



The Basic Budget Thought Process De-mystified



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Planning Overview

- **Allocation from the Budget Office**
- **Salary expenditure**
- **Non-salary expenditure**
- **Review your creation**



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Allocation from the Budget Office

The new funding model determines the allocation and Budget office populates your file:

- At the PG level
- At the DEPTID level
- Faculty based on new faculty funding model
- Administrative units use a zero based bottom up approach based on 2010/11 fiscal year funding
- Additional requests via Budget Oversight Committee meetings



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Allocation from the Budget Office

	2009/10		2010/11							
	Forecast		Plan							
	Working		Working							
	TotalYear	April	May	June	July	August	September	October	November	December
400000 - Revenue budget pool										
402000 - Rev Budget Pool - GPO Revenue										
410000 - Budget pool-revenues										
ALOCFW - R-CFWD Allocation										
ALOEND - R-END Funding Allocation										
ALOGPO - R-GPO Funding Allocation		5,700,120								
-Revenue Budget (A)		5,700,120								
+Government Grants (A)										
+Other Grants, Contracts & Dona (A)										
+Student Fees (A)										
+Sales & Services (A)										
+Investment Income (A)										
+Year End Deferral Adjustments (A)										
-All sources of revenues (A)		5,700,120								
+All expenses (A)	6,643,315	569,114	569,114	569,114	569,114	569,114	569,114	569,114	569,114	569,114



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Salary Expenditure - Faculty

Review your listing of faculty positions and \$ from Workforce section of UBC Plan

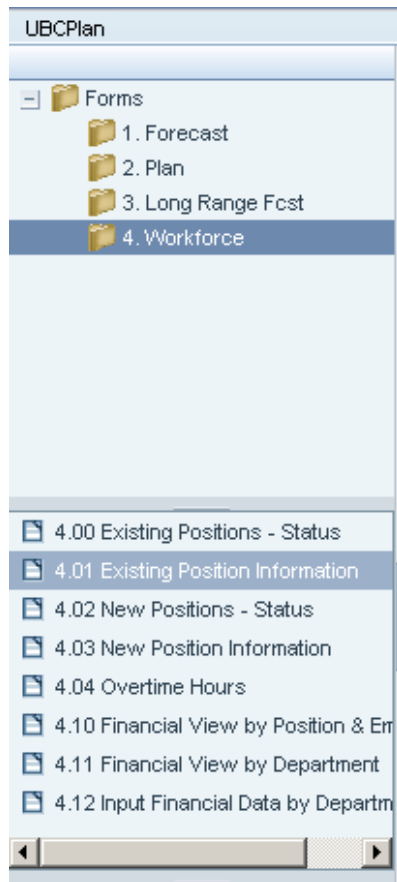
- ✓ Use Data Form 4.01 Existing Position Information
- ✓ This report will show you all your faculty positions and the existing pay rate for this PG
- ✓ Make note if any positions need to be changed, added or deleted
- ✓ Make changes in Position Management as required
 - Position Management update Hyperion Planning monthly
 - Possibly more frequent updates from Nov. to Jan.
- ✓ Review updated Workforce data from Position Management



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Access to workforce section



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Position Management Extract

		Salary Basis	Salary Rate	OT Eligibility	Employee Type	FT_PT	Start Month	Merit Month	Merit & Other Or
Asst Professor (tenure) -P0000	Sedin,Henrik - E10	Annual	84,000	None	Faculty - Tenure	FT	Oct	Oct	
Assoc Professor (tenure) -P0000	Sedin,Daniel - E10	Annual	96,000	None	Faculty - Tenure	FT	Dec	Dec	
Professor (tenure) -P00003100	Luongo,Robert - E11	Annual	132,000	None	Faculty - Tenure	FT	Oct	Oct	
Asst Professor (tenure-track) -P0000	Mitchell,Willie - E11	Annual	84,000	None	Faculty - Tenure	FT	Nov	Nov	
Assoc Professor (tenure) -P0000	Salo,Sami - E11	Annual	96,000	None	Faculty - Tenure	FT	Dec	Dec	
Asst Professor (tenure) -P0000	Raymond,Mason - E11	Annual	84,000	OT_ELIGIBLE	Faculty - Tenure	FT	Oct	Oct	
Asst Professor (tenure) -P0000	Hamhuis,Dan - E11	Annual	84,000	None	Faculty - Tenure	FT	Oct	Oct	
Professor (tenure) -P0000	Malhotra,Manny - E11	Annual	156,000	None	Faculty - Tenure	FT	Oct	Oct	
Assoc Professor (tenure) -P0000	Hanssen,Jannik - E11	Annual	96,000	None	Faculty - Tenure	FT	Nov	Nov	
Assoc Professor (tenure) -P0000	Burrows,Alexandre - E11	Annual	96,000	None	Faculty - Tenure	FT	Dec	Dec	
Assoc Professor (tenure) -P0000	Kesler,Ryan - E11	Annual	96,000	None	Faculty - Tenure	FT	Dec	Dec	
Professor (tenure) -P0000	Schneider,Cory - E2	Annual	132,000	None	Faculty - Tenure	FT	Oct	Oct	
Lecturer -P0000	Rypien,Rick - E2	Annual	24,000	None	Faculty Sessional	FT	Dec	Dec	

- Input merit and other one time \$ onto yellow highlighted column
- Salary expense plan will be increased based on collective agreement



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Position Management Extract (cont'd)

Admin Increase	Increase Month	Salary Increase	Shift Diff. %	Adjusted Annual	Benefit %	FTE	Employment Gr	Grade	Hours per week	Step	Max Step
2%	Jun			85,680		1	BOG	0	40	No Step	No Step
2%	Jun			97,920		1	BOG	0	40	No Step	No Step
2%	Jun			134,640		1	BOG	0	40	No Step	No Step
2%	Jun			85,680		1	BOG	0	40	No Step	No Step
2%	Jun			97,920		1	BOG	0	40	No Step	No Step
2%	Jun			85,680		1	BOG	0	40	No Step	No Step
2%	Jun			85,680		1	BOG	0	40	No Step	No Step
2%	Jun			159,120		1	BOG	0	40	No Step	No Step
2%	Jun			97,920		1	BOG	0	40	No Step	No Step
2%	Jun			97,920		1	BOG	0	40	No Step	No Step
2%	Jun			97,920		1	BOG	0	40	No Step	No Step
2%	Jun			134,640		1	BOG	0	40	No Step	No Step
2%	Jun			24,480		1	BOG	0	40	No Step	No Step

Insert additional salary increase % in addition to collective agreement in yellow cells above (ex. need to reach midpoint)



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Position Management Extract (cont'd)

Salary Bottom o	Salary Midpoint	Salary Top of R:	Campus
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv
0	0	0	UBC at Vancouv



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Provision for Salary Increases

SALFAC – Faculty Salaries

PTR (Progress Through the Ranks) consists of:

- PSA (Performance Salary Adjustment)
- CPI (Career Progress Increment)
- Merit



Salary Lines

	April	May
WF_511000 - Salaries-Faculty nonbargaining		
WF_512000 - Salaries-Faculty bargaining		
WF_SALFAC - E-Faculty Salaries		
-WF_Faculty Salaries (A)		
GL Accounts onal	Read-Only	
WF_522000 - Honoraria/Services Rendered		
WF_SALSES - E-Sessional Salaries		
-WF_Sessional Salaries (A)		
WF_541000 - Salaries-Staff		
WF_541010 - Salaries-Fulltime staff		
WF_543000 - Salaries-Hourly staff		
WF_545000 - Salaries-Hourly student		
WF_546000 - Salaries-Staff Finders		
WF_547000 - Salaries-Overtime		
Alpha Planning Accounts reduction	Writable	
WF_SALSTF - E-Staff Salaries		
-WF_Staff Salaries (A)		
WF_531000 - Salaries-Students		

- GL accounts will always be equal to position planned in Workforce module
- High level adjustments can be made to alpha accounts



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Salary Review

	April	May	June	July	August	September	October	November	December	January	February	March	TotalYear
Asst Professor (te	7,140	7,140	7,140	7,000	7,000	7,000	12,000	7,000	7,000	7,000	7,000	7,000	89,420
Assoc Professor (	8,160	8,160	8,160	8,000	8,000	8,000	8,000	8,000	13,000	8,000	8,000	8,000	101,480
Professor (tenure	11,220	11,220	11,220	11,000	11,000	11,000	16,000	11,000	11,000	11,000	11,000	11,000	137,660
Asst Professor (te	7,140	7,140	7,140	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,420
Assoc Professor (	8,160	8,160	8,160	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,480
Asst Professor (te	7,140	7,759	7,759	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	85,659
Asst Professor (te	7,140	7,140	7,140	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,420
Professor (tenure	13,260	13,260	13,260	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	156,780
Assoc Professor (	8,160	8,160	8,160	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,480
Assoc Professor (	8,160	8,160	8,160	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,480
Assoc Professor (	8,160	8,160	8,160	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,480
Professor (tenure	11,220	11,220	11,220	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132,660
Lecturer -P00005	2,040	2,040	2,040	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,120

Form 4.10

- Includes all positions from Position Management
- Includes all positions created in Hyperion for planning purposes



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Salary Expenditure – Faculty: Considerations

Changes to the position may result due to:

- ❖ Promotion, increase, retention, added duties
- ❖ Temporary leave: maternity/paternity, disability, admin leave
- ❖ Permanent leave: retirement, voluntary leave
- ❖ New hire: part year or full year salary

The above applies to sessional hires



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Salary Expenditure – Non Faculty

Review your listing of M&P and CUPE positions and \$ from the Workforce section of UBC Plan

- ✓ Use Data Form 4.01 Existing Position Information
- ✓ This report will show you all your non-faculty positions and the existing pay rate for this PG
- ✓ Make a note if any positions need to be changed, added or deleted
- ✓ Update Position Management to reflect changes as required
 - Position Management updates Hyperion Planning monthly
 - Possibly more frequent updates from Nov. to Jan.
- ✓ Review updated Workforce data from Position Management



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Position Management Extract

	Salary Basis	Salary Rate	OT Eligibility	Employee Type	FT_PT	Start Month	Merit Month	Merit & Other Or	Admin Increase	Admin Increase
Senior Financi	Annual	48804	None	Staff	FT	Nov				
Financial Proc.	Annual	36948	None	Staff	FT	Nov				
Senior Financi	Annual	48804	None	Staff	FT	Mar				
Financial Analy	Annual	61711	None	Staff	FT	Dec				
Financial Proc.	Annual	40090	None	Staff	FT	Oct				
Financial Proc.	Annual	38916	None	Staff	FT	Nov				
Financial Proc.	Annual	41448	None	Staff	FT	Jun				

- Name, Position Number and Employee Number are available in the “Live” system
- Input merit and other one time \$ onto yellow highlighted column
- Salary expense plan will be increased based on collective agreement



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Position Management Extract (cont'd)

	Increase Month	Salary Increase	Shift Diff. %	Adjusted Annual	Benefit %	FTE	Employment Gr	Grade	Hours per week
Senior Financi				48804		1	CUPE 2950 (Cler	0	35
Financial Proc.				36948		1	CUPE 2950 (Cler	0	35
Senior Financi				48804		1	CUPE 2950 (Cler	0	35
Financial Anal				61711		1	M&P	6	35
Financial Proc.				40090		1	CUPE 2950 (Cler	0	35
Financial Proc.				38916		1	CUPE 2950 (Cler	0	35
Financial Proc.				41448		1	CUPE 2950 (Cler	0	35

- Insert additional salary increase % & month in addition to collective agreement in yellow cells above (ex. need to reach midpoint)
- The benefit rate will be populated when the system is “Live”



Position Management Extract (cont'd)

Step	Max Step	Salary Bottom o	Salary Midpoint	Salary Top of R:	Campus
Step 5	Step 5	0	0	0	UBC at Vancouv
Step 3	Step 3	0	0	0	UBC at Vancouv
Step 5	Step 5	0	0	0	UBC at Vancouv
No Step	No Step	51099	61343	73611	UBC at Vancouv
Step 3	Step 3	0	0	0	UBC at Vancouv
Step 3	Step 3	0	0	0	UBC at Vancouv
Step 3	Step 4	0	0	0	UBC at Vancouv

Note that M & P employees have data in the Salary Range vs. CUPE who show data in the Steps



Salary Expenditure – Staff: Considerations

Changes to the position may result due to:

- ❖ Promotion, increase
- ❖ Temporary leave: maternity/paternity, disability
- ❖ Permanent leave: retirement, voluntary leave
- ❖ New hire; part year or full year salary

Review Collective Agreement for fiscal increases



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Non Salary Expenditure

What is your unit's strategic direction

- Plan spending in accordance to direction
- Manage spending to ensure balanced budget
- Not all items are recurring; some are one-time
- Don't sweat the small stuff



Non Salary Expenditure - Travel

- **Airfare**
- **Hotel**
- **Conference fee**
- **Per diem rate**
- **Transportation and others**



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Travel Expenses

UBCPlan

The data has been saved.

Page: G0000 - General Purpose Operating | D121600 - History | 00GTRAIN | PC_DEFAULT | Go

	2009/10	2010/11												TotalYear
	Forecast	Plan												
	Working	Working												
	TotalYear	April	May	June	July	August	September	October	November	December	January	February	March	
±Expense Budget (A)														
±Cost of Sales (A)														
±Salaries (A)	6,662,669	548,550	548,550	548,550	548,550	548,550	548,550	548,550	548,550	548,550	548,550	548,550	548,550	6,582,598
±Benefits (A)														
±Travel Other (A)	-1,660	984	984	984	984	984	984	984	984	984	984	984	984	11,810
621000 - Conferences-Pub carrier transp		823	823	823	823	823	823	823	823	823	823	823	823	9,872
622000 - Conferences-Other transport	-624	446	446	446	446	446	446	446	446	446	446	446	446	5,349
622500 - Conferences-Car rental														
622600 - Conferences-Mileage														
623000 - Conferences-Meals		355	355	355	355	355	355	355	355	355	355	355	355	4,255
624000 - Conferences-Accommodation	-1,199	0	1,247	1,247	0	0	0	0	0	0	0	0	0	2,493
CONFRC - Conference Expenses														
±Conference Expenses (A)	-1,823	1,623	2,870	2,870	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	21,970
±Field Trip Expenses (A)														

Use supporting details tab to explain the expenses



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Supporting Details

Supporting Detail

- Account: 624000 - Conferences-Accomodation
- Fund: G0000 - General Purpose Operating
- Entity: D121600 - History
- Project Grant: 00GTRAIN
- Program Code: PC_DEFAULT

[Add Child](#) [Add Sibling](#) [Delete](#) [Delete All](#) [Promote](#) [Demote](#) [Move Up](#) [Move Down](#) [Duplicate Row](#)

		2010/11 Plan Working June
Accomodation	+ ▾	1,246.8
Mr. A & Mr. B	+ ▾	2.0
Hyatt at NYC daily rate	* ▾	120.0
# of nights	* ▾	5.0
exchange rate	* ▾	1.039
Total:		1,246.8

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Step Back (before clicking submit)

- **Validate**
 - **As planned based on best estimates**
 - **Communicate and follow up on uncertainties**
- **Compare**
 - **Year over Year budget**
 - **Forecast to budget**
- **Analyze**
 - **Explain variances**
 - **Reasonable increases/decreases**
 - **Duplicates, cost recoveries**



The Budget Shows a **Surplus**

- ❑ Determine the reason for the surplus
 - Validate salary expenses
 - Are all planned expenses included
 - Identify changes from prior year. Are they reasonable?
 - What are the Transfer-Ins? Are their related expenses included?
 - Any new income stream?



Surplus Position

	FY11												
	Plan												
	Working												
	April	May	June	July	August	September	October	November	December	January	February	March	±TotalYear
ALOGPO - R-GPO Funding Allocation	9,000,000												9,000,000
±Revenue Budget (A)	9,000,000												9,000,000
±All sources of revenues (A)	9,000,000												9,000,000
±Salaries (A)	739,895	612,474	610,296	738,631	613,982	723,692	749,180	751,405	808,263	724,842	638,467	699,029	8,410,156
±Travel Expenses (A)			504	5,002							10,131	30,991	46,628
±Operational Supplies & Expense (A)	1,067	6,906	4,289	3,520	4,230	2,118	41,714	11,445	-4,034	21,058	-59,997	89,944	122,258
±Professional Fees (A)										1,543			1,543
±Building Operations-Utilities (A)	3,741	3,973	4,077	3,890	3,982	3,785	3,988	4,058	3,860	4,132	3,862	4,081	47,428
±Capital Expenditures (A)	14,220				3,106		18				25	62,015	79,384
±All expenses (A)	758,922	623,352	619,166	751,043	625,300	729,595	794,900	766,908	808,088	751,575	592,487	886,060	8,707,398
±Interfund Transfers (A)	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-36,720
Statement of Revenue & Expense (A)	8,238,018	-626,412	-622,226	-754,103	-628,360	-732,655	-797,960	-769,968	-811,148	-754,635	-595,547	-889,120	255,887

Have I included all expenses?



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The Budget Shows a **Deficit**

- ❑ Determine the reason for the deficit
 - Payroll related
 - One-time spending
- ❑ Options for covering the deficit
 - Carry forward balance
 - Other income stream
 - Any cost savings opportunities
- ❑ Escalate deficit and find mitigation remedy
 - Identify
 - Quantity
 - Resolution



Deficit Position

	FY10	FY11												
	Forecast	Plan												
	Working	Working												
	TotalYear	April	May	June	July	August	September	October	November	December	January	February	March	TotalYear
±All sources of revenues (A)	5,639,000	5,700,120												5,700,120
±Salaries (A)	6,662,669	739,895	612,474	610,296	738,631	613,982	723,692	749,180	751,405	808,263	724,842	638,467	699,029	8,410,156
±Travel Expenses (A)	-3,483			504	5,002							10,131	30,991	46,628
±Operational Supplies & Expense (A)	-15,888	1,067	6,906	4,289	3,520	4,230	2,118	41,714	11,445	-4,034	21,058	-59,997	89,944	122,258
±Professional Fees (A)											1,543			1,543
±Building Operations-Utilities (A)	47,698	3,741	3,973	4,077	3,890	3,982	3,785	3,988	4,058	3,860	4,132	3,862	4,081	47,428
±Capital Expenditures (A)	17	14,220				3,106		18				25	62,015	79,384
∓All expenses (A)	6,691,013	758,922	623,352	619,166	751,043	625,300	729,595	794,900	766,908	808,088	751,575	592,487	886,060	8,707,398
±Interfund Transfers (A)	-6,000	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-3,060	-36,720
Statement of Revenue & Expense (A)	-1,058,013	4,938,138	-626,412	-622,226	-754,103	-628,360	-732,655	-797,960	-769,968	-811,148	-754,635	-595,547	-889,120	-3,043,996



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✓ **Suggested Checklist**

- Review the names of faculty and staff members
- Confirm the timing of any hires and/or terminations
- Take into account summer hiring
- Compare list and amounts to existing structure
- Work with HR to ensure Position Management system is correct
- Review each non-salary line
- Confirm current and future one-time spending items
- Review with person responsible for changes to spending
- Compare past and current spending to budgeted spending
- Explain any lines that are 10% higher or lower than current spending
- Ensure rate of spending is less than rate of allocation



Planning Points

- If allocation is not increasing and salary increase is expected, non-salary spending needs to be decreased
- Consider investment to increase productivity
- Innovate processes to sustain operations



Build Your Budget on Solid Foundation

- Use one-time funding for short-term spending
 - Use recurring funding for long-term commitments
 - Understand your operations
-
- ✓ How does your budget fit into your strategic direction?
 - ✓ How does your strategic direction fit into the University's?



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DISCUSSION