FY 2015
BUDGET PREPARATION GUIDE

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Introduction
This guide provides information on FY 2015 budget preparation, including general guidelines,
budgeting in NUPlans, FY 2015 benefits rates, and chartfield maintenance. For questions about
the budget topics discussed in this document, or about budget policies and procedures that apply
to your specific school or unit, please consult with your Budget Office contact(s):

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NUPlans Budgeting
Detailed information on budgeting in NUPlans can be found on the Finance, Facilities, and
Research Administration (FFRA) web site: http://ffra.northwestern.edu/projects/nuplans/. Please
address technical questions about NUPlans to the Help Desk: consultant@northwestern.edu.
Information can also be found on the Office of Budget and Planning web site (http://www.northwestern.edu/budget/) and notes on NUPlans also follow in several of the sections below.

**FY 2015 Budget Due Date**
- The preferred deadline for finalizing all budgets in NUPlans is June 20th. The final deadline for submission is June 27th.

**Goal of the Budget Preparation Process**
The goal of the budget preparation process is to complete entry into NUPlans of the FY 2015 “original” budget for your school or unit. This information will be loaded into NUFinancials and will be visible before the new fiscal year begins. After the new fiscal year begins, you may still make adjustments to your budget by entering recurring and non-recurring budget adjustments into NUFinancials, but the work you are doing now in NUPlans should constitute the bulk of the necessary data entry.

The budget preparation process focuses on the annual operating budgets of your school or unit. Unrestricted, designated, self-supporting, recharge, gift, and endowment spending funds are budgeted through this process. This process does not address budgeting for cost sharing or agency funds or the multi-year budgets for grants and plant funds, although information on grant budgets may be entered into NUPlans for planning purposes for those schools and units opting in for grants planning.

**Budget Targets**
It is the responsibility of school and unit budget managers to ensure that the approved budget targets for the area are met, either by submitting balanced expense and revenue budgets or by meeting a net budget target established by a central appropriation – as applicable.

**Unrestricted Funds (typically Fund 110) and the Central Appropriation**
Unrestricted funds in schools and units *without a central appropriation* are expected to be in balance, either by individual chart string or for the area as a whole.

Unrestricted funds *with a central appropriation* are expected to have expense budgets that exceed revenues by the amount of the appropriation.

\[
(Unrestricted \ Expense) \quad \text{less} \quad (Unrestricted \ Revenue) \\
\text{plus} \quad \text{any (Allocation to Designated Spending Authority)} \\
= \text{the (Appropriation from Central)}
\]

**Designated Funds (Fund 171)**
New allocations of budget authority may be made to designated fund chart strings and are assumed to come from the school or unit’s unrestricted funds budget, typically Fund 110. These allocations of spending authority should be thought of as additional expenses against the unit’s unrestricted fund budget. Schools and units may also choose to budget designated fund chart
strings with balanced expense and revenue, which may include the planned spending (or build-up) of fund balances.

**Self-supporting Funds (Fund 172)**

Budgets for self-supporting funds are expected to be in balance, either by individual chart string or for the area as a whole. Most schools and units choose to balance by individual chart string, as it facilitates budget management and simplifies carryforward calculations.

**Recharge Funds (Fund 160)**

Budgets for recharge chart strings are expected to be in balance. Further information is provided in the section on Recharge Centers below.

**Gift Funds (Fund 310, 320, 330) and Endowment Spending Funds (Fund 440, 450)**

Budgets for gift and endowment spending chart strings are expected to be in balance, which may include the planning spending (or build-up) of fund balances. Budgeting for gift holding chart strings (Fund 330) is not currently available in NUPlans; if you need to establish budgets on any of these chart strings, please contact your Budget Office analyst.

**Budget Reports and Summary Views Within NUPlans**

NUPlans Web provides a set of summary views and reports to assist you with the budget preparation process. Managers can view their area’s overall budget target, appropriation (where applicable) and any central allocations in NUPlans Web in the Allocation Summary – By Fund View. This view most closely resembles the summary allocation sheets included in the previously distributed Excel budget preparation files. An overall summary of the net budget appropriation can also be viewed in the Allocation Input – Net View.

The new budget is scheduled to be loaded into NUFinancials in late July, after which budget reports for FY 2015 will be available through Cognos. On September 1, 2014, the FY 2015 budgets will be available for expenditure and the Budget Portal will be open for FY 2015 budget changes.

**Salary Budgeting in NUPlans**

NUPlans supports employee-level salary budgeting, with the objective of providing better understanding of this key component of the budget.

To facilitate this process, detailed salary information for faculty and staff is imported into NUPlans from FASIS, showing funding sources and distributions. It is expected that the FY 2015 salary budgets for regular faculty and staff positions will be constructed by building up from the individual employee level detail. Other salary-related account codes, such as temporary wages, work-study, and overtime will continue to be budgeted at a summary level.

The placeholder and adjustment options in NUPlans can be used to address situations where the sum of the individual salaries is either less than or in excess of the salary budget. For further information on salary budgeting, please see the link to the April 19, 2013 Budget Managers Presentation on Salary Budgeting on the Office of Budget and Planning web site (http://www.northwestern.edu/budget/).
Salary budgeting in NUPlans does not replace the salary planning and performance excellence processes, which remain separate activities.

**Employee Benefits Charge Rates**

A four-tier benefits rate structure has been in place since FY 2004:

- The Full rate (Federal and Non-Federal). *(The Federal rate is used in grant budgeting only, for salaries paid from Federal funds.)*
- The Statutory rate
- The Graduate School student rate
- The Zero percent rate

Pending written confirmation from the government, the rates for FY 2015 are as displayed in the table below, with comparative information shown for FY 2013 and FY 2014:

<table>
<thead>
<tr>
<th>Rate Description</th>
<th>Who it covers</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Non-Federal</td>
<td>Benefits-eligible employees <em>paid from non-Federal funds.</em></td>
<td>27.2%</td>
<td>27.2%</td>
<td>27.2%</td>
</tr>
<tr>
<td>Full Federal</td>
<td>Benefits-eligible employees <em>paid from Federal funds.</em></td>
<td>26.2%</td>
<td>27.0%</td>
<td>27.8%</td>
</tr>
<tr>
<td>Statutory</td>
<td>Temporary employees, supplemental pay to regular employees</td>
<td>6.9%</td>
<td>6.5%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Graduate School student</td>
<td>TGS Teaching assistants, research assistants, graduate assistants (accounts 60070, 60076, 60078)</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Other student</td>
<td>Hourly wages to student workers (account 60120), non-Graduate School graduate students (accounts 60077, 60079)</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Exempt</td>
<td>Federal Work Study wages (accounts 60121 and 60122-60125)</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

The FY 2015 rates are applied automatically in NUPlans, as applicable – you do not have to enter them.

**Recharge Centers**

Recharge centers provide goods and services to University users. Such centers may also provide goods and services to non-University users on an incidental basis. For University users, recharge centers must calculate their recharge rates to recover costs only; over time, the goal is to maintain a break-even position. Recharge rates should be reviewed annually and strategically adjusted to reduce any carry-forward surplus or deficit.

Recharge *rates* for FY 2015 should reflect employee benefits costs calculated at the full Federal rate. However, recharge *budgets* should be established at the non-Federal rate, as the benefits charges will be assessed at this rate. To the extent that recharge centers have external
customers, the unit is encouraged to charge those customers the market competitive rates or prices that include both the direct and indirect (F&A) costs. This may allow units to recover the loss on operational deficits. However, all internal customers must be charged a price that is cost-based and supported by cost accounting.

All recharge center activity should be established in Fund 160 chart strings. For more information on recharge centers, please contact Jennifer Wei, Director of Cost Studies and Effort Reporting, at 7-2473 or at jennifer-wei@northwestern.edu, or Sophia Gabay, Senior Cost Analyst, at 7-1142 or at s-gabay@northwestern.edu.

You can also find guidelines and step-by-step procedures relating to recharge centers on the Cost Studies web site at: http://www.northwestern.edu/coststudies/recharge.html

**Adding New Department IDs, Project IDs, and Account Codes**

Please contact ChartField Maintenance (http://www.northwestern.edu/financial-operations/policies-procedures/coa/index.html) to establish new Department IDs or Project IDs. These new values must be activated in FY 2014 if you wish to budget on them in NUPlans for FY 2015 (zero dollar budgets are sufficient for this). As new Department and Project IDs are established by ChartField Maintenance and activated in NUFinancials, they will be loaded into NUPlans.

You may add existing, active account codes to active chart strings for budgeting within NUPlans using the process outlined in NUPlans Web.

**Inactivating Chart String Budgets**

If a chart string appears in NUPlans as active, a budget will be loaded into NUFinancials for FY 2015 even if you do not actively budget on this chart string. To prevent active budgeting on a chartstring within NUPlans, you may change the chart string status within NUPlans Web. However, a zero dollar budget may still be loaded if this chart string is a valid chartstring in NUFinancials. To avoid having a zero dollar budget loaded into NUFinancials, you must inactivate the chart string combination through the process managed by ChartField Maintenance. If you require a Project or Department ID (individual chartfields) to be inactive in NUFinancials, you must still contact ChartField Maintenance.

**Final Review and Post-submission ChartField Requests**

After your budget submission is finalized in NUPlans and reviewed by your Budget Office analyst, your budget information will be uploaded into NUFinancials.

Should you still need to open new chart strings for FY 2015 after finalizing your budget, please send these requests to ChartField Maintenance, along with any FY 2015 budget amounts. The new chart string will be opened for FY 2015 with the budget you have requested. In most cases, new chart string requests after June 27th and prior to September 1st should be for gift, endowment spending or designated funds only. Requests for new unrestricted chart strings during this time period should be reviewed with your Budget Office analyst and will be considered on a case-by-case basis.