expense will be recurring or "One Time" if it is specific to this year.
10. **Faculty FTE:** Only applicable if entering a new hire.
11. **Non-Tenure track Faculty FTE:** Only applicable if entering a new hire.
12. **Staff FTE:** Only applicable if entering a new hire.
13. **Anticipated Annual Expense:** List out the annual financial expense for the identified budget category.
14. **Additional Notes:** Provide any additional notes for reference. This field is optional.

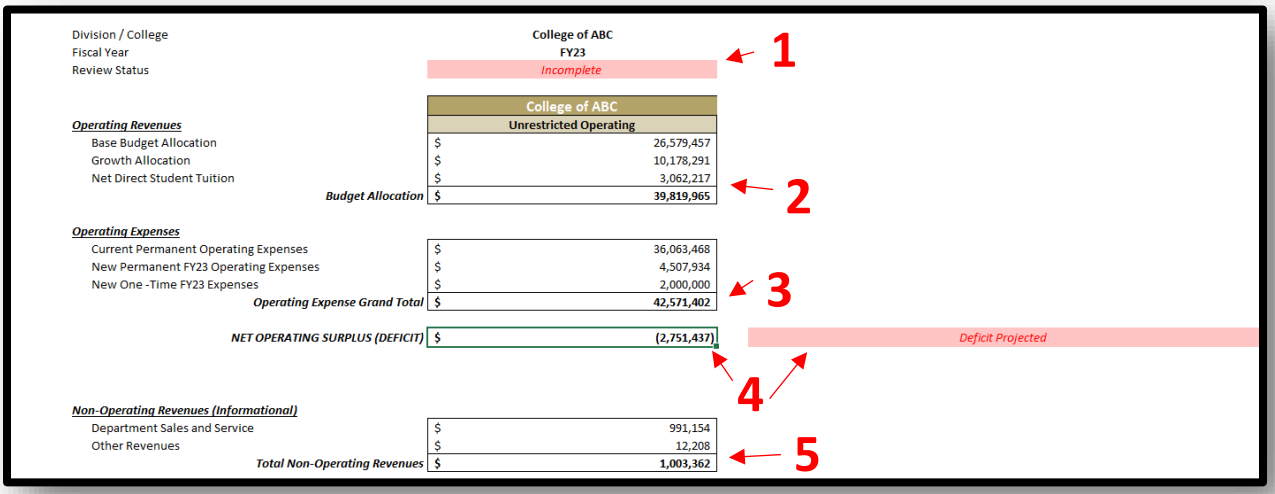
Please provide the anticipated new expenses (permanent and one-time) that your unit will experience in the current fiscal year (FY23)

Status 2 — *Incomplete* — 1

Department / Program	Expense Description -Title of the Initiative and Description of the Expense (3)	Expense - Main Category (4)	Expense - Sub Category (5)	Expense Category - Budget Class (6)	Strategic Focus Area (7)	Institute Values (8)	Permanent / One Time (9)	Faculty FTE (Tenure Track TTK) (10)	Non-Tenure Track Faulty FTE (11)	Staff FTE (12)	Anticipated Annual Expense (13)	Additional Notes (Optional) (14)
Department of XYZ	Global Development Expansion	Instruction	Revenue Opportunity	TOTAL DEPARTMENT / PROGRAM	Amplify Impact	Students are our top priority	Permanent	0	1	0	$ 3,932,320	
Department of 123	Travel for faculty			New General Operating Expenses			Permanent				$ 78,393	
Department of 123	Office supplies			Supplies & Materials			Permanent				$ 200,699	
Department of 123	Consulting services			Services			Permanent				$ 124,816	
Department of 123	Utility expenses			Utilities			Permanent				$ 93	
Department of 101	Rental agreements			Rent			Permanent				$ 6,712	
				Repairs & Maintenance								
				Other Non-Personal Expenses								
				Equipment								
				Equipment								

Budget Development Summary: This tab provides a summary of the unit's budget allocation and planned expenditures. All fields shown below are automatically calculated based upon information already documented. **No action is required from users.**

1. **Status:** This will initially be marked as **"Incomplete"**. After all current expenses are documented, use the drop-down menu to indicate the section is **"Complete"**. This is designed to help users track progress as they complete or review the tabs in the template.
2. **Budget Allocation:** This field will be completed by the Budget Office
3. **Operating Expense:** Information will be automatically populated from the **Current Permanent Expense** tab and the **FY23 New Expenses.**
4. **Projected Surplus/Deficit:** This field uses all information provided in the summary to calculate a budget surplus or deficit.
5. **Total Non-Operating Revenue**s: This field, which documents Department Sales & Services and Other Revenues specific to the unit, will be completed by the Budget Office.



Division / College		College of ABC
Fiscal Year		FY23
Review Status		*Incomplete*
		College of ABC
Operating Revenues		**Unrestricted Operating**
Base Budget Allocation	$	26,579,457
Growth Allocation	$	10,178,291
Net Direct Student Tuition	$	3,062,217
Budget Allocation	**$**	**39,819,965**
Operating Expenses		
Current Permanent Operating Expenses	$	36,063,468
New Permanent FY23 Operating Expenses	$	4,507,934
New One -Time FY23 Expenses	$	2,000,000
Operating Expense Grand Total	**$**	**42,571,402**
NET OPERATING SURPLUS (DEFICIT)	**$**	**(2,751,437)**
Non-Operating Revenues (Informational)		
Department Sales and Service	$	991,154
Other Revenues	$	12,208
Total Non-Operating Revenues	**$**	**1,003,362**

Surplus & Deficit Planning: This tab helps units manage anticipated surpluses or deficits. Information from both the current and new expense tabs will be automatically populated to help units predict their spending. Users will see either a deficit or surplus projection in the "spend plan projection" field (cell C6), depending on the bottom-line calculation in the budget development summary tab.

The screenshot below shows a plan for managing a **budget deficit**:

1. **Status:** This will initially be marked as **Incomplete**. After documenting anticipated surpluses or deficits, use the drop-down menu to indicate the section is **Complete**. This is designed to help users track progress as they complete or review the tabs in the template.
2. **Projection:** This will autofill based upon prior information entered throughout the template.
3. **Funding Source:** In this field, unit financial leaders will provide information about the sources of funding to cover anticipated deficits or plans to spend down surpluses. Examples include using carry forward funds or unrestricted gift funding to cover operating deficits.
4. **Maximum Surplus for Allowable Carry Forward:** This number is calculated based on the **3% allowable carry forward** on general operating budgets (the Institute's carry forward policy). It is intended to serve as a guide as users document their surplus plans to not exceed this figure and risk non-compliance with the Institute's carry forward policy
5. **Total Available Carry Forward:** This information will be provided by the Budget Office and is intended to help units identify the total available carry forward for your unit in FY23. This figure represents your unit's available carry forward (including the carry forward allocated to your unit in the FY23 August budget amendment and the amount of carry forward being held centrally that can be available on request) and can be used to cover deficits or to save for future planned expense.

Surplus & Deficit Planning

Status	1	*Incomplete*
Spend Plan Results	2	($2,751,437)
Spend Plan Projection		*Deficit Projected*
Information About Operating Deficits		Deficits can occur in any given year, especially if your unit is anticpating non-recurring or one-time expenses or investments
How Can I Manage My Deficit?		Carry Forward and unrestricted gift funding can be used to cover operating deficits. Other funding sources may be available depending on your unit

Additional Funding Summary

Below, please list your plans to use additional funding to cover the projected deficit. Consider your unit's available Carry Forward and unrestricted gift funding that can be used to cover the deficit

Total Deficit		$ (2,751,437)
[Funding Source]	3	$ -
[Funding Source]		$ -
[Funding Source]		$ -
[Funding Source]		$ -
[Funding Source]		$ -
[Funding Source]		$ -
[Funding Source]		$ -
[Funding Source]		$ -
[Funding Source]		$ -
[Funding Source]		$ -
[Funding Source]		$ -
Total Funding Planned to Cover Deficit		$ -
Anticipated Surplus/Deficit After Additional Funding		$ **(2,751,437)**
Maximum Surplus for Allowable Carry Forward	4	$ 1,277,142.06

Note - If your unit is still projecting a deficit, please reach out to the Budget Office to discuss options and additional funding opportunities

Additional Information

Total Available Carry Forward **$ 4,237,319**

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Department Expense Summary: This provides a summary of all unit expenses. **This tab is optional, and no action is required from users.**

1. **Refresh Pivot Table:** Select the Refresh Pivot Table button to update the data if interested in viewing FY23 expenses by department. Anytime an expense is added in the **Current Expenses** tab or the **FY23 New Expense** tab, this pivot table will need to be refreshed.
2. **Department / Program:** Select the drop-down menu to navigate to the different departments and filter the table to show specific department/program expenses.

Department / Program Expense Summary

Please review the table below for a summary of the expenses for your units department / programs

Refresh Pivot Table 1

Department / Program (All) 2

Row Labels		Sum of Annual Expense
Current Expenses	**$**	**36,063,468**
Equipment	$	998,525
Staff Salaries	$	627,144
Supplies & Materials	$	1,605,589
TOTAL DEPARTMENT / PROGRAM EXPENSE	$	26,215,026
Faculty Salaries	$	6,617,184
New Expenses	**$**	**6,507,934**
Equipment	$	2,107,681
Other Non-Personal Expenses	$	48,138
Rent	$	6,712
Repairs & Maintenance	$	9,084
Services	$	124,816
Supplies & Materials	$	200,699
TOTAL DEPARTMENT / PROGRAM EXPENSE	$	3,932,320
Utilities	$	93
New General Operating Expenses	$	78,393
Grand Total	**$**	**42,571,402**

Next FY Budget Projection: This tab is automatically populated using the information in the budget development tab, along with the projected budget allocation increases that will be provided by the Budget Office. The information in this tab is a **projection** of your unit's annual budget and **does not represent your unit's final FY24 budget** (FY24 original budget development is completed in April 2023). You are welcome to update the anticipated growth in budget and expenses as they relate to your unit. The projected expenses also summarize the information provided in the "FY24 New Expenses" tab.

This analysis is intended to help units with long-term financial planning as the Institute begins to introduce financial forecasting. Additionally, it will help leadership understand what the anticipated financial needs are across campus and help financial leadership prepare for the annual budget submission next spring. **This tab is optional, and no action is required from users.**

Division / College		**College of ABC**	
Fiscal Year		**FY24**	
Review Status		*Incomplete*	
		College of ABC	
Operating Revenues		**Unrestricted Operating**	***Projected Budget Allocation Increases***
Base Budget Allocation	$	27,908,430	5%
Growth Allocation	$	10,687,206	5%
Net Direct Student Tuition	$	3,215,328	5%
Budget Allocation	**$**	**41,810,963**	
Operating Expenses			***Projected Operating Expense Increases***
Projected Permanent Operating Expenses	$	42,599,972	5%
New Permanent FY24 Operating Expenses	$	4,507,934	Documented in "FY24 New Expense" tab
New One -Time FY24 Expenses	$	2,000,000	Documented in "FY24 New Expense" tab
Operating Expense Grand Total	**$**	**49,107,906**	
NET OPERATING SURPLUS (DEFICIT)	**$**	**(7,296,942)**	*Deficit Projected*

NOTE *- This information will help inform Executive Leadership set priorities as they prepare for the FY24 budget request*

Additional Information: The following tabs are included for awareness and do not require any actions from the user:

- **Allocation Summary:** Provides the detail behind the unit's budget allocation.
- **Data Definitions:** Data validations and additional information on the data categorizations used in the template.
- **Pivot Table Source:** Provides the source data for the pivot table in the **Department Expense Summary**. We ask that units **do not make any edits to this tab**. Please refer to the **Department Expense Summary** section of this job aid for information on how to update the pivot table source data.

Helpful links:

- Budget Data and Reports Job Aid
- Budget Policy Deep Dive
- Budget Carry Forward Policy

Be sure to visit our website for up-to-date information on the Budget Reform Project.