

# 2009-2010 OPERATING BUDGET Base Budget Reconciliation



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**BASE BUDGET RECONCILIATION**  
2009-10 OPERATING BUDGET

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# **INTRODUCTION**

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## **OVERVIEW**

**TIMEFRAME:** It is time for units and departments to become actively involved in the detailed preparation of next year's annual budget—the Fiscal Year 2009-10 (FY10) Operating Budget. The first step is to agree on the beginning amounts—or base budgets. This “**Base Budget Reconciliation**” begins now and will conclude in three weeks on **Friday, January 30, 2009**.

**DEFINITION:** The Base Budget Reconciliation is the process of reconciling the unit's 07/01/2008 general fund budget, adjusted for approved permanent changes, to the unit's budget as documented by the Office of Budget and Financial Planning (BFP). Specifically, it is obtaining and documenting agreement between three systems: (1) unit records, (2) University (BFP) records, and (3) the computerized Budget Preparation System (BPS). The Base Budget Reconciliation is performed at the program, CSD (College, School, Division), and University-wide levels. [**A listing of CSD names and codes is at Appendix I.**] This step is necessary for the FY09 budget so that both the units and BFP are beginning the development of the 2009-10 budget using the same general fund base.

**PURPOSE:** This reconciliation will serve as the starting point for further developing, in the electronic Budget Preparation System, a detailed line item budget for each unit for the next fiscal year. When the operating budget is completed and approved by the Board of Trustees in June, it will represent a statement of the University's and its component units' financial spending plans for the upcoming year. The budget will serve as a basis for management control and fiscal accountability.

**RESOURCE PERSONS:** To effect the coordination necessary during the Base Budget Reconciliation and subsequent budget development steps, each dean and vice president has identified a person within his or her office to act as liaison between the unit and the Office of Budget and Financial Planning. These individuals will be asked to coordinate the flow of information, disseminate budget work papers, and oversee reconciling the base budget. **A list of these major Unit Budget Coordinators appears in Appendix I.** Inquiries from departments relating to particular budget problems should be addressed directly to their respective Unit Budget Coordinators.

The Office of Budget and Financial Planning will channel all inquiries and formal communications to and through these Unit Budget Coordinators during the budget development cycle. Questions relating to the Budget Preparation System and other technical matters may be addressed directly to your Policy and Budget Analyst. **The Policy and Budget Analysts and their associated units are listed in Appendix I.**

**CONDITIONS:** The Base Budget Estimates for each program are the base—or building blocks—upon which the following year's budget is developed. However, **they should not be construed at this time as an approved allocation or a firm commitment of University general funds.** Further changes may be made to budgets during the budget development cycle as the Kentucky General Assembly, the Council on Postsecondary Education and the University's leadership team make important policy and resource decisions over the coming months.

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ALL FUNDING SOURCES: While units are only required to submit base budget reconciliation sheets for general fund programs, it is **essential that units also review and update their non-general fund budgets during this process**. Clinics, Academic Program Support, Endowments, and Athletic programs are key examples of programs that must be reviewed for structural balance. The revenues budgeted in these areas should be realistic and attainable, and the associated expenses should be budgeted within the limits of those revenue projections. The budgeted lines for both revenue and expense for each non-general fund program may be viewed by running *University Reports> Financials – Department – Analysis> UBM – Budget Lines by Funding Distribution*. Additional guidelines specific to each non-general fund area will be distributed separately.

**Clinic (Cxxxx) and Academic Program Support (Pxxxx)** budgets—jointly referred to as “Clinic Budgets”—will again be fully incorporated into this year’s budget development cycle and loaded on July 1<sup>st</sup> into the Peoplesoft Financial System from the Budget Preparation System. Units will begin clinic budget development on February 2<sup>nd</sup>, and the completed financial plans (proposed budgets for both revenue and expenses) are to be submitted to the Executive Vice President for Health Affairs four weeks later on February 27<sup>th</sup>. Unless specifically granted an exception by the Office of Budget and Financial Planning, clinic budgets will be balanced—expenses equal to the forecast revenue plus any projected year-end carryover. Necessary revisions will be coordinated during the clinic budget review and approval process over the following weeks with final clinic budgets projected to be available by the end of April.

**Endowment (Exxxx)** Program Budget Worksheets will be distributed to units electronically in March. Budget Coordinators will complete the worksheets and enter/adjust their endowment budgets in the Budget Preparation System. The desire is to have salary increase decisions made such that merit increases can be incorporated into the endowment program budget updates. However, decisions—or lack of decisions—at key levels (Kentucky General Assembly, Council on Postsecondary Education, University leadership) may not make this possible.

As in prior years, the University of Louisville **Athletic Association (ULAA)** will participate in the University’s budget development process. ULAA staff will ensure that the revenue and expenditures reflected in the Budget Preparation System are in agreement with the approved ULAA budget. Once the revenue and expenditure budgets are balanced and approved by the ULAA Board of Directors, the budget will be loaded into the University’s financial system via the Budget Preparation System.

# **INSTRUCTIONS**

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## INSTRUCTIONS FOR SUBMITTING THE 2009-10 BASE BUDGET RECONCILIATION

### *General*

Each University department and budgetary unit must reconcile all of its programs' general fund budgets to the respective program Base Budget Estimate.

Units will receive along with this Base Budget Reconciliation manual the **Base Budget Estimates** for each of their general fund programs. The Base Budget Estimates contain each program's continuing annual requirement (CAR) budget figures as of November 30, 2008. CAR changes approved after November 30<sup>th</sup> will need to be documented as variances on each program's Base Budget Reconciliation Sheet. BFP analysts will electronically distribute Base Budget Reconciliation Sheets. Units also will continue to have access to the Budget Preparation System to enter approved CAR changes. Hopefully, units have kept the BPS up-to-date by already inputting most of those changes. **The completed Base Budget Reconciliation sheets are to be submitted electronically to the Office of Budget and Financial Planning by Friday, January 30, 2009.** At the close of business that day, the Budget Preparation System will be closed to units while the University's aggregate base budget is reconciled. This analysis will conclude the Base Budget Reconciliation.

### *No Organizational Changes Are To Be Included*

The Base Budget Reconciliation is to ensure that units, the Office of Budget and Financial Planning and the Budget Preparation System are all synchronized at the same starting point—or base budget—for development of next year's budget. As such, planned organizational changes **should not be addressed in this reconciliation.** Changes in organizational structure will be input during the budget development process after the base budget is reconciled.

Additionally, **Hospital program (Hxxxx)** expenses are funded by specific revenue from hospital operations. Hxxxx programs must be reconciled in the aggregate to the July 1, 2008 Hospital revenue budget. No other changes should be made in Hxxxx program budgets until after completion of the Base Budget Reconciliation. Hxxxx program changes will then be documented by Budget Change Orders to ensure that the Hospital revenue and expense projections remain balanced.

Similarly, "**program budgets**"—those specifically funded by program generated revenue—(1xxxx, 4xxxx, Cxxxx, Exxxx, Pxxxx and Sxxxx program types) should not address organizational changes or adjustments in the level of projected operating activity. Such changes will be addressed separately from the Base Budget Reconciliation as part of the program budget development / approval process.

Finally, other than reconciling approved changes that have occurred since July 1, 2008, **no other changes affecting the bottom line** of your unit's expense budget should be input at this time. If there is a question about whether to include a change in this Base Budget Reconciliation, contact your BFP Policy and Budget Analyst for clarification.

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***Budget Estimates***

Distributed with this manual are Base Budget Estimate sheets for each unit's general fund programs. **A sample Base Budget Estimate is at Appendix II.** These estimates are projections of the general fund base support for FY10 using information available as of November 30, 2008. Exercise care in reconciling the base budget to the budget estimate. In cases where there appears to be a problem with a budget estimate, immediately contact your Policy and Budget Analyst for specific instructions.

The budget estimates calculated on the Base Budget Estimate sheets include the following items:

- The July 1, 2008 original budget as approved by the Board of Trustees, captioned "Base Budget 07/01/08." This information is shown in the first numeric column.
- New budget allocations during 2008-09 are shown in the second column. This information includes new money budgeted as CAR through November 30, 2008 on approved Budget Revision Requests (BRR). The column is captioned "New Funds as of 11/30/08."
- The third column, titled "Offset by Revenue or Credit," contains CAR expenditure budget adjustments through November 30, 2008 which are funded by incremental revenue or credits.
- Recorded budget transfers as of 11/30/08 that carry forward into next fiscal year (CAR) are shown in column four. "Transfers" are budget adjustments that have been made between units or CSDs within the University. A budget reduction in a unit is reflected as a negative number and the corresponding budget increase is shown in one or more other units as a positive number.
- The fifth column is entitled "One Day Variance" and shows for each program the number of dollars that were added to or subtracted from the budget as a result of the new fiscal year having a different number of work days for classified (hourly compensated) staff. This automatic calculation in the Base Budget Estimate precludes units from having to calculate this figure and include it on the Base Budget Reconciliation sheets as a variance explanation. FY10 has 261 work days, the same as FY09, **so this variance is zero for all units.**
- The final column, "Adjusted Base Budget," is the algebraic sum of the first five columns. This is the budget figure, as of November 30<sup>th</sup>, to which the unit's budget records AND the electronic Budget Preparation System **must be reconciled.**

Excluded from the estimates are amounts budgeted for fringe benefits, which will be handled separately by BFP and allocated to programs automatically during the final stages of the operating budget preparation. The Personal Services amounts in the One Day Variance column, in fact, have fringe benefits associated with them. However, the "NA" in that column indicates that the fringe benefit amount is not readily obtainable separately from the Column One "07/01/08 Base Budget" Fringe Benefits. This lack of fringe benefit breakout will have no effect on unit reconciliations.

Any BRR approved after November 30, 2008 is not reflected in the Base Budget Estimates. If a CAR revision was approved after November 30<sup>th</sup> and has been entered into the Budget Preparation

System, **explain the variance** on the program's **Base Budget Reconciliation Form** by entering a description and the BRR number.

### ***Budget Reconciliation – General Funds***

A completed Base Budget Reconciliation Form must be prepared for each general fund program. **A sample form is shown at Appendix II.** The form is to be used for general fund budgets only. This form has been developed electronically in an Excel workbook capable of handling 66 individual program reconciliations. BFP Policy and Budget Analysts will send these generic workbooks by email to all Unit Budget Coordinators. The workbook has specific directions in the first tab, which is labeled "Instructions." The program's Base Budget Reconciliation form allows unit and departmental administrators to balance each program's base budget with the budget estimate prepared by BFP and to document and justify any variances that may appear. Space is provided on the form to make comments about the itemized variances.

The Base Budget Reconciliation Form is divided into two sections.

- Section I: Used to determine the total variance between the budget estimate (provided by BFP) and the unit's base budget submission. This variance is calculated by subtracting the budget estimate prepared by BFP from the general fund totals in the unit's base budget calculations. Exercise care when totaling the items for both personal services and current expenses categories. **As a final step before submitting your reconciliation, ensure that the unit's base budget submission agrees with the total in the Budget Preparation System.** Do this by running a "Detail Departmental Expend" Report from the BPS and ensuring each program's report total agrees with the total on the corresponding program Base Budget Reconciliation Form.
- Section II: Used to identify and explain any individual variance identified in Section I above. When itemizing variances, include the budget line number, the position control number (PCN) if applicable, a comment explaining the variance, and the dollar amount. **The total of the Variance amount column at the lower right corner in Section II must equal the total Variance figure calculated in Section I above.** If these two numbers do not agree, the program is NOT reconciled, and a statement will appear in red font at the bottom of the form to alert you of this situation.

Each unit must electronically submit Base Budget Reconciliation Sheets for all its general fund programs by the close of business on **Friday, January 30, 2009** (Medical School department reconciliations are due to the Dean's Office by close of business Wednesday, January 21<sup>st</sup>). Because of the importance of this process and the fact that reconciling the base budget will entail only a limited number of changes in the Budget Preparation System, every University unit must meet this due date.

## BUDGET PREPARATION SYSTEM

### *General*

Each University department or budgetary unit is required to prepare a detailed line item budget in the Budget Preparation System. The information required of each department is quite detailed and necessitates close attention on the part of those preparing the budget. Special care in preparing the budget and entering budget information into the system will greatly reduce the chances of unnecessary error.

These instructions are for reconciling the base budget. Additional information will be forthcoming regarding other steps in the FY10 budget building process. The following information and guidelines should be used to input the line item details for this Base Budget Reconciliation.

### *Salary and Wage Guidelines*

The base budget consists of salaries and wages for all University employees using an adjusted July 1, 2008 budget. Any changes (reclassifications, promotions, etc.) since July 1<sup>st</sup> must be reconciled to this adjusted budget figure.

It is imperative that salary amounts and funding sources be correct and that other related data elements contained in the Budget Preparation System are accurate. Carefully review all of the data elements in each budget line.

Use the following guidelines in preparing the budget submission for the various salary types:

1. Faculty Salary Line Items - For purposes of this submission, all faculty positions will be budgeted using *adjusted* July 1, 2008 salary amounts. The “adjusted July 1, 2008 salary amount” is the approved July 1, 2008 budgeted salary figure adjusted for any subsequent salary change since July 1, 2008 that is officially approved and documented by the Board of Trustees or Human Resources. **Each term faculty position should be entered as a separate budget line and not included in lump sum budget lines.** Projected FY10 salary increases, including anticipated faculty promotions, will not be entered at this time. The source(s) of funding anticipated for each faculty position as of July 1, 2009 should be shown in the Budget Position Funding Data section. For example, if the projected funding sources supporting a faculty position differ from that shown in the Budget Preparation System, change the Budget Position Funding Data for that budget line to show the expected source of funding for FY10. Similarly, all other data elements - except salary amount - relating to a faculty position should be shown as they will exist on July 1, 2009.
2. Staff Salary and Wage Line Items - Staff positions will also be budgeted using *adjusted* July 1, 2008 wage and salary amounts. The “adjusted July 1, 2008 salary amount” is the approved July 1, 2008 budgeted salary figure adjusted for any subsequent salary change since July 1,

2008 that is officially approved and documented by the Board of Trustees or Human Resources. Projected FY10 wage and salary increases for next fiscal year, including anticipated promotions or position reclassifications, will not be entered for this submission. The source(s) of funding anticipated for each staff position as of July 1, 2009 should be shown in the Budget Position Funding Data section. If the projected funding supporting a staff position differs from that shown in the Budget Preparation System, again, make changes to reflect the actual source of funding projected for FY10. All other data elements - except salary amounts - relating to staff positions should be shown as they will exist on July 1, 2009.

3. Administrator Salary Line Items - Board-appointed "Administrator" positions are to be budgeted using the same procedures as directed above for faculty and staff positions.
4. All Other Personal Service Line Items – For this base budget reconciliation, all other personal service items will be budgeted at current FY09 levels.

***Current Expense Guidelines (Supplies, Operating Expenses, Travel, and Capital Outlay)***

The base budget consists of all Current Expenses using an adjusted July 1, 2008 budget. Any CAR changes since July 1<sup>st</sup> must be reconciled to this adjusted budget figure. No further re-budgeting between programs or between current expense categories (account codes) should be done until **after** the base budget is reconciled.

***Input Pages – Budget Preparation System***

The Budget Preparation System is an on-line system designed to reduce the time required to prepare budget information and transfer the information from units to BFP. The on-line aspect of this process provides menu driven access to pages which display information about a position or line item contained in the budget. The **Positions** page displays attributes and financial information about a position. The **Current Expenses** page displays information about a single operating expense item. These pages allow for modifications of the information, the addition of new positions or items, the deletion of a position or item, and changes in the funding source(s) for the position or item.

Layouts of the input pages and instructions for their use are documented in the *Budget Preparation System Training Manual, Fall 2008*. It is available on the BFP Website under the category 'Budget Manuals.' All UBMs should review this manual before attempting to update the BPS.

A unique line number identifies budget lines within a program. These numbers are automatically generated at the time the record is created and cannot be changed. The budget line number is the key for referencing a particular budget line in the Budget Preparation System.

Each time a new budget line is created or a change is made to an existing line, a Reason Code must be entered. **A table of all permissible reason codes is shown at Appendix III.**

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***Personal Service Budgeting***

Personal service budgets include two types of budget line items: individual positions and lump sum positions. Both types of budget lines are entered on the Positions page. By far, most of the budget lines you will deal with are individual positions. University budget policy restricts the use of lump sums to a few selected cases.

The data element **Full-Time Annual Salary Rate (FTASR)** is in the “Budget Position Data” section on the Position page. The FTASR represents the annualized salary amount for a full-time equivalent (FTE) position. It is used to calculate an FTE.

- For most positions, the individual filling the position will receive a salary from that position only and the funding for that salary will come from one source. In those instances, the FTASR will be the single salary amount.
- In some cases, the funding for that salary will come from more than one source. In such cases, the FTASR will be the sum of the amounts from all funding sources for the position.
- In a few situations, an individual may be employed in more than one position and receive salaries from each position. In that event, the FTASR is the sum of salaries received from all positions and all funding sources. Search on the Positions Panel using the “EmplID” field to identify all the lines budgeted for such an individual.

The Budget Preparation System may display a warning that the “FTE Exceeds 1.0.” If you have confirmed the salary amounts for the individual for each of the funding sources in your unit, this warning may indicate that the individual fits the third category of being budgeted in more than one position in multiple units. Contact your Policy and Budget Analyst for clarification and assistance.

The “Budget Position Data” section displays the **Pay Grade** for the budgeted position and the minimum and maximum Pay Rates for that grade. This feature should help in identifying persons who exceed the maximum rate for that grade and will need to have a one-time X-Pay entered later in the budget cycle when merit amounts are input.

The **Job Code** number, as assigned by University Human Resources, is also in the “Budget Position Data” section on the Position page. This code is used to derive the official position title. To change a position title, change the job code. A current listing of job codes with the associated pay grade is available by running the University Report located at *Human Resources > UBA > General UBA Reports > “HR-Job Code Listing - Run to Excel”* (data only).

The **Position Control Number (PCN)** in the “Budget Position Data” section is a unique eight-digit number assigned to a specific position at the University in conjunction with the person filling that position. The PCN is the same number used by Payroll for the individual occupying the position and should not be changed unless another person is being slotted to fill the position.

The **Contract Type** field allows designation of the basis on which the individual is paid. This field has a drop-down box to select the appropriate category.

The **Standard Hours** figure is the number of hours a classified employee typically is scheduled to work each week—the normal workweek. The Standard Hours figure is either 37.5 or 40. Standard Hours is used in calculating the FTASR amount for classified staff for a given fiscal year.

There are **261 workdays** in FY10—the same number as in FY09—so there is no impact on pay calculations. Classified staff employees with a normal workweek of 37.5 hours will be budgeted for **1,957.5** hours. Those with a normal workweek of 40 hours will be budgeted for **2,088** hours.

The **Tenure Eligibility** and **Tenure Date** Codes are two pieces of information unique for faculty positions. If codes and dates are already entered, check them for accuracy and make any corrections.

- The first field, “**Tenure Eligible**,” is for recording tenure status. Use the field’s drop-down box to select the appropriate status. Should there be a change in the tenure status of a faculty member, use the most recent status. While deans are considered administrators, show their respective faculty tenure information in the position record. The tenure status of other administrators with faculty rank should also be identified.
- The second field records the “**Tenure Date**.” For tenured faculty, indicate the date that the incumbent of the position was awarded tenure. For positions eligible for tenure, indicate the date that the incumbent of the position is expected to receive tenure. The calendar icon to the right of the field allows easy entry of the date.

The following applies to amending wages and salaries of employees using the Budget Positions panel of the Budget Preparation System:

- Check every budgeted position line to verify that all data is correct. If there are no changes, enter Reason Code “44” (Adj Budget/Base Reconciliation) and then “SAVE” each position line to ensure that the data and name of the incumbent are accurately recorded. (The “Save” button is at the bottom left of the panel).
- If any field in the “Budget Position Data” or “Budget Position Funding Data” sections need updating, enter a Reason Code, make the appropriate changes, and Save the record.
- If you wish to change the **funding source**, enter a reason code and enter the speedtype for the new funding program in the “Speedtype” box of the “Budget Position Funding Data” section. Tab out of the box, check that the correct new funding source is displayed, and save the record.
- Use the same procedure to change the **Account Code**. For 2009-10 all Post Doctoral Fellows/Scholars are categorized as Professional and Administrative Staff, so make sure the **Account Code** for **Post Doc** positions is changed from “511530” to “**511300**.”
- If the pay amount (“Original Amt” and/or “Requested Amt” fields) is incorrect, make the

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necessary adjustment by entering positive or negative (-) amounts in the "Base +/-" field and the "CAR +/-" field. The system will automatically update the record when it is saved. When completed, be sure to check the amounts in each row, that the amounts correspond to their respective funding source, and that the total in the bottom row is what should be budgeted for the position.

- If you wish to add a new funding source, enter a reason code and click on the blue "plus" symbol in the upper right portion of the "Budget Position Funding Data" section; then enter the appropriate information for the data elements corresponding to the additional funding for that position. The math will be done automatically when the record is saved. Check to see if you have entered the correct amounts.
- Do not use dollar signs (\$) as they will be rejected by the system. Show only whole dollars; do not use cents. Round all figures to the next highest dollar per your calculation (with exception of the calculated amount for the hourly pay rate for classified employees, which may be shown with up to six decimal places).

Previously, unique speedtypes for some anticipated grants and contracts would not normally be available while the budget is being prepared. These situations—where a new grant has been or is expected to be awarded, but official confirmation has not been received—made it difficult to budget salaries and wages for persons whose funding source had not yet been confirmed. A similar situation might occur when multi-year grants change program numbers each "grant year" but the new grant number has not yet been assigned.

Procedures now exist that enable departments to budget positions on new speedtypes and relieve much of the pressure to process budget changes and expense transfers after the beginning of the fiscal year. When there is knowledge that a sponsor will make an award, UBMs should work closely with the Office of Grants Management (OGM) or the Office of Industry Contracts (OIC) representatives, as appropriate, to see that chartfields are set up in advance of the award start date and to establish a pre-award speedtype. The policy and procedures for creating chartfields in advance of the award start date can be found at <http://louisville.edu/research/policies-procedures/establishing-chartfields-in-advance-of-award-start-date.html>. The policy and procedures for pre-award spending can be found at <http://louisville.edu/research/policies-procedures/pre-award-spending-policy.html>. The single form to initiate either of these special requests (Guarantee/Preaward Spending Chartfield and Speedtype Request) is located on the Executive Vice President for Research website at <http://louisville.edu/research/for-faculty-staff/forms.html>.

Another issue that relates to grants and contracts has to do with those grants that expire sometime during the fiscal year. The current budget system does not accommodate budgeting by time periods, so it will be necessary to budget positions only as they will be funded on July 1, 2009.

Using these non-general fund budgeting procedures, departments should be able to budget positions on the correct funding program at the front end of the budget process and reduce the need to process numerous position control and payroll corrections after the beginning of the new fiscal year.

### ***Lump Sum Position Budgeting***

Lump sum amounts are to be budgeted in the same manner as vacant positions except that a special Lump Sum Type code identifying each lump sum must be shown in the Lump Sum Type field. The available Lump Sum Budget Codes are shown in a drop-down box. Lump sums may be budgeted for the following items:

- Adjunct Faculty, Part-Time Lecturers and Instructors (but not Term Faculty positions, which should each be entered as a separate budget line)
- Administrative X-Pays (for example, those amounts budgeted for faculty on special administrative duties such as Assistant or Associate Deans)
- Part-Time Clinical Instructors
- House Staff Salaries
- Overtime Wages
- Shift Differential Wages
- Student Wages
- Medical Residents
- Temporary and Casual Wages
- Post Doctoral Salaries

### ***Current Expense Budgeting***

The Current Expense budget page is an abbreviated form of the Positions page. The information provided includes all current expense amounts which were originally budgeted as of July 1, 2008. Any CAR adjustments made since July 1<sup>st</sup>, if not already entered, will need to be input to the Budget Preparation System.

Check all items on the screen for accuracy. Remember these aspects of current expense budgeting:

- If you do not wish to make changes to a specific budget line, verify the budgeted amounts as correct and proceed to the next budget line. Many current expense items will require little or no change to that already shown on the screen.
- If you wish to adjust the budget amount only, either up or down, enter a reason code and show the amount of increase or decrease in the “Base +/-” box and also in the “CAR +/-” box. The system will total the items automatically when the record is saved.
- Use the individual Account Code appropriate for the type of expense. A complete listing of Account Codes is available in University Reports as LI-01 and also on the Vice President for Finance website at:

<http://louisville.edu/vpf/controller/generalledger/psaccttypes/expense.html>

## **SUBSEQUENT CHANGES TO THE BASE BUDGET**

After the Office of Budget and Financial Planning completes the University-wide Base Budget Reconciliation, units will be notified that the Budget Preparation System is again accessible to units. Occasionally, however, the BPS will be temporarily closed to the units while certain central processing and reconciling takes place.

For the most part, routine changes you wish to make to the proposed FY10 Operating Budget after the initial (electronic) submission of your Base Budget Reconciliation can be done through the Budget Preparation System, simply by identifying specific line numbers to be changed, deleted or added. This will be a decentralized process which requires that unit business administrators keep their budgets in balance. That is, for general funds **the total of any increases in certain budget lines must be offset by a similar total of decreases in other budget lines.** The Office of Budget and Financial Planning monitors unit budget balances on a daily basis during the budget development cycle and will contact Unit Budget Coordinators to correct out-of-balance situations.

There may be times when the bottom line budget of units will need to change. This may result from budget enhancements from central administration funds to selected programs, budget reductions to schools or programs, or transfers of budgets between major units. So these changes can be recorded properly and processed in a consistent manner, the Budget Change Order (BCO) form will be used as in past years. To enact such a change, the unit should complete a BCO and submit it electronically to the appropriate BFP Policy and Budget Analyst. The form is available on the BFP website at <http://www.louisville.edu/vpf/budget/onlinebco.xls>, and **a sample Budget Change Order is shown in Appendix II.** The form has been revised to automatically fill in chartfield data when the program number is entered at the top left.

Since most budgets are loaded to the Peoplesoft General Ledger directly from the Budget Preparation System, you are strongly encouraged to budget all sources of funds (general and non-general) as realistically possible. Given that the approved University Operating Budget is used for both state and federal reporting, an accurate, comprehensive budget for the University is essential.

# **APPENDIX I**

## **SCHEDULES**

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**BASE BUDGET RECONCILIATION**  
2009-2010 OPERATING BUDGET

<b>Colleges, Schools and Divisions (CSD) and Vice President (VP) Codes</b>			
CSD			VP/Exec. Level
02	A&S	College of Arts & Sciences	28
05	KNT	Kent School of Social Work	32
07	SC	Service Centers	-
08	COB	College of Business	30
11	DTL	School of Dentistry	41
14	ED	College of Education & Human Development	31
17	GRD	Graduate School	36
18	RES	Research Administration	21
20	LAW	School of Law	33
22	PH	School of Public Health & Information Sciences	45
23	MED	School of Medicine	42
26	MUS	School of Music	34
29	NUR	School of Nursing	43
32	UGA	Undergraduate Affairs	205
35	SPD	J.B. Speed School of Engineering	29
37	EVPHA	Executive VP for Health Affairs	40
44	ASP	Academic Support Programs	-
47	OAP	Other Academic Programs	-
50	LIB	University Libraries	27
53	PP	Physical Plant	233
56		Institutional Support	-
56A	IS1	President	10
56B	IS2	Executive Vice President and Provost	20
56C	IS3	Vice President - Business Affairs	23
56D	IS4	Vice President – Information Technology	25
56E	IS5	Vice President - University Advancement	24
56F	IS6	Vice President – Community Engagement	26
56G	IS7	Vice President – Finance	12
57	RVS	University Reserves	-
-	-	VP Student Affairs	22
59	SA	Student Activities	-
60	SGA	Student Government Association	-
61	EMO	Enrollment Management Office	206
65	AID	Student Financial Aid	-
68	ATH	Intercollegiate Athletics	11
71	AUX	Auxiliary Enterprises	-
72	HSG	University Housing	-
77	HOS	Hospital	-
80	MC	Metropolitan College	204
84	GIE	General Institutional Expense	-
97	TR	Mandatory Transfers	-

**BASE BUDGET RECONCILIATION**  
**2009-2010 OPERATING BUDGET**

<b>SCHEDULE OF BUDGET COORDINATORS</b>	
<b>Vice President Area / College, School, or Division</b>	<b>Unit Budget Coordinator</b>
College of Arts and Sciences	Ms. Jeanie McCabe
College of Business	Mr. Sean McNamara
School of Dentistry	Ms. Melissa Atkinson
College of Education and Human Development	Mr. Don Carson
Kent School of Social Work	Ms. Elana Nance
Brandeis School of Law	Ms. Vickie Tencer
University Libraries	Mr. Numeriano Rodenas
School of Medicine	Mr. Terry Gossom
Metropolitan College	Ms. Lisa London
School of Music	Mr. Paul Detwiler
School of Nursing	Ms. Emylene Rodenas
School of Public Health and Information Sciences	Ms. Peggy Beachy
J.B. Speed School of Engineering	Ms. Connie Braden
Graduate Programs	Ms. Carol Davis
Undergraduate Affairs	Ms. Lisa London
Delphi Center for Teaching and Learning	Ms. LeAnn Taylor
Intercollegiate Athletics	Ms. Alicia Clark
President	Mr. Aria Razavi
Executive Vice President and University Provost	Ms. Bridget Burke
Executive Vice President for Health Affairs	Mr. Terry Gossom
Executive Vice President for Research	Mr. Craig Schroeder
Vice President for Business Administration	Ms. Melissa Long Shuter
Vice President for Information Technology	Mr. James Parr
Vice President for University Advancement	Ms. Caroline Smallwood
Vice President for External Affairs	Ms. Susan Rhodes
Vice President for Finance	Ms. Cecilie Ashanta
Vice President for Student Affairs	Ms. Cheryl Utz
Enrollment Management Office	Ms. Lisa London

**BASE BUDGET RECONCILIATION**  
2009-2010 OPERATING BUDGET

SCHEDULE OF POLICY AND BUDGET ANALYSTS		
Analyst	Responsible Units	Other Responsibilities
Terry McMahan	<ul style="list-style-type: none"> <li>➤ Executive VP for Health Affairs</li> <li>➤ School of Dentistry</li> <li>➤ School of Medicine</li> <li>➤ School of Nursing</li> <li>➤ School of Public Health and Information Sciences</li> <li>➤ UofL Hospital/QCCT</li> <li>➤ Cardiovascular Innovation Institute</li> </ul>	Clinic Budgets Budget Projection Models Skeleton Budgets
Eunice Barbour	<ul style="list-style-type: none"> <li>➤ Executive VP and University Provost               <ul style="list-style-type: none"> <li>○ Delphi Center/Distance Education</li> </ul> </li> <li>➤ Enrollment Management</li> <li>➤ Financial Aid</li> <li>➤ Graduate School</li> <li>➤ Undergraduate Affairs</li> <li>➤ Metropolitan College</li> </ul>	Plant Fund Liaison for Capital Budget
Steve Lovas	<ul style="list-style-type: none"> <li>➤ Executive VP for Research</li> <li>➤ VP for Business Affairs               <ul style="list-style-type: none"> <li>○ Physical Plant</li> </ul> </li> <li>➤ VP for Community Engagement</li> <li>➤ UofL Research Foundation, Inc.</li> </ul>	University Revenue Tuition Calculations and Reports Schedule D Budget System Reports
Ann Phillips	<ul style="list-style-type: none"> <li>➤ VP for Information Technology</li> <li>➤ VP for Student Affairs</li> <li>➤ Student Government Association</li> <li>➤ University Housing</li> </ul>	CPE Issues: FD Reports Funding Model Benchmarks Productivity Study State Budget Issues Biennial Budget Request
Martyna Warren	<ul style="list-style-type: none"> <li>➤ College of Arts &amp; Sciences</li> <li>➤ College of Business</li> <li>➤ College of Education and Human Development</li> <li>➤ Kent School of Social Work</li> <li>➤ Brandeis School of Law</li> <li>➤ School of Music</li> <li>➤ J.B. Speed School of Engineering</li> <li>➤ University Libraries</li> </ul>	New Program Requests Department and Program Changes Monthly Budget Reports Program Budget Summary Unit Systems Training Controller's Office Liaison Systems Work and Development
Paula Quisenberry	<ul style="list-style-type: none"> <li>➤ Office of the President</li> <li>➤ VP for University Advancement</li> <li>➤ VP for Athletics</li> <li>➤ VP for Finance</li> </ul>	UofL Foundation, Inc. Endowment Budgets Systems Work and Development

**BASE BUDGET RECONCILIATION**  
2009-2010 OPERATING BUDGET

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# **APPENDIX II**

## **FORMS**

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**BASE BUDGET RECONCILIATION**  
2009-2010 OPERATING BUDGET

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**BASE BUDGET ESTIMATE - Sample Form**

**UNIVERSITY OF LOUISVILLE**  
**Base Budget Estimate**  
2009-10 Operating Budget

College, School or Division: XXX  
Fund Code: 1000  
Department: xxxxxxxxxx  
Program: xxxxx

Budgeted Category	Base Budget 07/01/08	New Funds as of 11/30/08	Offset by Revenue or Credit	Transfers	One Day Variance	Adjusted Base Budget
I. Personal Services	0	0	0	0	0	0
II. Fringe Benefits	0	0	0	0	N/A	0
III. Current Expense:						
Supplies & Expense	0	0	0	0	0	0
Travel Expense	0	0	0	0	0	0
Telecommunications	0	0	0	0	0	0
Capital Equipment	0	0	0	0	0	0
Dept. Credits / Other	0	0	0	0	0	0
Subtotal Current Exp.	0	0	0	0	0	0
IV. Total Budget Estimate	0	0	0	0	0	0
V. Balancing Adjustments:						
Fringe Benefits	0	0	0	0	N/A	0
<b>VI. Net Budget Estimate</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





**BASE BUDGET RECONCILIATION**  
2009-2010 OPERATING BUDGET

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**APPENDIX III**  
**REFERENCE TABLES**

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**BASE BUDGET RECONCILIATION**  
2009-2010 OPERATING BUDGET

<b>REASON CODE TABLE</b>	
REASON CODE	DESCRIPTION
00	Initial Budget Load
01	Salary Adjust/Across the Board
02	Salary Adjust/Merit Increase
03	Salary Adjust-Reclass/Promo
04	Salary Adjust/Market Increase
09	Salary Adjust/Other
10	Adj Pgm Bud/Offset by New Rev
11	Adj Pgm Bud/Offset by Dep Cred
12	Adj Pgm Bud/Endowment Funds
19	Adj Pgm Bud/Other
20	Enhancement / New Position
21	Enhancement/Increase to Posn
22	Enhancement/Current Expense
23	Enhancement/Capital Outlay
29	Enhancement/Other
30	Adj Bud/Change in Funding Srce
31	Adj Bud/Rebud btw Exist Accts
32	Adj Bud/Telephone Services
33	Adj Bud/Computer Allocation
34	Adj Bud/Fixed Costs
35	Adj Bud/Fringe Benefits
36	Adj Bud/Internal Reallocation
37	Adj Bud/University R&R Plan
38	Adj Bud/Unit Reorganization
39	Adj Bud/Ch Grant,Contract Stat
40	Adj Bud/Fill Vacant Position
41	Adj Bud/Ch Filld to Vacnt Posn
42	Adj Bud/Eliminate Position
43	Adj Bud/Budget Reduction
44	Adj Bud/Base Reconciliation
45	Adj Bud/BRR Approved
46	Adj Bud/BTR Approved
47	Adj Bud/Ch Grant,Contract Fund
59	Adj Bud/Other
60	Attribute Modification
62	Account Percent Change
71	Attrib Modification/Subcde Chg
90	Eliminate Position from System

**BASE BUDGET RECONCILIATION**  
 2009-2010 OPERATING BUDGET

<b>CHALLENGE FOR EXCELLENCE BUDGET CODES</b>	
CODE	DESCRIPTION
00	Not Applicable
01	Gifts
02	Research Parity
03	Research Challenge Trust
04	Internal Reallocation
05	Plant Fund
06	Bucks for Brains
07	Research Initiatives (ONLY Faculty positions funded specifically by EVP Research)
08	Other Strategic Initiatives

<b>PERMISSIBLE PROGRAM / FUND CODE COMBINATIONS</b>	
Below are the permissible combinations of program codes and fund codes. Other combinations should not be used without written consent of the Controller's Office and Budget and Financial Planning.	
PROGRAM	CODE
00000	1015, 1040, 1110
1xxxx	1000, 1010
3xxxx	1000
4xxxx	1000
50xxx	1000
52xxx	1000
54xxx	1000
55000	1000
Axxxx	12xx
Cxxxx	1120
Dxxxx	1100
Exxxx	13xx, 1265
Fxxxx	11xx
Gxxxx	1300
Hxxxx	1010
Jxxxx	1041, 1042
Lxxxx	1035
Pxxxx	1120
R1xxx	1100
R3xxx	1100
R5xxx	1100
Sxxxx	1000
Uxxxx	1300
Vxxxx	1500
Xxxxx	Any Range Possible
Yxxxx	1065
Zxxxx	Any Range Possible

## PAY GRADES AND CORRESPONDING PAY RANGES

Non-Exempt, Classified Staff			
Hourly Rates, Effective July 1, 2007 thru June 30, 2009			
Grade	Minimum	Midpoint	Maximum
NA	\$ 8.67	\$11.12	\$13.57
NB	\$10.21	\$13.11	\$16.02
NC	\$11.83	\$15.49	\$19.15
ND	\$13.96	\$18.27	\$22.59
NE	\$16.15	\$21.58	\$27.01
NF	\$19.05	\$25.45	\$31.86
NG	\$22.49	\$30.04	\$37.59
NH	\$26.04	\$35.46	\$44.88
NI	\$30.72	\$41.83	\$52.94

Exempt, Professional & Administrative Staff			
Annual Salaries, Effective July 1, 2007 thru June 30, 2009*			
Grade	Minimum	Midpoint	Maximum
EB	\$23,660	\$28,489	\$33,317
EC	\$24,596	\$32,212	\$39,828
ED	\$29,024	\$38,011	\$46,999
EE	\$33,591	\$44,869	\$56,146
EF	\$39,637	\$52,944	\$66,252
EG	\$46,771	\$62,474	\$78,178
EH	\$54,150	\$73,744	\$93,339
EI	\$63,894	\$87,016	\$110,137

\* Salary grade EA was eliminated as of July 1, 2006.  
\$23,660 is the FLSA minimum for Exempt positions.