Overview

Today we will review:

- Definition and Types of Budgets
- The Budget Process
  - Commonwealth vs. University
- Fund & Ledger Information
- Overview of the Budget System
  - Line Item vs. Pool Budgeting
- Managing & Monitoring your Budget
  - BUDs and BUD Responsibilities
  - Budget Adjustments
  - Guidelines
  - Reporting Errors & Requesting Corrections
- Financial Reporting Tools
  - We will not be reviewing the hows and whys...just what is available
Budgets
Definitions and Types of Budgets

University Revenues
- STUDENTS!
- Federal Funding
- State Funding
- Agencies
- Foundations
- Customers
- Auxiliaries
- Others

vs. Expenses...
- Debt Service
- Faculty & Staff Expenses
- Services
- Supplies & Equipment
- Students
- Rents
What is a Budget?

- A flexible financial plan that integrates competing demands while working towards a common goal.
  - *University’s Goal = our Mission Statement*

2 Types of Budgets

- Operating Budgets
  - E&G
  - Auxiliary
- Capital Budgets

What is Operating Budget?

- **Types of Budgets**
  - Operating
    - Day-to-Day
      - **Revenues** =
        - State funding, student tuition & fees, product sales/services, foundation transfers, grant and/or research income
      - **Expenses** =
        - F/S salaries, operating supplies & equipment, travel, rentals, service charges, routine maintenance & repair, P/I, utilities
    - Generally expire at the end of the Fiscal Year

<table>
<thead>
<tr>
<th>Type</th>
<th>Duration of Available Funds</th>
<th>Source</th>
<th>How Managed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education &amp; General (E&amp;G)</td>
<td>Expire at the end of each FY</td>
<td>General &amp; Non-General Funds</td>
<td>Managed &amp; Budgeted Centrally</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>Remain as long as the unit remains financially solvent</td>
<td>NO State Fund allocation! – rather, self-supporting (fees, service charges)</td>
<td>Must build and maintain adequate reserves &amp; pay IDCs, Managed using Annual Budgets</td>
</tr>
</tbody>
</table>
Capital Budgets

- **BIG STUFF! Major expenditures on durable items**
  - **Revenues** =
    - Mainly state appropriations, debt financing, major gifts
  - **Expenses** =
    - Construction, major maintenance/modernization, large equipment purchases, land or real estate purchase
- Funds last the ENTIRE duration of the project

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**Old Dominion Selects Football Stadium Construction Manager**

**ODU receives historic gift of $35 million to build art museum**

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Virginia Budget Process

How the Virginia Budget is Adopted & Why this is Important to ODU
5 Phases of the Virginia Budget

ODU is a State Agency, so Virginia makes our $$$ rules!
- Biennial System
- LONG Process

University Budget Process

Phase I: Budget Planning
Phase II: Budget Documentation
University Budget Process

- **2 Separate Phases: Planning & Documentation**
  - **Planning**: developing and approving the budget
    - Begins in Fall and continues into Spring
  - **Documentation**: approved budget documented & loaded into budget system
    - Begins in Spring and completed in June

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**University Process**

**Planning**
- Executive Budget Planning
- 5 Year Financial Planning Module
- Working Sessions
- Budget Requests
- Resource Assessment Worksheets
- Auxiliary Services Budget Submissions
- Plan Formalization

**Documentation**
- Recording State
- Approved Budget
- Budget Guidance Memorandum
- Documentation of Executive Budget Decisions
- Alignment of Base Budgets

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**Phase I: Budget Planning**

- **Executive Budget Planning**: President, COO, Provost, VPs, & Athletic Director plus the Budget Office establish strategic framework & financial scope of ODU Budget

- **5 Year Financial Planning Module**: Addresses major cost drivers associated with the implementation of our University Strategic Plan & critical success factors

- **Working Sessions**: President, COO, Provost, VPs, & Athletic Director plus the budget office now engage in committee-like working meetings to address the primary strategic and operational investments that will be recommended and pursued by the University

- **Budget Requests**: Forms available for formal requests – Departments make requests that align with 5-Year Model & University Strategic Plan. Executive Committee prioritizes and reviews – will deliberate on all requests as a committee. Discuss each and create LOOSE plan together

- **Resource Assessment Worksheets**: COO, Provost, VPs, and Athletic Director receive workbook from budget office regarding each respective areas funded initiatives from the previous 2 budget cycles – reports on status/outcomes of each to help determine which may be discontinued, which may warrant more funding, and most importantly enables ODU to gauge success and outcomes of each

- **Auxiliary Services Budget Submissions**: Works a little differently that E&G Budgets in that Auxiliary Services are self-sufficient. These budgets are developed and approved differently, but must fall within the overall University Budget & Operating Plan – reviewed, approved by Executive Planning Committee & Budget Office

- **Conclusion of Executive Budget Planning**: Approved Governor’s Budget is now passed onto ODU – Budget Office and Executive Budget Planning Committee formalize and communicate final plan to each respective committee member via Budget Guidance Memorandum, then onto Phase II we go!
Phase II: Budget Documentation

1. Recording State Approved Budget
   - Budget Office “double-checks” everything – then centrally records Commonwealth Appropriations and Allotments into the University Operating and Budget Plan model.

2. Budget Guidance Memorandum
   - This is the communication used to make everyone aware of the Budget Creation Process – comes from the President’s office to each VP – this is so everyone can get the same consistent message.

3. Documentation of Executive Budget Decisions
   - Now departments participate in give-and-take. Each VP must document the detailed allocation of resources within their respective budget units, service fees/charge modifications or creation must be completed now and approved!

4. Alignment of Base Budgets
   - Budget Unit Directors review their operating budget sub-accounts and realign their base budgets to reflect current operating costs or known future expense – goal is to minimize the number of budget adjustments required each year. THESE ARE DUE BY MID-MAY!

5. Approval of the University Budget & Operating Plan
   - Budget Office compiles the University Operating Budget & Plan for presentation and approval by the Board of Visitors – outlining strategic direction, external influences, benchmark data and trend analysis, and comparisons with peer institutions – highlights of the Governor’s Budget impacts on the University.

6. Base Budget Roll
   - FINAL STEP! This is where we load the 100% Final Base Budget into Banner – which will be utilized at the start of the next Fiscal Year (7/1). Budget Office responsible for this step – becomes the Operating Budget (BD01) for the new FY. Ledger 5 & 6 budgets are exceptions!

New Funding Available?

- Academic Enterprises
- Campus Infrastructure
- Recruitment/Enrollment
- Campus Life
### Budget System Overview

Fund/Ledger Information, Organizational Budget Codes, Line Item vs. Pool Budgeting, Sub-Account Codes, & Fund Restrictions

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### Fund/Ledger Information

#### Funds?
- A self-balancing set of accounts used in Banner to manage funding that is segregated for a specific purpose
- Grouped by common designations/purposes

#### Ledgers?
- The way we group funds
- Grouped by Common Designations and Financial Reporting Requirements
- Used as part of the Organization Code to signify specific funding sources

<table>
<thead>
<tr>
<th>Ledger</th>
<th>Local/State</th>
<th>Source</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State</td>
<td>Tuition &amp; State Revenues</td>
<td>E&amp;G and other current unrestricted revenues and expenditures; Activities related to ODU’s Educational objectives such as instruction, research, public service, academic support, student services, institutional support, and maintenance of physical plant</td>
</tr>
<tr>
<td>2</td>
<td>Local</td>
<td>Various</td>
<td>Local clearing accounts</td>
</tr>
<tr>
<td>3</td>
<td>State</td>
<td>Student Fee Funds &amp; Enterprise Self-Generated Revenues</td>
<td>Auxiliary Enterprise (current unrestricted revenue and expenditures) are activities that exist to furnish goods or services to students, faculty, &amp; staff</td>
</tr>
<tr>
<td>4</td>
<td>Local</td>
<td>Student Activity Fees &amp; Self-Generated Revenues</td>
<td>Auxiliary Enterprise (current local unrestricted revenue and expenditures); Student Activities, Clubs, &amp; Orgs</td>
</tr>
<tr>
<td>5</td>
<td>Both</td>
<td>External Funding from Sponsored Program Activities</td>
<td>Sponsored programs current restricted expenditures, such as grants, contracts, or other externally funded activities</td>
</tr>
<tr>
<td>6</td>
<td>Local</td>
<td>Gift Income</td>
<td>Restricted – what is the difference between Restricted &amp; Unrestricted Funds?</td>
</tr>
<tr>
<td>7</td>
<td>State*</td>
<td>State Appropriation, Revenue Bonds, &amp; Auxiliary Enterprise Funds</td>
<td>Capital Projects</td>
</tr>
<tr>
<td>8</td>
<td>Local</td>
<td>State Appropriation, Scholarship/Fellowships</td>
<td>Restricted Financial Aid &amp; Scholarships, Fellowships, Eminent Scholarships</td>
</tr>
<tr>
<td>9</td>
<td>Local</td>
<td>External Agencies/Organizations</td>
<td>Funds held in custody for other agencies or organizations by the University – the University aides in the collection and disbursement of funds of the external entity</td>
</tr>
</tbody>
</table>
Organizational Budget Codes

5-digit code provided to each department to track all expenditures and revenues!
- Codes used in eVA, Banner, other University systems to transact business
- Each Budget Code is tied to **ONE** fund
  - Though – funds may hold multiple budget codes!

Organization Code Hierarchy

This hierarchy is used in Banner to help manage budgets and keep reporting consistent

University Budget System Overview

Budget System helps Budget Unit Directors plan for and manage all aspects of the financial activity of the University
- 515 Categories of Financial Activities (Sub-Accounts) in 3 general areas:
  - Revenue
  - Fund Transfers
  - Expenses
- ODU has 2 types of Budget Methods:
  - **Line Item Budgeting** – used for controlled sub-accounts
    - Revenues (3XXX), Personal Services (salaries) & Expense Recoveries, Transfers (99XX)
  - **Pool Budgeting** – used for all other expenses
    - Employee Benefits (4999), Nonpersonal Services (6999), Travel (7999), Equipment (9899)
    - Budget Adjustments to these are made at the Pool Level
    - Budgets are rolled in at the Pool level
Budget Structure

- All of ODU’s Money

Fund/Ledger

- Where the money comes from (Commonwealth or Local Funding)

Organization Code

- Your Department

Sub-Account Code

- Line-Items/Pools pertaining to your budget (revenues and expenditures)

Sub-Account Codes

<table>
<thead>
<tr>
<th>Category</th>
<th>Account Codes</th>
<th>Budget Method</th>
<th>Budget Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>3000-3999</td>
<td>Line Item</td>
<td>N/A</td>
</tr>
<tr>
<td>Personal Services</td>
<td>4000-4899</td>
<td>Line Item</td>
<td>N/A</td>
</tr>
<tr>
<td>Benefits</td>
<td>4900-4999</td>
<td>Pool</td>
<td>4999</td>
</tr>
<tr>
<td>Non-Personal Services</td>
<td>5000-6999</td>
<td>Pool</td>
<td>6999</td>
</tr>
<tr>
<td>Travel</td>
<td>7000-7999</td>
<td>Pool</td>
<td>7999</td>
</tr>
<tr>
<td>Equipment</td>
<td>9800-9899</td>
<td>Pool</td>
<td>9899</td>
</tr>
<tr>
<td>Transfers</td>
<td>9900-9999</td>
<td>Line Item</td>
<td>N/A</td>
</tr>
</tbody>
</table>

- Sub-Account Code list may be found at: https://www.odu.edu/facultystaff/university-business/budget/resources
“The Thousands”

<table>
<thead>
<tr>
<th>SA Code</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Cash</td>
</tr>
<tr>
<td>1XXX</td>
<td>Investments</td>
</tr>
<tr>
<td>2XXX</td>
<td>Fund Additions</td>
</tr>
<tr>
<td>3XXX</td>
<td>Revenues</td>
</tr>
<tr>
<td>4XXX</td>
<td>Salaries/Payroll/Benefits</td>
</tr>
<tr>
<td>5XXX</td>
<td>Services</td>
</tr>
<tr>
<td>6XXX</td>
<td>Supplies</td>
</tr>
<tr>
<td>7XXX</td>
<td>Travel</td>
</tr>
<tr>
<td>8XXXX</td>
<td>Indirect Cost Overhead</td>
</tr>
<tr>
<td>9XXX</td>
<td>Fixing/Equipment</td>
</tr>
</tbody>
</table>

And Now…

Take A Break
Accrual Accounting
What is Accrual Accounting?, The elusive “13th” month (aka: Fiscal Period 14), & Addressing Errors in your budget

What is Accrual Accounting?
Revenues are recorded when they are earned, and/or the expenses are recorded when they are incurred.
- Date **RECEIVED** = fiscal year the expenditure is recorded
  - Received on or before June 30? Charged to **current** FY
  - Received on or after July 1? Charged to **new** FY

“13th” Month?
Fiscal Year: July 1 – June 30
- “13th” Month is where we process all goods/services received on or before 6/30 payments – called the “Accrual Period” or the actual Fiscal Period 14
  - Financial Records adjusted to reflect revenue and expenditures as of 6/30
  - Also a time to correct any payment mistakes
  - Process complete usually by end of July each year
Monthly Budget Review & Adjustments

BUDS and BUD Responsibilities, Budget Adjustments & Guidelines, & Establishing a New Budget

What is a BUD?
- **Budget Unit Director** – “individuals who are responsible and accountable for all budgetary and fiscal matters pertaining to their respective department/college or unit…”
  - Who is your area BUD?
  - BUDs are stewards of funds provided by the Commonwealth & the University
  - Funds must best serve the University and its mission
  - Plan for use of funds, determine availability of funds before initiating expenditures
  - Review and ensure funds expended in compliance with State/ODU Policy
  - Also, ensure they are indeed expended for intended purpose
  - Monitor expenditures & ensure they do not exceed budget authority
  - Review University Policy #3001: Responsibility of BUDs on Use of Funds (Expenditures)

Can BUDs approve their own fiscal transactions?
- NO WAY! The BUD’s immediate supervisor must approve such transactions.

How is a BUD Designated?
- Main BUD/Supervisor sends notification to Finance Systems Manager
  - Newly appointed BUD added to Master Signature List
  - Note made in Banner that shows main BUD of record
- Changing the BUD? Complete the Change the Budget Unit Director of a Budget Form

Can anyone else sign off on transactions?
- **BUD-appointed Delegate** - Maintain signature authority – predominately in the absence of the BUD
Budget Adjustments

What is a Budget Adjustment?
- Budget Adjustment – increase, decrease, or transfer funds, both inter- or intra-, among line-items and/or budget pools
- Budget Adjustment Form must be completed and approved - https://www.odu.edu/content/dam/odu/offices/budget-office/docs/Budadjformwebcur.pdf

Is a Budget Adjustment different from a Fund Transfer?
- YES! Fund transfers are accounting transactions that move cash from one fund to another
  - Mandatory or NonMandatory
  - Fund Transfers should be included in the Budget Process for approval

Is a Budget Adjustment different from an IDT/ASR?
- YES! More on this later...

Budget Adjustment Guidelines

- Revenues
- Personal Services Increases/Decreases
- OT Pay
- Equipment
- Central Services
- General Position Actions
Establishing a New Budget

How to request a new organizational budgetary unit?

- Must be requested or is deemed necessary during the Budget Development Process.
  - Sometimes as new grants are received during the course of the year, or as organizational changes and programs are implemented, new budget units may be established.
- Form may be found on the University Budget Office page: [https://www.odu.edu/content/dam/odu/offices/budget-office/docs/request-for-new-budget-unit-revised-04172019.pdf](https://www.odu.edu/content/dam/odu/offices/budget-office/docs/request-for-new-budget-unit-revised-04172019.pdf)

Budget Management and Monthly Review

After budget information for your Org is rolled into Banner as the FY begins...

- Federal, State, and University policies and guidelines must be followed
  - These help provide assurance that appropriate levels of management are staying abreast of material changes to the budget
  - Budget Office website has current details regarding ALL budget management information
    - Info reviewed at beginning of each FY
Budget Management Tools

Financial Reporting Tools: Banner, Insight, & Banner ePrint, plus Access Requests

http://www.odu.edu/facultystaff/training-development/banner-training
https://www.odu.edu/budgetoffice

- **Banner** is primary system used at University for budget management
  - Automated, live system – no more hard-copy reports!
  - Access required, may be taken away
  - **Banner Document Management (BDM)**
  - **Banner ePrint** available to provide accurate, final, validated monthly Budget Reports
    - Training Video Available [HERE!](http://www.odu.edu/facultystaff/training-development/banner-training)
    - If you need Payroll Reports, you must request this separately – use the [ePrint Payroll Report Request Form](https://www.odu.edu/budgetoffice)

- **Insight** pulls data from Banner – is another way to review and access daily budget reports – CUSTOMIZABLE REPORTING!
  - Contact budget@odu.edu for training assistance

Trainings available for each Budget Management tool – contact bannerhotline@odu.edu for more information, or check the Office of Finance Webpage: [www.odu.edu/finance](http://www.odu.edu/finance)
Banner Access

Any Banner User must be granted appropriate access

- Especially once a new budget is created!
- Access to Request: Org Budget Code(s) & FIN_EVERYONE (for Budget Management Responsibilities)
- User must complete an Account Request through the Midas Account Request Process
  - Guide: https://www.odu.edu/content/dam/odu/offices/occs/docs/midas-account-request.pdf
  - Automatically routed for approval – more efficient
    - BUD Approves
    - Sent to Finance Systems Manager
      - Are you the BUD? Someone higher must approve the form or may send an email request to the Finance Systems Manager to request access

For complete list of all access classes within Banner Finance:
https://www.odu.edu/facultystaff/university-business/banner/finance

Revenue & Expenditure Errors?

Reporting Revenue & Expenditure Errors, Requesting Revenue & Expenditure Corrections – IDTs & ASRs
Resolving Revenue & Expenditure Discrepancies

The Office of Finance is responsible for researching and resolving ALL revenue & expenditure errors discovered by University Departments.

What to do if you notice a Revenue & Expenditure Discrepancy?

- Do you know the specific correction information, therefore no research needs to be conducted?
  - Complete an IDT
- Do you rather need to initiate research because you cannot identify why the charge was made to your budget?
  - Complete an ASR

IDTs
Interdepartmental Transfers
Used to move expenditure from one budget unit/Sub-Account Code to another – WHEN YOU KNOW!

- Usually required when charge was processed against budget code in error and requires correction OR if particular expenditure should be split between two/more budget codes
- Budget corrections, transferring charges (reimbursing) recording expense charges
- Completing an IDT? How-To Video HERE!
- IDTs@odu.edu

ASRs
Accounting Service Requests
Used to initiate research for unidentifiable charges that need resolution – WHEN YOU DON’T KNOW!

- Signature not needed for ASRs, unlike with IDTs.
- DataControlASR@odu.edu
Forms to Use

Each may be found on the Office of Finance & Budget Office Websites
http://www.odu.edu/finance * https://www.odu.edu/budgetoffice

Base Budget Distribution Worksheet
## Request to be Added to the Master Signature List

Submit this form to add individuals to the Master Signature List. Individuals must be on the Master Signature List in order to sign against budget codes for any purpose.

Signature authority will only be granted to Old Dominion University employees.

This individual approving this request must be the Budget Unit Director (BUD) or an official BUD Delegate.

<table>
<thead>
<tr>
<th>Request Date</th>
<th>Org Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requestor Printed Name</td>
<td>Requestor Title</td>
</tr>
<tr>
<td>Signature</td>
<td></td>
</tr>
</tbody>
</table>

Please add the following individual(s) to the Master Signature List for the specified budget (org) code(s):

<table>
<thead>
<tr>
<th>Printed Name</th>
<th>UN</th>
<th>Title</th>
<th>Campus Tel</th>
<th>Office Location</th>
<th>Signature</th>
</tr>
</thead>
</table>

Submit this form to:

Linda Meyers
Finance Systems Manager
Office of Finance
Received April 27, 2020

## Request to Change the Budget Unit Director of a Budget

Submit this form to add/delete individuals listed in Banner as the Budget Unit Director.

This authority will only be granted to Old Dominion University employees.

The individual approving this request must be the current outgoing BUD, the supervisor of the new BUD or an official BUD Delegate.

<table>
<thead>
<tr>
<th>Request Date</th>
<th>Budget Code(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requestor Printed Name</td>
<td>Requestor Title</td>
</tr>
<tr>
<td>Approver Name</td>
<td>Approver Signature</td>
</tr>
</tbody>
</table>

Please add the following individual as the Budget Unit Director for the specified budget code(s):

<table>
<thead>
<tr>
<th>Printed Name</th>
<th>UN</th>
<th>Title</th>
<th>Campus Tel</th>
</tr>
</thead>
</table>

Please delete the following individual as the Budget Unit Director for the specified budget code(s):

<table>
<thead>
<tr>
<th>Printed Name</th>
<th>UN</th>
<th>Title</th>
<th>Campus Tel</th>
</tr>
</thead>
</table>
### Budget Adjustment Form

*Base & Operating*

#### Request for Establishment of University Organization Code Form
ePrint Payroll Report Request Form

Interdepartmental Transfer Request (IDT) Form

IDTs@odu.edu

How-To Video under “IDTs > Completing the IDT” on the Finance website: https://odu.edu/facultystaff/university-business/information-management/data-control/accounting-service-request-process
Accounting Service Request (ASR) Form

DataControlASR@odu.edu

General Reminders
General Reminders

<table>
<thead>
<tr>
<th>University Budget Office Staff</th>
<th>Office of Finance Key Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adam Henken&lt;br&gt;Director of Financial Planning</td>
<td>Catherine Burris&lt;br&gt;Assistant Controller, General Accounting&lt;br&gt;Manages financial accounting and reporting areas for Banner &amp; Cardinal</td>
</tr>
<tr>
<td>Jenny Caja&lt;br&gt;Strategic Sourcing &amp; Payment Solutions</td>
<td>Monique Johnson-Dowe&lt;br&gt;Accounts Payable Manager&lt;br&gt;Responsible for all areas under Accounts Payable Operations (Vendor payments, prompt pay, Cardinal payments, Banner AP processing)</td>
</tr>
<tr>
<td>Erin Abrams&lt;br&gt;AA/ETF Budget Analyst</td>
<td>Frederick Jasper&lt;br&gt;Director of Student Accounts &amp; University Bursar&lt;br&gt;Responsible for all areas under Accounts Receivable (Student Accounts, Cashiering)</td>
</tr>
<tr>
<td>LaKisha Mompremier&lt;br&gt;Budget Analyst</td>
<td>Linda Meyers&lt;br&gt;Finance Systems Manager&lt;br&gt;Oversight for Banner and Cardinal Financial Systems; Data Processing Operations, Finance System Automation Projects, Accounting Entry Review</td>
</tr>
<tr>
<td>Tealen Hansen&lt;br&gt;Director of Budget Operations</td>
<td></td>
</tr>
<tr>
<td>Stephanie Jonelle&lt;br&gt;AVP for Budget &amp; Financial Planning</td>
<td></td>
</tr>
</tbody>
</table>

Policy Review: University Policy #3001 – Responsibility of Budget Unit Directors on Use of Funds (Expenditures)
- [https://www.odu.edu/about/policiesandprocedures/university](https://www.odu.edu/about/policiesandprocedures/university)

Guess What?!

I think that pretty much sums it up.

- Any Questions?
The following chart represents the minimum signature approval levels for budget adjustments. The organizational unit whose budget is being reduced or reallocated from must complete all respective signatures prior to submission to the Budget Office.

<table>
<thead>
<tr>
<th>Type of Transaction</th>
<th>Dollar Threshold</th>
<th>Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within a Single Org Unit</td>
<td>Up to $50,000</td>
<td>Budget Unit Director (BUD)</td>
</tr>
<tr>
<td>Within a Single Org Unit</td>
<td>$50,000 to $999,999</td>
<td>All above PLUS the respective Vice President</td>
</tr>
<tr>
<td>Within a Single Org Unit</td>
<td>$1,000,000 and up</td>
<td>All above PLUS the Vice President for Finance &amp; Administration</td>
</tr>
<tr>
<td>Cross Org Units</td>
<td>Up to $999,999</td>
<td>Budget Unit Director (BUD) PLUS the respective Vice President</td>
</tr>
<tr>
<td>Cross Org Units</td>
<td>$1,000,000 and up</td>
<td>All above PLUS the Vice President for Finance &amp; Administration</td>
</tr>
<tr>
<td>Cross Fund Units</td>
<td>Up to $999,999</td>
<td>Budget Unit Director (BUD) PLUS the respective Vice President</td>
</tr>
<tr>
<td>Cross Fund Units</td>
<td>$1,000,000 and Up</td>
<td>All above PLUS the Vice President for Finance &amp; Administration</td>
</tr>
</tbody>
</table>

***Each Vice President has the ability to require additional levels of approval within their organizational structure.***

**Exceptions:**
- All Academic Affairs budget adjustments must be routed through and approved by the Associate Vice President for Academic Affairs.
- The Provost may centrally manage and / or allocate funding within Academic Affairs. These transactions may exceed $1,000,000 without additional approvals.
- The Budget Office retains delegated authority to record transactions related to Grants, Foundation Transfers, Revenues, Equipment Trust Fund, Fund Transfers, Financial Aid, Full-time Salaries, Benefits, Capital Projects, Maintenance Reserves and other technical adjustments required by the Department of Planning and Budget.

**Restrictions:**
- Departments may not move full-time salaries and fringes to NPS or any other areas without the Budget Office approval.
- Federal work study funds (Managed by Career Development Services) may not be moved to any other account codes.
- Only Budget Unit Directors of Auxiliary Services, CEPS, Grants, Agency Funds, and Gift Org Units may submit Revenue and Expenditure Increases/Decreases. These transactions must be approved by the respective Vice President.

**Base vs. Operating:**

**Base Budget**
- Base budgets represent the continual annual commitment of operational funding for a department or area.
- These budgets do not include funding for special projects or one-time/ temporary shifts in operations.
- Base budgets can be amended throughout the current year and during the University Budget Development process.

**Operating (OPAL) Budget**
- The operating budget is the current year annual operating budget for a department or area.
- The operating budget includes the original base budget plus any special projects or one-time/ temporary shifts in operations for the current year.
- Operating budgets can be amended throughout the year to align with the needs in a given year.

**Pool Budgeting:**

The University Budget Office uses pool budgeting for budget development, management & reporting for certain expenditure categories. Transactions for expenditures, revenues, and transfers will continue to post at the line item account level. When submitting budget adjustments please use the below diagram as a guide for the categories that utilize budget pool accounts.

<table>
<thead>
<tr>
<th>Category</th>
<th>Account Codes</th>
<th>Budget Method</th>
<th>Budget Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>3000-3999</td>
<td>Line Item</td>
<td>N/A</td>
</tr>
<tr>
<td>Personal Services</td>
<td>4000-4899</td>
<td>Line Item</td>
<td>N/A</td>
</tr>
<tr>
<td>Benefits</td>
<td>4900-4999</td>
<td>Pool</td>
<td>4999</td>
</tr>
<tr>
<td>Non-Personal Services</td>
<td>5000-6999</td>
<td>Pool</td>
<td>6999</td>
</tr>
<tr>
<td>Travel</td>
<td>7000-7999</td>
<td>Pool</td>
<td>7999</td>
</tr>
<tr>
<td>Equipment</td>
<td>9800-9899</td>
<td>Pool</td>
<td>9899</td>
</tr>
<tr>
<td>Transfers</td>
<td>9900-9999</td>
<td>Line Item</td>
<td>N/A</td>
</tr>
</tbody>
</table>

***Expenditure Recoveries and IDC line items will continue to be loaded and managed using the Line Item method.***
Indirect Costs (IDC): 11.38%

Auxiliary Enterprises are self-supporting business units that do not receive state funded support. Auxiliary Enterprise units are required to pay for their share of services received from E&G activities. Examples of offices that provide E&G support to Auxiliary Enterprises include, the Office of Finance (Accounts Payable, Payroll), Human Resources, and the Department of Procurement Services.

***The expense is booked in sub-account code 5705 and is 11.38% of total expenditures for Auxiliary budgets. Transfers are excluded from IDC***

Benefits: Sub-account codes 4900- 4999

Fringe benefits for full-time employees in E&G budgets are managed centrally. Budget Unit Directors of Non E&G budgets must ensure sufficient funds are in 4999 to cover expenditures or make the appropriate budget adjustments.

- E&G – centrally managed – no action required to balance for fulltime positions
- CEPS – must ensure sufficient funds in 4999 to cover benefits
- Auxiliary, Gifts and Grants – must ensure sufficient funds in 4999 to cover benefits
- All Budget Unit Directors are responsible for monitoring and managing the benefits for their part-time positions (4021, 4031, 4027, and 4025 when students drop below the required credit hours)

Current Rates:

- Full Benefit Rate: (Position Value x 23.25%) + (12,000* FTE)
  Used when establishing or abolishing a position
- Position Adjustment Benefit Rate: (Adjusted Salary * 23.25%)
  Used for salary adjustments
- FICA: 7.65%

Fund Transfers: Sub-account codes 9900- 9999

Fund transfers are accounting transactions that move cash from one fund to another and are classified as mandatory and nonmandatory (like moving money from one checking account to another).

- Mandatory transfers are made due to a legal obligation like the repayment of principal & interest on construction bonds.
- Nonmandatory transfers are made on the basis of needs within the University, and are done at agency discretion.

When a fund transfer is posted in Banner, you will typically see two budget entries:
1. Increase or decrease expenditure sub-accounts
2. Increase or decrease sub-accounts within the 99XX group

The two entries are needed to balance the respective budgets involved and have a zero effect on the bottom line of each budget. The department receiving the cash will see an increase to one of their expenditure budgets pools or line items to represent the increased expenditure authority and see a decrease in a transfer line item to represent the transfer of cash into their budget/fund.

Transfer sub-account codes:

<table>
<thead>
<tr>
<th>ORG-ACCT</th>
<th>CURRENT AVAILABLE BAL</th>
<th>INCREASE</th>
<th>DECREASE</th>
<th>AVAILABLE BAL AFTER ADJUST.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6PN01-6999</td>
<td>100,000</td>
<td></td>
<td>10,000</td>
<td>90,000</td>
</tr>
<tr>
<td>6PN01-9908</td>
<td></td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8SXW6-6999</td>
<td>100,000</td>
<td>10,000</td>
<td></td>
<td>110,000</td>
</tr>
<tr>
<td>8SXW6-9938</td>
<td></td>
<td></td>
<td>10,000</td>
<td>(10,000)</td>
</tr>
</tbody>
</table>

Example:

<table>
<thead>
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<th>ORG-ACCT</th>
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<td>8SXW6-9938</td>
<td></td>
<td></td>
<td>10,000</td>
<td>(10,000)</td>
</tr>
</tbody>
</table>

20,000 20,000
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Budget Process & Management – Terminology

- **Auxiliary Services** - Activities within the University, which furnish a service directly or indirectly to students and faculty, are considered auxiliary services. These activities charge fees directly related to, but not necessarily equal to, the cost of service. The public may also be served indirectly by some auxiliary services. These services are essential support elements of the institution’s program and are considered self-supporting.

- **Budget Adjustment** - When funds must be transferred from one budget to another, a budget adjustment form must be completed, signed by at minimum the budget unit director, and forwarded to the Budget Office for processing. This form must also be completed when moving funds from a "locked" line item (i.e., salaries, overtime) to another line item or pool account. Generally, funds are moved from pool account to pool account unless they fall into the "locked" (line item budgeted) category.

- **Budget, Base** – The annual budget commitment for ongoing operations of a department or area. Represents the “base” commitment of resources for operations. The base is not designed to fund special projects and/or temporary shifts in operating expenditures. The base budget may be modified during the course of an operating budget year and/or during the budget development process.

- **Budget, Operating (OPAL)** – The annual operating budgets of a department or area. The operating budget includes base funding as well as one-time funding for special projects and/or temporary shifts in operating expenditures. Budget units may shift funds within their operating budget to align resources with specific needs in a given year.

- **Budget Prep** - Each year, budget unit directors are required to put together an estimate of projected expenditures (including justification for increases or decreases) for the following fiscal year. The process of preparing the budget materials and submitting them for approval or modification is referred to as budget prep.

- **Deposit** - The term used to describe funds being put into a budget.

- **E&G** - Education and General (E&G) funds are made up of two allocations called general and nongeneral. The general funds are tax revenues collected by the State and appropriated to the University as our share of all tax revenues. The nongeneral funds are the tuition charges paid by students.

- **Encumbrance** - When a purchase order is issued, the funds for the purchase must be reserved. The process of reserving the funds is referred to as encumbrance. Once funds are encumbered, they are removed from the balance available. This prevents over-expenditures from occurring and allows departments to monitor available budget balances.

- **Expenditures** - Refers to the actual funds expended. When a vendor bill is paid, it becomes an expenditure.

- **Equipment Trust Fund (ETF)** - The Higher Education Equipment Trust Fund (HEETF) was established to provide funding for the replacement of General and Obsolete equipment used for instruction and research. The State Council of Higher Education for Virginia (SCHEV) shares administrative responsibility for the program with the Virginia College Building Authority (VCBA) and the Department of Treasury to allocate appropriation to each Institution.

- **Fiscal Year** - The University's fiscal year runs from July 1 through June 30.

- **Funds / Fund Balance** – A Fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations. The Fund Balance is the residual balance of Revenues less Expenses of the accounts maintained within the fund.

- **Indirect Costs** – Auxiliary Enterprises units are required by the State to pay for the indirect costs of services received from E&G activities.

- **Insufficient Funds** - Prior to a purchase order being issued to a vendor, the funds must be encumbered. If funds in the budget are not adequate to cover the expected expenditure, this lack is referred to as insufficient funds. Funds must be available for all expenditures no matter the method of expenditure (PCard, travel reimbursement, wage/student expenses, etc.)

- **Interdepartmental Transfer** - When funds must be transferred between budgets at the University, an Interdepartmental Transfer Request (IDT) form must be completed and signed by both budget units affected. The IDT form is forwarded to the Office of Finance for processing. Transfers can be effected for the following reasons: to reimburse a department for expenditures, to pay for services rendered, or to correct an original charge from one budget to another.

- **Journal Entry** - This term refers to the actual computer entry to move revenues or expenditures from one department to another via an IDT (Interdepartmental Transfer).
Certificate in University Financial Management
Budget Process & Management – Terminology

- **Line Item Budgeting** - Certain expenditure items (for example, classified salaries, wages, overtime) are budgeted at the line item. Funds in these line items may be moved via budget adjustment only.

- **Liquidation** - After a purchase order is complete, the vendor bill is paid. If the amount expended is less than the original amount encumbered, it is possible some funds will remain encumbered. The process of releasing those funds is referred to as liquidation. Liquidation requests are handled by Procurement Services.

- **NPS (Nonpersonal Services)** – Contractual services, supplies and materials – made up of the sub-accounts in the 5000 and 6000 series.

- **ODS (Operational Data Store)** - This is the product used for budget reporting using Insight. ODS is created using data from Banner. Reports are accessed via Insight.

- **One-Time (Revenues/Expenditures)** – These are revenues or expenditures that are not recurring in nature and are specific to a given fiscal year or other short-time cycle. One-time funding may be approved in the budget process for a specific project or other program/purpose. This funding does not become part of the department’s base funding and is not included in the following year’s beginning budget.

- **Org Code** - The terms "budget code" and "organization (org) code" are synonymous. They represent the five digit code used to identify the department for financial transactions (i.e., 1CL00 is the budget code for the Office of Finance).

- **Pool Budgeting** - Refers to the items within the budget that are not "locked" into specific line item categories. Generally benefits, non-personal services, travel, and equipment use the pool budgeting method. (Benefits, 4999; NPS, 6999; Travel, 7999; Equipment, 9899).

- **Recovery** refers to a special kind of budget used to recover funds expended by a service-oriented unit in the performance of approved activities. Recovery budgets may expend only funds for which they can charge-back other departments. For example, telephones are charged to departments as a recovery.
  - If funds being deposited are for recovery of services, they must be deposited to the appropriate recovery account. Recovery accounts can be either intra-agency recovery (recoveries from within the University) or inter-agency recovery (outside the University, but within the state).

- **Revenues** are funds paid to the University for services or for donations. Revenues are recorded in the period in which they are earned, regardless of when the payment is actually received.

- **SCH EV** Established in 1956, The State Council of Higher Education for Virginia (SCHEV) is the Commonwealth's coordinating body for higher education. Their mission is "to promote the development of an educationally and economically sound, vigorous, progressive, and coordinated system of higher education" in Virginia.

- **Service Units** are areas that provide specific types of services to the University community as a regular course of business. Examples of service units include Dining Services, telephones, and Facilities Management.

- **Sub-Object Code** - The sub-object code is for use in identifying a category of expense or transfer payment in the budget process and for coding purchase requisitions, purchase orders, travel documents, etc. *(aka: Sub-Account Code)*

- **Transfers** - The act of moving money from one fund to another. Fund transfers are accounting transactions that move cash from one fund to another and are classified as mandatory (arising from binding legal agreements) and non-mandatory (agency discretion).

- **Vendor Number** - All vendors doing business with Old Dominion University are identified by their Federal Employer Identification Number (FEIN) or, in the case of sole proprietorships, the University Identification Number (UIN). The University is required to have an IRS form W-9 (Request for Taxpayer Identification) or W-8BEN (international vendors/individuals) or an acceptable substitute on file for each vendor receiving payments from the University. No purchase orders or checks may be issued to vendors until Accounts Payable has this information on file. Departments are responsible for obtaining either the W-9 or the W-8BEN for new vendors. Please refer to Payment for Goods and Services for more information about vendor numbers and independent contractor payments.

- **Vouchers** – Every expenditure made by the University has payment documentation (referred to as a voucher) for record-keeping purposes. A voucher may contain payment for more than one expenditure/invoice.