



# Budget Manager Training

April 2018

COLLEGE OF  

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MARIN

# Overview

- **Section One – The Basics: District Accounting Overview**
- **Section Two – The Budget Process Overview**
- **Section Three – Budget Development**
- **Section Four – Quarterly Budget Monitoring**
- **Section Five – Resources**

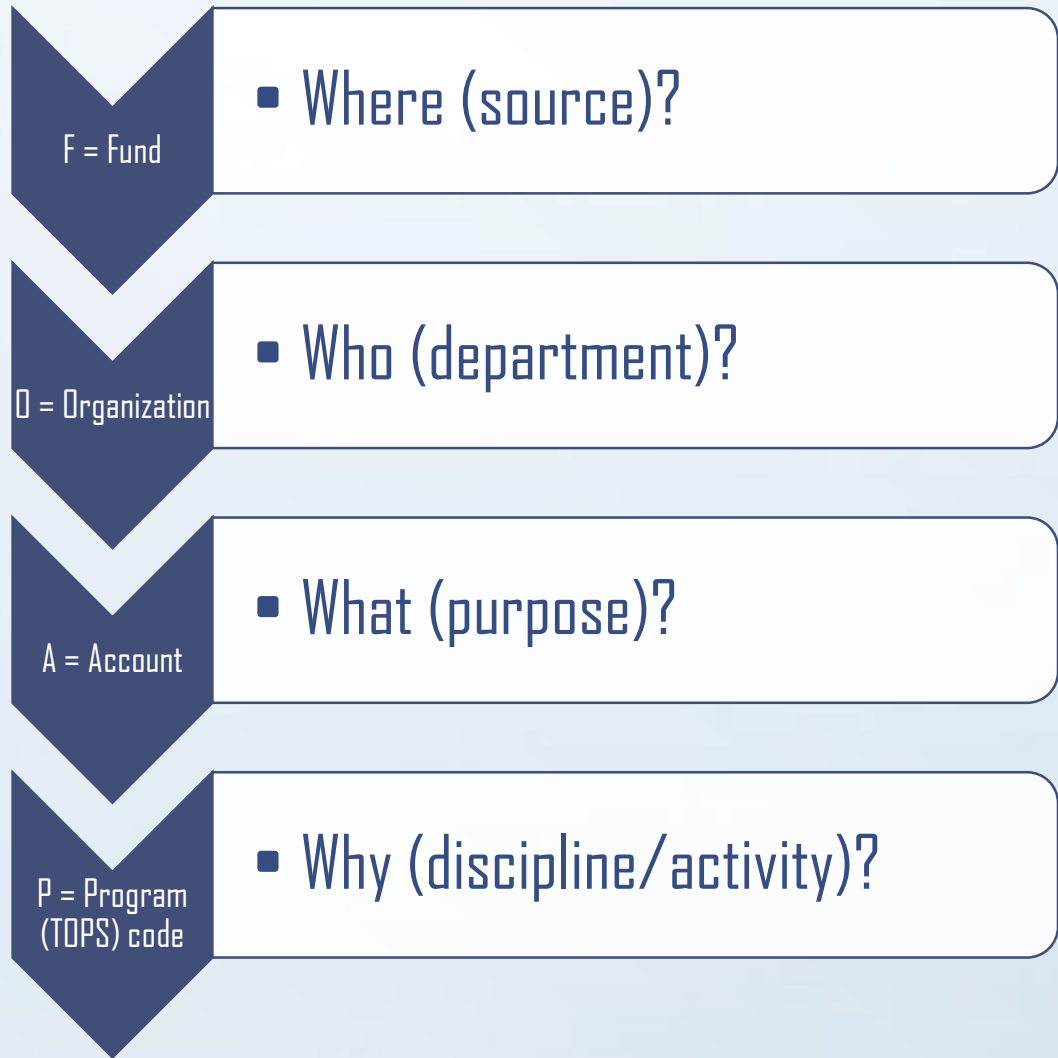
**Section One:**

# The Basics: District Accounting Overview

**1 + 2 = 3**



# The “FOAP”



- We use the Chart of Account segments, known as the “FOAP” for the following purposes:
- Track expenditures in accordance with the Chancellor’s Office Budget and Accounting Manual (BAM)
- Provide the means for developing various reports required by the Chancellor’s Office
- Provide the basis for external financial reporting
- Facilitate internal operational management
- **Reminder: All incoming and outgoing dollars must have a FOAP.**
- **Reminder: Transactions must be coded based on the nature of the activity.**

# The “Fund”

The Fund is a five-digit code that identifies a self-balancing set of accounts and identifies the source of monies and ownership. Balance sheets and revenue and expenditure reports may be produced for any fund, which can be unrestricted or restricted.

| <u>District Fund</u>  | <u>District Accountant</u> |
|---|----------------------------|
| 11100 – Unrestricted General Fund                               | Michelle Greitzer          |
| 11400 – Community Education and Services                        | Brianna Haggitt            |
| 12XXX – Restricted General Funds                                | Leslie Barker              |
| 123XX – 124XX – Instructional Equipment & Instructional Support | Brianna Haggitt            |
| 126XX – Annual Giving, Advancement, Donations & Scholarships    | Brianna Haggitt            |
| 33100 – Child Development Fund                                  | Leslie Barker              |
| 41XXX – Capital Outlay Funds                                    | Brianna Haggitt            |
| 43X00 – Capital Outlay Fund for Measure B Bond Funds            | Peggy Isozaki              |
| 75XXX – Scholarship and Loan Funds                              | Brianna Haggitt            |
| 76XXX – Investment Trust Funds                                  | Brianna Haggitt            |

**Reminder: All budget transfers must be *within the same fund.***

# The “Organization”

The Organization is usually a five digit code that identifies a unit of budgetary responsibility or departments within an institution. It is normally used to define “who” spends the money. Here are the core Organization codes:

- 20xxx = Student Learning
- 21xxx = Arts and Humanities
- 22xxx = Math and Science
- 23xxx = Workforce Development
- 233xx = Health Sciences
- 24xxx = Enrollment Services
- 25xxx = Student Development, Special Services, Child Development, and Early Childhood Education
- 26xxx = Learning Resources
- 27xxx = Academic Services and Articulation
- 28xxx = Community Services & International
- 29xxx = Academic Senate
- The District has many other Organization codes to track financial activity.
- Some “Org” codes, which are mainly used for capital outlay and project accounting, are alpha-numeric and include a sixth position.
- **Reminder: Discretionary budget transfers may occur between different Organizations but must remain within the same Fund.**

# The “Account”

The Account is a five-digit code that identifies objects, such as the general ledger accounts (assets, liabilities, control, fund balances) and the operating ledger accounts (revenues, expenditures, transfers). The account is a line-item within an institution’s financial structure:

- 1xxxx Faculty Salaries
  - 11xxx = Full Time Instructional
  - 12xxx = Full Time Non-Instructional
  - 13xxx = PT Instructional & Overload
  - 14xxx = PT Non-Instructional & Overload
- 2xxxx Classified Salaries
  - 21xxx = Permanent Non-Instructional
  - 22xxx = Permanent Instructional
  - 23xxx = Hourly Non-Instructional
  - 24xxx = Hourly Instructional
- 3xxxx Benefits (Pension, Health & Welfare, Payroll Taxes)
- 4xxxx Supplies
- 5xxxx Operating Expenditures (e.g., personal services, contract services, travel, memberships)
- 6xxxx Equipment, Library books
- 7xxxx Other Outgo

**Reminder: All financial transactions must be coded based on the nature of the activity and not where budget may reside.**

# Discretionary Accounts

Account codes determine which expenditures are under the discretionary control of Budget Managers. The District considers the following accounts discretionary in the Unrestricted General Fund:

- 211xx – Classified Non-Instructional Overtime
- 221xx – Classified Instructional Aides Overtime
- 23xxx – Part Time Hourly Non-Instructional
- 24xxx – Part Time Hourly Instructional
- 4xxxx – Supplies
- 5xxxx – Other Operating Expenditures
- 6xxxx – Equipment, Library books

**Reminder: The District only allows budget transfers between discretionary accounts within the same fund.**



# The “Program”

The Program is a six-digit code that identifies a function and enables the institution to establish a method of classifying transactions across organizations and accounts. California Community Colleges follow the [Taxonomy of Programs \(TOPS\)](#) and the Administrative and Support Activities (ASA) codes as defined by the California Community Colleges Chancellor's Office. Instructional program codes are assigned for each course, and can be obtained from the Office of Instructional Management (OIM) for specific courses.

## INSTRUCTIONAL ACTIVITIES - Begin with the following:

|    |   |    |                                |
|----|---|----|--------------------------------|
| 01 | Agriculture and Natural Resources       | 13 | Family and Consumer Services   |
| 02 | Architecture and Environmental Design   | 14 | Law                            |
| 03 | Environmental Sciences & Technologies   | 15 | Humanities                     |
| 04 | Biological Sciences                     | 16 | Library Science                |
| 05 | Business and Management                 | 17 | Mathematics                    |
| 06 | Media and Communications                | 18 | Military Studies               |
| 07 | Information Technology                  | 19 | Physical Sciences              |
| 08 | Education                               | 20 | Psychology                     |
| 09 | Engineering and Industrial Technologies | 21 | Public and Protective Services |
| 10 | Fine and Applied Arts                   | 22 | Social Sciences                |
| 11 | Foreign Language                        | 30 | Commercial Services            |
| 12 | Health                                  | 49 | Interdisciplinary Studies      |

# The “Program”

ADMINISTRATIVE ACTIVITIES – Begin with the following:

|        |   |        |   |
|--------|---|--------|---|
| 60xxxx | Instructional and Administration and Instructional Governance | 67xxxx | General Institutional Support Services      |
| 61xxxx | Instructional Support Services                                | 68xxxx | Community Services and Economic Development |
| 62xxxx | Admissions and Records  | 69xxxx | Ancillary Services                          |
| 63xxxx | Student Counseling and Guidance                               | 70xxxx | Auxiliary Operations                        |
| 64xxxx | Other Student Services  | 71xxxx | Physical Property and Related Acquisitions  |
| 65xxxx | Operation and Maintenance of Plant                            | 72xxxx | Long-Term Debt and Other Financing          |
| 66xxxx | Planning, Policy and Coordination                             | 73xxxx | Transfers, Student Aid, and Other Outgo     |

**Reminder: The Chancellor’s Office requires the use of standard Program codes for both financial and compliance reporting.**

Section Two:

# Budget Process Overview

$$a^2 + b^2 = c^2$$



# Budget Process Overview

The Vice President of Finance and Operations distributes memorandums to Budget Managers to outline the budget requirements, direction, and timeframe for the subsequent fiscal year.

Fiscal Services works with the Human Resources and Information Technology departments to load permanent staff into the Budget Builder. Data is taken directly from current Banner positions.

Budget Managers review permanent staff and corresponding FOAP coding for accuracy.

Budget Managers and approved department staff input the allocated discretionary dollars into the Budget Builder and balance the total allocated discretionary budget between their Organizations.

Total discretionary dollars may be allocated among all Organizations under a single Budget Manager.

## Once Budget Builder Closes:

1. Fiscal Services consolidates the Budget Builder results for the entire District.
2. Senior Management reviews the Tentative Budget and directs final adjustments.
3. Fiscal Services prepares the Tentative Budget document for the June Board of Trustees' meeting.
4. Senior Management directs Fiscal Services on updates for the Adoption Budget presented at the August Board of Trustees' meeting.

Section Three:

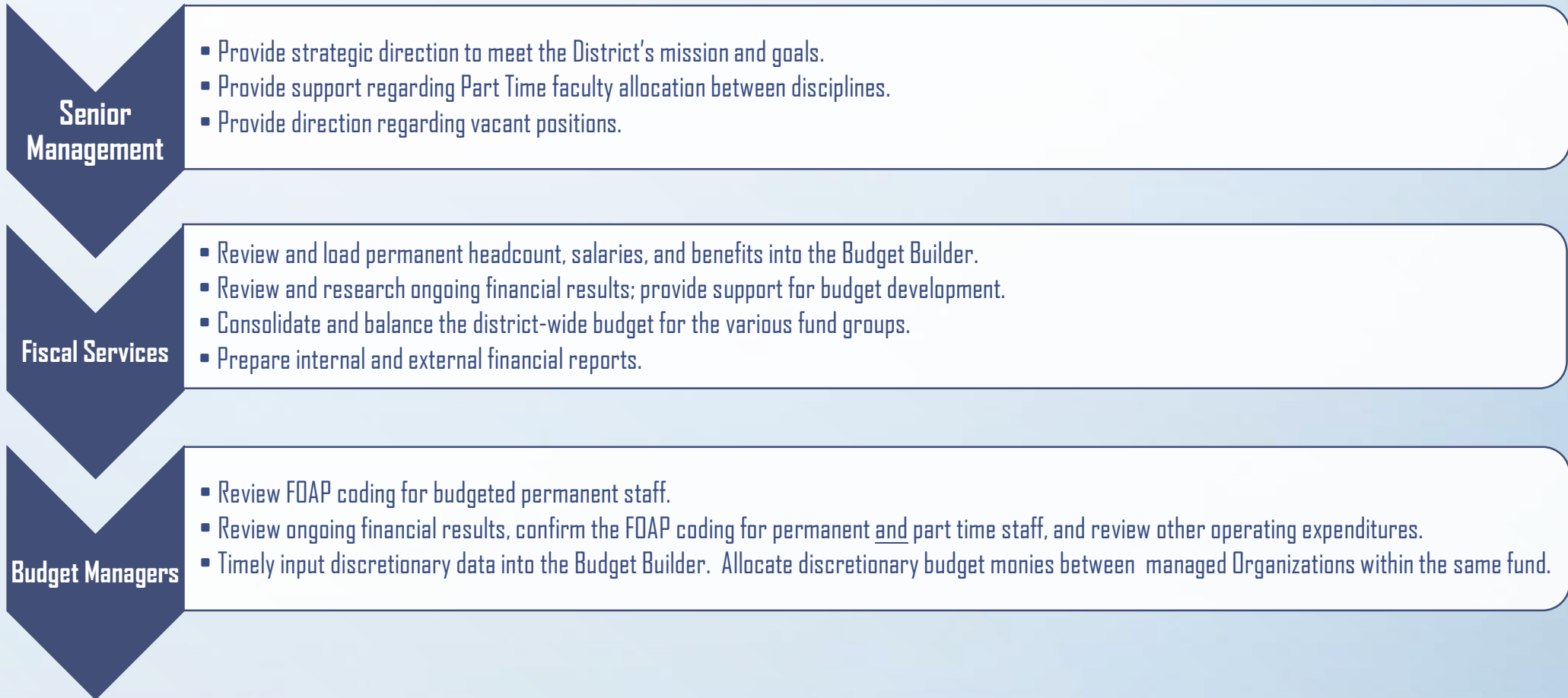
# Budget Development

$$(1 + x)^n = 1 + \frac{nx}{1!} + \frac{n(n-1)x^2}{2!}$$



# Budget and Financial Responsibilities

College of Marin teams have various budget development responsibilities:



# Using the Budget Builder

**The Budget Builder provides the following benefits:**

- Budget Managers may input several line-item budget details within a specific budget FOAP.
- Drill-down capability on the “Actual” column to view employee-level entries from the payroll system.
- Is available throughout the year for Budget Managers to review details of his/her budget.

**To access the Budget Builder:**

- Type “**intranet**” into you web browser’s URL (exclude the quotations).
- Expand the Financials folder on the left side menu.
- Select the Budget Builder page.

**Notes: Fiscal Services will provide individual demonstrations and hands-on training to Budget Managers for data entry.**

# Allocating Your Discretionary Budget

- Budget Managers should allocate discretionary dollars between Organization codes within the same fund.
- In other words, if a Budget Manager has two Organizations under management, then the manager may allocate the discretionary budget between the two Organization Codes.
- With advanced planning, Budget Managers should try to anticipate FOAP-level expenditures to minimize subsequent budget transfers.
- The idea is to plan ahead as much as possible so funds are available in the correct FOAP when needed, and so Budget Managers have a basis for providing comments during quarterly reviews.

**Reminder: After the start of the new fiscal year, budget transfers would be needed to reallocate discretionary funds within the same fund.**



# Sample Budget Allocation

Here's an example of a year-over-year discretionary budget allocation between Org codes, assuming the Budget Manager has \$10,000 to allocate in each Fiscal Year, 2018 and 2019:

| Account Title                     | FOAP                     | FY18, Org 31001 | FY18, Org 31002 | FY18 Total       | FY19, Org 31001 | FY19, Org 31002 | FY19 Total       |
|-----------------------------------|--------------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
| CSEA Overtime                     | 11100-31001-21000-672000 | \$ 500          |                 | \$ 500           | \$ 650          |                 | \$ 650           |
| CSEA Overtime                     | 11100-31002-21000-672000 |                 | 800             | 800              |                 | 200             | 200              |
| Part Time Salary Student          | 11100-31001-23010-672000 | 1,400           |                 | 1,400            | 800             |                 | 800              |
| Part Time Salary Student          | 11100-31002-23010-672000 |                 | 1,200           | 1,200            |                 | 900             | 900              |
| Other Supplies                    | 11100-31001-45000-672000 | 3,500           |                 | 3,500            | 3,900           |                 | 3,900            |
| Other Supplies                    | 11100-31002-45000-672000 |                 | 1,840           | 1,840            |                 | 2,150           | 2,150            |
| Travel and Conference             | 11100-31001-52000-672000 | 560             |                 | 560              | 700             |                 | 700              |
| Travel and Conference             | 11100-31002-52000-672000 |                 | 200             | 200              |                 | 700             | 700              |
| <b>TOTAL DISCRETIONARY BUDGET</b> |                          | <b>\$ 5,960</b> | <b>\$ 4,040</b> | <b>\$ 10,000</b> | <b>\$ 6,050</b> | <b>\$ 3,950</b> | <b>\$ 10,000</b> |

- Reviewing actual expenditures by FOAP should help determine how to allocate your budget for the following year. In addition, planning for new activity in the new budget year will reduce subsequent budget transfers.
- For the Unrestricted General Fund (11100), the Budget Manager has latitude to allocate discretionary budget dollars between discretionary Accounts and between Organizations.

Section Four:

# Quarterly Budget Monitoring

$$f(x) = a_0 + \sum_{n=1}^{\infty} \left( a_n \cos \frac{n\pi x}{L} + b_n \sin \frac{n\pi x}{L} \right)$$



# Tools For Monitoring Financial Activity

## Banner Self Service (Banner SSB)

- This is the Banner module we each use daily to review Fund, Organization, Account, and Program activity. We also use this module to initiate budget transfers and purchase requisitions.
- Users may drill down in Banner SSB screens to see transaction-level activity; however, employee-level payroll detail is not available in Banner SSB (actual employee-level payroll detail can be found in the Budget Builder).

## Quarterly Budget Report

- This report provides summarize financial information based on the Funds and Org codes selected. Accessing the Quarterly Budget Report is similar to accessing the Budget Builder. To access the Budget Builder:
  - Type **"intranet"** into you web browser's URL (exclude the quotations).
  - Expand the Financials folder on the left side menu.
  - Select the Quarterly Budget.
    - Instructions for using the Quarterly Budget report, tools and tips, and samples are located at the top of the window once "Quarterly Budget" is selected.

## Budget Builder

- As mentioned earlier, the annual budget memorandum to Budget Managers will provide the timeframe of key-entry into the Budget Builder. However, the Budget Builder is open throughout the year for review and analysis. For example, users may both actual and budgeted view employee-level data, as well as actual data from the previous fiscal year.
- Budget Builder is the only tool currently available to review actual employee-level payroll activity, so it is important for Budget Managers to review payroll lines for employee FOAP accuracy.

# General Budgeting Notes

- If a particular FOAP combination does not display in the Budget Builder, then please contact the assigned fund Accountant to activate the FOAP. Only FOAPs used in the current year display in the Budget Builder. Fiscal Services would need to make a coding adjustment in the current fiscal year should a desired FOAP not display in budget fiscal year the Budget Builder tool.
- Please notify Fiscal Services to request Budget Builder access for your staff as you deem necessary.
- For the Unrestricted Fund 11100, Departments do not need to budget for materials fees, Account 43020 – Instructional Supplies. During the beginning of each semester, upon notification from the department, Fiscal Services provides additional budget to fund instructional supplies/materials fees after verifying actual student enrollment and fees collected from students.
- Fiscal Services works with the Information Technology department during the last week in June to load the Tentative Budget into Banner before the beginning of the new fiscal year. After the Board of Trustees approves the Adoption Budget, the Tentative Budget is reversed in Banner and then the Adoption Budget is loaded into Banner. On a line by line, FOAP, basis, the Tentative Budget may vary from the Adoption Budget details. Budget Managers should review their final Adoption Budget in Banner SSB.
- After the Board of Trustees approves the Adoption Budget, Budget Builder details are available to facilitate review and tracking.

Section Five:  
**Resources**



# Resources

- SSB Banner User Guide  
<http://www.marin.edu/WORD-PPT/BannerSelfServiceFinanceSept5.pdf>
- Fiscal Services site  
<http://www.marin.edu/fiscal/index.html>
- Frequently Asked Questions  
<http://www.marin.edu/fiscal/faq.html>
- California Community Colleges Chancellor's Office – Budget and Accounting Manual  
[http://extranet.cccco.edu/Portals/1/CFFP/Fiscal\\_Services/Standards/BAM/bam2012ed/CompleteBAM/Budget%20and%20Accounting%20Manual%202012%20Edition.pdf](http://extranet.cccco.edu/Portals/1/CFFP/Fiscal_Services/Standards/BAM/bam2012ed/CompleteBAM/Budget%20and%20Accounting%20Manual%202012%20Edition.pdf)
- Taxonomy of Programs guide  
[https://www.marin.edu/WORD-PPT/TOPmanual6\\_2009\\_09corrected\\_12.5.13.pdf](https://www.marin.edu/WORD-PPT/TOPmanual6_2009_09corrected_12.5.13.pdf)