MEMORANDUM

TO: Budget Office Business Contacts
FROM: Harry Bell, Budget Director
DATE: March 28, 2016
RE: Columbia “A” Fund Line Item Budget Development – FY2017

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 29, 2016 freeze.

The web-based budget entry system will be active until Friday, April 8, 2016. 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 17.** However, units may adjust their revenue (4s) and transfer (8s) amounts as needed based on anticipated changes in activity for FY 2016-17. Expenditure object code (5s) amounts may obviously be adjusted as needed to match. However, any negative budgets in account code 5000X **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. 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 FY2016 year.

The annual solicitation for carryforward estimates will be made within the next several 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 2017 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 5000X 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. Do not budget in account code 50000.

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 2016 and March 2017 using the format from the previous years.

The House budget includes a 2% 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 .6% effective January 1, 2017. In addition, the employer retirement rate is scheduled to increase from 10.91% to 11.41% with an effective date yet to be determined. 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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