MEMORANDUM

TO: Budget Office Business Contacts
FROM: Harry Bell, Budget Director
DATE: March 27, 2015

The web-based line-item budget entry system is now available for all units to adjust the base budget. The base budget is the file from the February 28, 2015 freeze.

The web-based budget entry system will be active until Friday, April 10, 2015. By the close of business that day we will bring the system down and prepare line-item BD’s for all Columbia “A” fund units. **Units may not adjust their 31900 base budget amount or their total bottom line 3s budget for FY 16. However, units may adjust their revenue (4s) and transfer (8s) amounts as needed based on anticipated changes in activity for FY 2015-16. Expenditure object code (5s) amounts may obviously be adjusted as needed to match. However, any negative budgets in object code 50000 must be cleared before finalizing your web-based budget submission.** In mid-July the base budget will be loaded and no additional BD’s will be entered during the month to preserve the Board of Trustees approved budget.

Beginning in August units may send budget transfers to the Budget Office. However, the manner in which BDs are processed is likely to change as a result of OneCarolina Phase II implementation. We will all receive training on that new system within the next several months. As in FY2015, budget transfers received after the 24th of each month will not be processed until month end figures appear on the General Ledger. This is usually early in the following month. Budget transfers should be kept to a minimum, but are allowed as needed by each unit. This will allow you to assess your budget plan in relationship to the actual financial transactions that occur as your unit progresses through the fiscal year. The variance analysis of budget to actual will assist in budget forecast reporting as well as measuring the progress toward achieving the objectives established by the University and your unit. The Budget Office will prepare a responsibility-level variance analysis of all units after the fourth post-close of the FY2015 year.

The annual solicitation for carryforward estimates will be made within the next two weeks. We expect that there will again be a surtax in place, but the parameters will not be determined until we assess the total carryforward across the University. In mid-August carryforward workbooks will be distributed to all units. As in the prior year, the
Budget Office will book all carryforward to each unit’s main account and then assess the surtax. A calculation will be provided for the surtax.

The 2016 fiscal year continues the recentralization of the budget. Base budget allocations in 31900 are changed only by permanent transfers from prior year. As in prior years units may use object code 50000 for unobligated budgets including carryforward funds that are not expected to be expended during the next fiscal year, but each unit must insure that all other object codes, especially personnel and fringe benefits, are adequately budgeted.

At this time the Provost is meeting with all academic units and reviewing the five year plans. Once all are received, the Budget Office will roll them up to provide the Provost with a summary of the compiled academic unit budgets. Fall and Spring reviews of all “A” fund responsibilities will take place as usual in November 2015 and March 2016 using the format from the previous years.

The House budget does not include a pay plan, but the Senate has yet to adopt a budget as of this date. The House budget would result in an employer health insurance premium increase of 3.4% effective January 1, 2016. In addition, the employer retirement rate is scheduled to increase from 10.75% to 10.91% effective July 1, 2015. If the Board of Trustees approves initiative funding and once those changes are known, the Budget Office will prepare BD’s in August to distribute each responsibility’s pro-rata share.

As changes are made to the state budget through the Senate deliberations and Conference Committee negotiations, we will forward that to you.

If you have any questions, please contact your budget analyst.

cc: Ed Walton
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