



1



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



2



Budgets

Definitions and Types of Budgets

3



University Revenues

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

vs. Expenses...

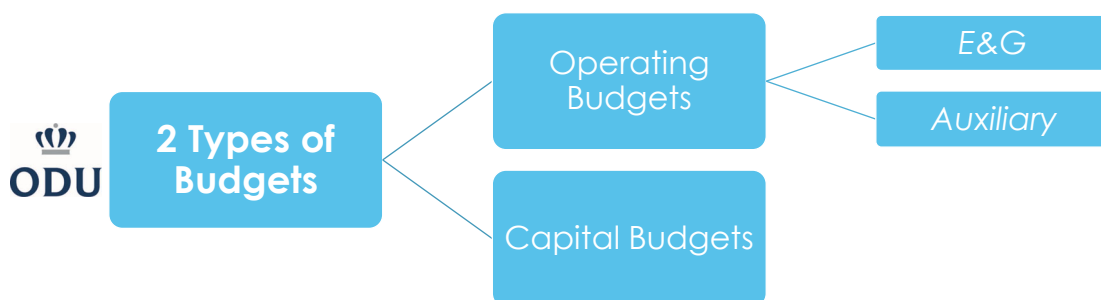
- Debt Service
- Faculty & Staff Expenses
- Services
- Supplies & Equipment
- Students
- Rents

4



What is a Budget?

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



5



Operating Budgets

- 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

Type	Duration of Available Funds	Source	How Managed?
Education & General (E&G)	Expire at the end of each FY	General & Non-General Funds	<ul style="list-style-type: none"> • Managed & Budgeted Centrally
Auxiliary	Remain as long as the unit remains financially solvent	<u>NO</u> State Fund allocation! – rather, self-supporting (fees, service charges)	<ul style="list-style-type: none"> • Must build and maintain adequate reserves & pay IDCs • Managed using Annual Budgets

6



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



Saunders
new museum

Old Dominion Selects Football Stadium Construction Manager



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

7



Virginia Budget Process

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

8



5 Phases of the Virginia Budget

ODU is a State Agency, so Virginia makes our \$\$ rules!

- Biennial System
- LONG Process



9



University Budget Process

Phase I: Budget Planning
Phase II: Budget Documentation

10



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

University Process

Planning

Documentation

Executive
Budget
Planning

5 Year
Financial
Planning
Model

Working
Sessions

Budget
Requests

Resource
Assessment
Worksheets

Auxiliary
Services
Budget
Submissions

Plan
Formali-
zation

Recording
State
Approved
Budget

Budget
Guidance
Memoran-
dum

Documen-
tation of
Executive
Budget
Decisions

Alignment
of Base
Budgets

11



Phase I: Budget Planning

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

Budget Planning
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 request that align with 5-year Model & University Strategic Plan, Executive Committee prioritizes and reviews – will deliberate on all request 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

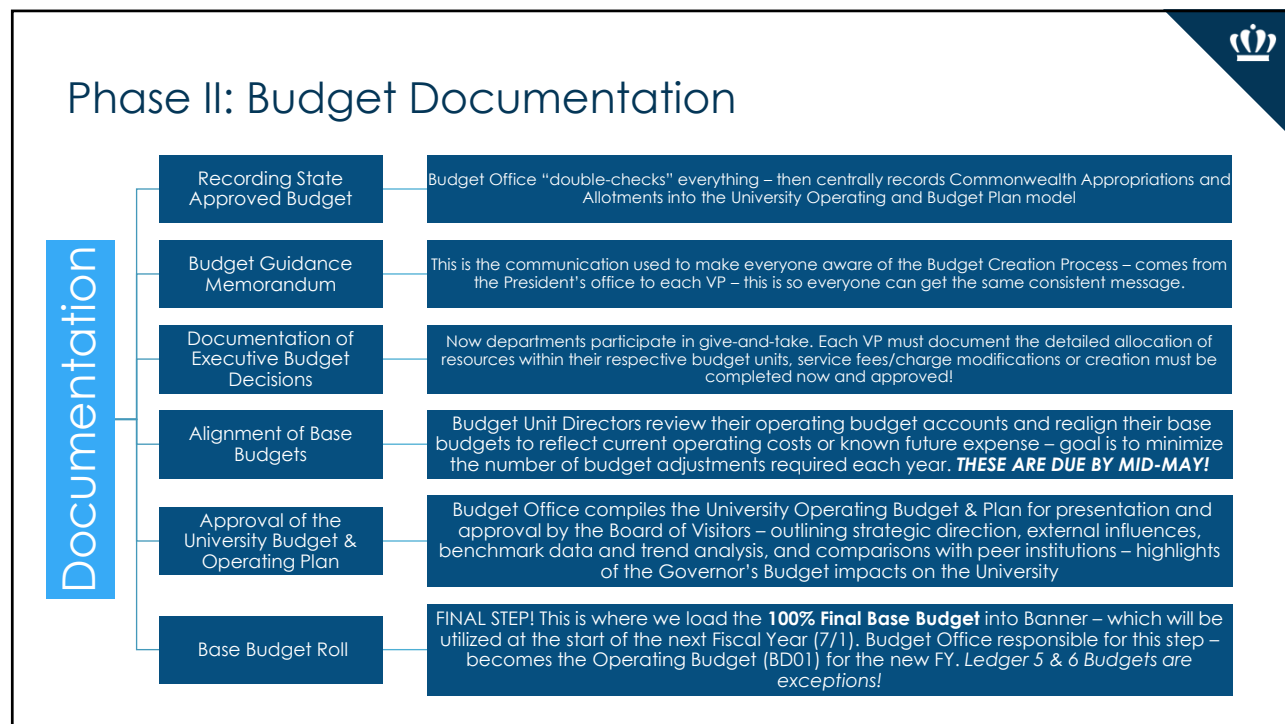
Auxiliary Services
Budget Submissions

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

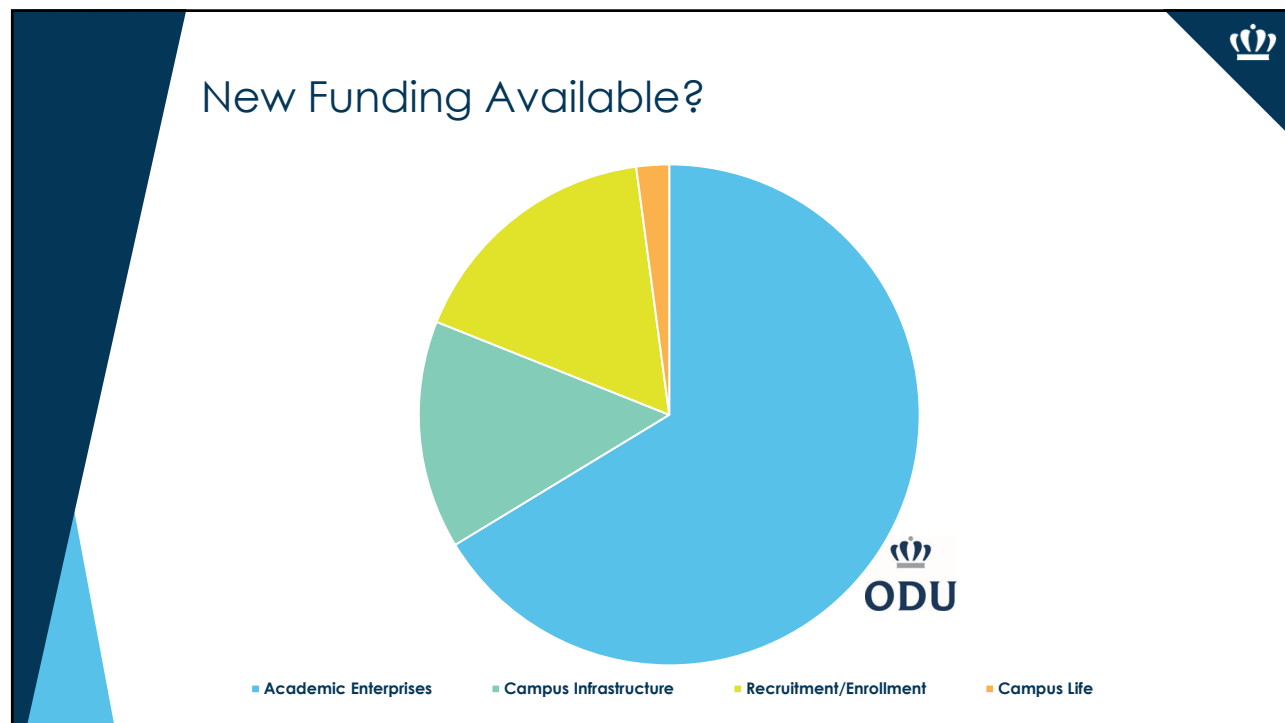
Conclusion of Executive
Budget Planning

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!**

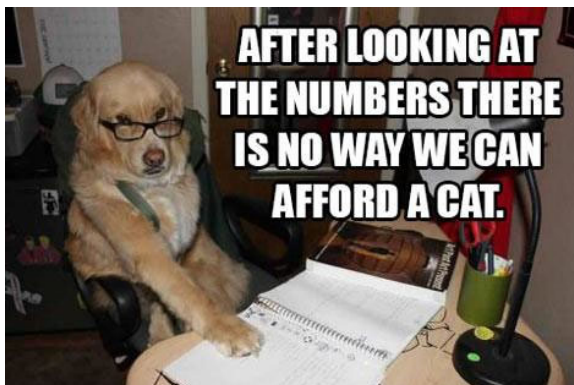
12



13



14



Budget System Overview

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

15

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

Ledger	Local/State	Source	Use
1	State	Tuition & State Revenues	E&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
2	Local	Various	Local clearing accounts
3	State	Student Fee Funds & Enterprise Self-Generated Revenues	Auxiliary Enterprise (current unrestricted revenue and expenditures) are activities that exist to furnish goods or services to students, faculty, & staff
4	Local	Student Activity Fees & Self-Generated Revenues	Auxiliary Enterprise (current local unrestricted revenue and expenditures); Student Activities, Clubs, & Orgs
5	Both	External Funding from Sponsored Program Activities	Sponsored programs current restricted expenditures, such as grants, contracts, or other externally funded activities
6	Local	Gift Income	Restricted – what is the difference between Restricted & Unrestricted Funds? !
7	State*	State Appropriation, Revenue Bonds, & Auxiliary Enterprise Funds	Capital Projects
8	Local	State Appropriation, Scholarship/Fellowships	Restricted Financial Aid & Scholarships, Fellowships, Eminent Scholarships
A	Local	External Agencies/Organizations	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

16



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



17

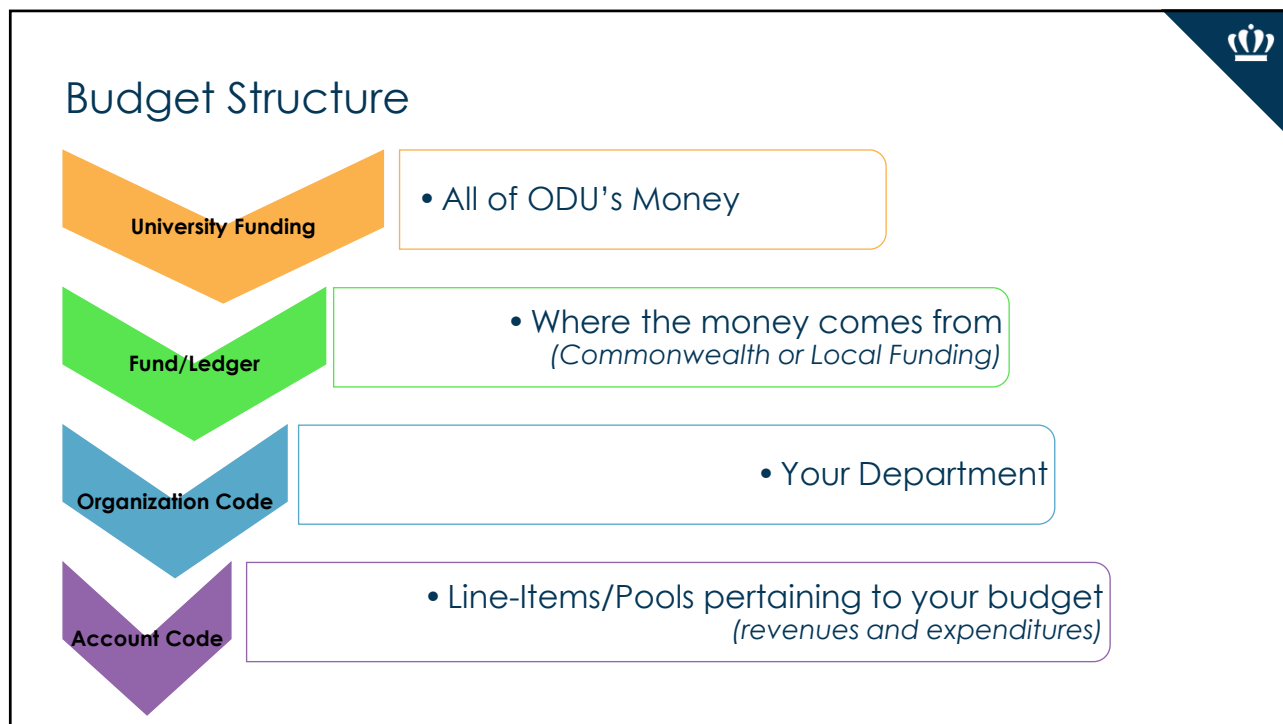


University Budget System Overview

Budget System helps Budget Unit Directors plan for and manage all aspects of the financial activity of the University

- 515 Categories of Financial Activities (Account Codes) in 3 general areas:
 - Revenue
 - Fund Transfers
 - Expenses
- ODU has 2 types of Budget Methods:
 - **Line Item Budgeting** – used for controlled account codes
 - 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

18



19

Account Codes

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

■ Account Code list may be found at: <https://www.odu.edu/facultystaff/university-business/budget/resources>

20



"The Thousands"

Account Categories 4-digit codes used in budgeting

SA Code	Category
0	Cash
1XXX	Investments
2XXX	Fund Additions
3XXX	Revenues
4XXX	Salaries/Payroll/Benefits
5XXX	Services
6XXX	Supplies
7XXX	Travel
8XXX	Indirect Cost Overhead
9XXX	Fixing/Equipment

21




And Now...

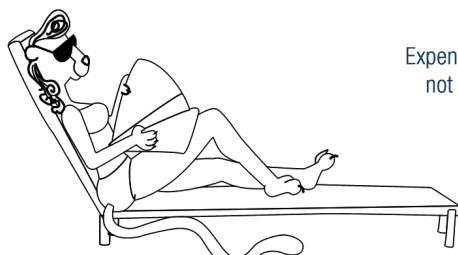


Take A Break

22



Accrued expenses




Expenses incurred,
not yet paid for



Controller Cougar enjoys her accrued vacation

Accrual Accounting

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

23



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

24



Monthly Budget Review & Adjustments

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

25

BUDS



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 \(Expenditures\)](#)
 - **NEW TRAINING RESOURCE** – [BUD Crash Course Video Training Series!](#)

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

26



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

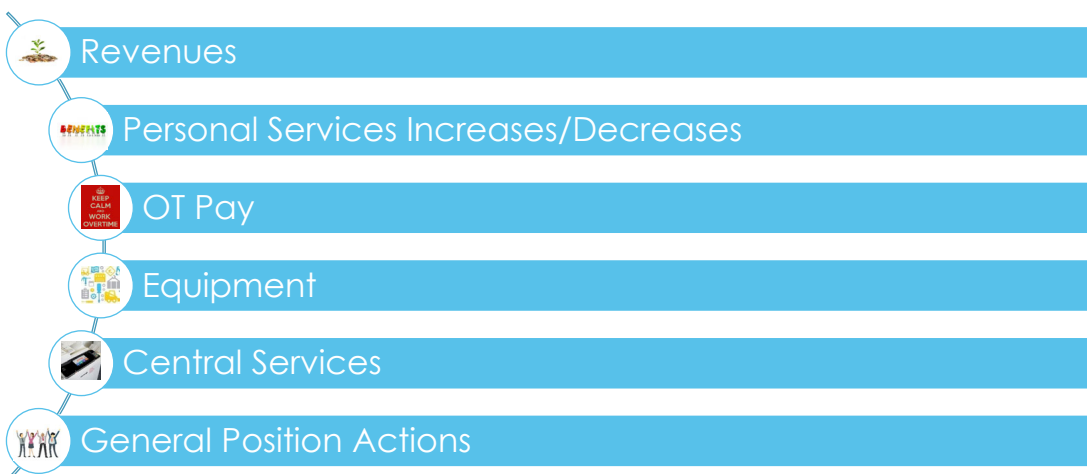
Is a Budget Adjustment different from an IDT/ASR?

- **YES!** *More on this later...*

27



Budget Adjustment Guidelines



28

Budget Adjustment Guidelines

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.

Type of Transaction	Dollar Threshold	Approval
Within a Single Org Unit	Up to \$50,000	Budget Unit Director (BUD)
Within a Single Org Unit	\$50,000 to \$999,999	All above PLUS the respective Vice President
Within a Single Org Unit	\$1,000,000 and up	All above PLUS the Vice President for Finance & Administration
Cross Org Units	Up to \$999,999	Budget Unit Director (BUD) PLUS the respective Vice President
Cross Org Units	\$1,000,000 and Up	All above PLUS the Vice President for Finance & Administration
Cross Fund Units	Up to \$999,999	Budget Unit Director (BUD) PLUS the respective Vice President
Cross Fund Units	\$1,000,000 and Up	All above PLUS the Vice President for Finance & Administration

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

Found Here: <https://www.odu.edu/facultystaff/university-business/budget/development/forms>

29

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://www1.odu.edu/content/dam/odu/offices/budget-office/docs/request-for-new-budget-unit.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

30



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>

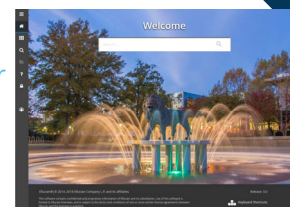
31

Banner, ePrint, & Insight

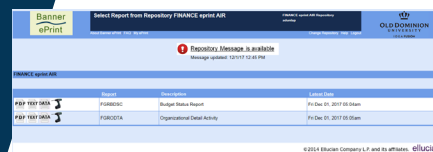
- **Banner** is primary system used at University for budget management
 - Automated, live system – no more hard-copy reports!
 - Access required, may be taken away
 - **Banner Document Management (BDM)**
- Banner **ePrint** available to provide accurate, final, validated **monthly** Budget Reports
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

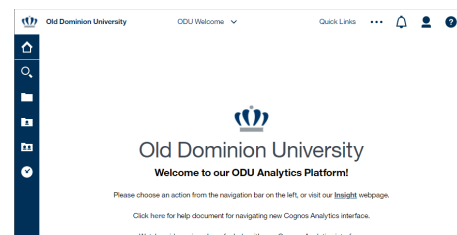
Banner



ePrint



Insight



32



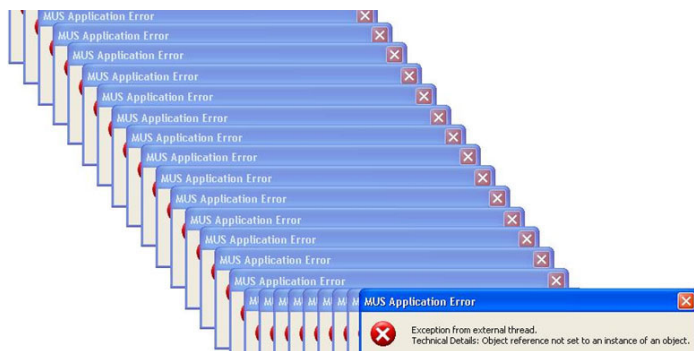
Banner Access

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>

33



Revenue & Expenditure Errors?

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

34



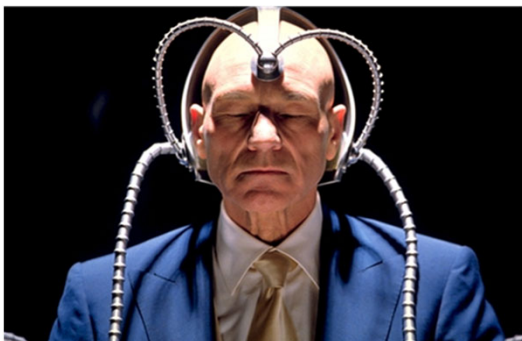
Resolving Revenue & Expenditure Discrepancies

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](#)

35



IDTs

Interdepartmental Transfers

Used to move expenditure from one budget unit/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

36



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

[illegible]

Budget Distribution Form

ODU Budget Office



Request to be Added to the Master Signature List

Request to be Added to the Master Signature List – Old Dominion University Page 1 of ____					
Attach continuation sheets to add additional names to the signature list for the same budget. A signed page 1 must be attached to any continuation sheets.					
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.					
The individual approving this request must be the Budget Unit Director (BUD) or an official BUD Delegate.					
Request Date		Org Code			
Requestor Printed Name		Requestor Title			
Signature					
Please add the following individual(s) to the Master Signature List for the specified budget (org) code.					
Printed Name	UIN	Title	Campus Tel: #	Office Location	Signature
Submit this form to:					
Linda Meyers Finance Systems Manager Office of Finance <small>Revised April 17, 2015</small>					

39



Request to Change the Budget Unit Director of a Budget

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.					
Request Date		Budget Code(s)			
Requestor Printed Name		Requestor Title			
Approver Name		Approver Signature		Date	
Please add the following individual as the Budget Unit Director for the specified budget code(s).					
Printed Name	UIN	Title	Campus Tel: #		
Please delete the following individual as the Budget Unit Director for the specified budget code(s).					
Printed Name	UIN	Title	Campus Tel: #		

Revised April 27, 2017

40

[illegible]

Request for Establishment of University Organization Code Form

OLD DOMINION UNIVERSITY

Revised 10-20-2015

ORG: _____
FUND: _____

REQUEST FOR ESTABLISHMENT OF UNIVERSITY ORGANIZATION CODE

SECTION I: General Information

- 1 Date _____
- 2 Person Making Request _____
- 3 Type of Account(s) needed: _____ Revenue _____ Expenditure
- 4 Classification of Account: _____ Commonwealth E&G
 _____ Local E&G _____ Grant _____ Gift
 _____ Auxiliary _____ Other (Explain): _____

SECTION II: Revenue Account Information

- 1 What is the source of the revenue to be deposited? (From where and whom) _____
- 2 What will be the frequency of the receipt and deposit of the revenue? _____
- 3 Is the expenditure of this revenue restricted to certain purpose by the donor? _____ If yes, explain the restrictions.

SECTION III: Expenditure Account Information

- 1 Describe the purpose of this budget (attach supporting correspondence) _____

- 2 Are there any restrictions placed on the expenditures by the Donor, or any person? _____ If yes, explain by whom and what the restrictions are:

- 3 Describe the source of the funds to be used to support your budget request. _____


- 4 If this account is a grant, please answer the following:
 a) Does this grant provide overhead?
 If yes, (1) Rate _____ (2) Method _____
 b) Does this grant require matching funds?
 If yes, (1) Rate _____ (2) Organization _____
 (3) Method _____ (4) Max. Amount _____

RequestforNewBudget.xlsx 10-20-2015.docx

10/20/2015 1:38 PM

2

ePrint Payroll Report Request Form




Office of Finance Eprint Payroll Report Request Form	
Date of Request _____	
Name _____	Department _____
Part Time Reports <input type="checkbox"/> Yes <input type="checkbox"/> No	Full Time Reports <input type="checkbox"/> Yes <input type="checkbox"/> No
Date Eprint Training Course Completed _____	
Report Access for ALL Budget Codes currently approved for Banner Finance <input type="checkbox"/> Yes <input type="checkbox"/> No	
If "No," please contact the Data Control staff at 757-683-3257.	
Budget Unit Director Approval (required)	Date _____
Printed Name _____	Signature _____
Send completed form to the office shown below for processing: Data Control Office of Finance	

Rev. February 13, 2015

43

Interdepartmental Transfer Request (IDT) Form



OLD DOMINION UNIVERSITY
INTERDEPARTMENTAL TRANSFER REQUEST
(E-mail signed/scanned form to IDTs@odu.edu)

CHARGE _____ (ORG/ACCT)				CREDIT _____ (ORG/ACCT)			
DEPT. NAME _____				DEPT. NAME _____			
CONTACT NAME _____				CONTACT NAME _____			
CONTACT PHONE _____				CONTACT PHONE _____			
Authorized Signature _____				Authorized Signature _____			
Accounting Distribution for Charge				Accounting Distribution for Credit			
FUND	ORG	SUB ACCOUNT	AMOUNT	FUND	ORG	SUB ACCOUNT	AMOUNT

☐ Additional accounting distribution sheets attached
☐ Original Charge – attach supporting documentation
☐ Correction of Charge – attach Banner documentation

Explanation of Transfer: _____

IDTs@odu.edu

FOR ADMINISTRATIVE USE ONLY

Processed by: _____

Date: _____ Revised July 18, 2013

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>

44

Accounting Service Request (ASR) Form

DataControlASR@odu.edu

ACCOUNTING SERVICE REQUEST FORM (ASR) rev 07/26/2023

Research and document activity (attach appropriate screen prints from Banner)

Departmental Use – complete all sections – incomplete forms will be returned.
The ASR process is used for researching activity.
Coding corrections must be submitted using an Interdepartmental Transfer (IDT) form.

Date	Department	Telephone #/e-mail
Contact Name		

Provide full details regarding the research requested.

Fiscal Year	Original Doc # in Banner	Dollar Amount	Notes to assist research

Action Requested - Be specific and provide the appropriate back-up documentation. ASRs without back-up documentation will be returned without action.
Justification/Reason

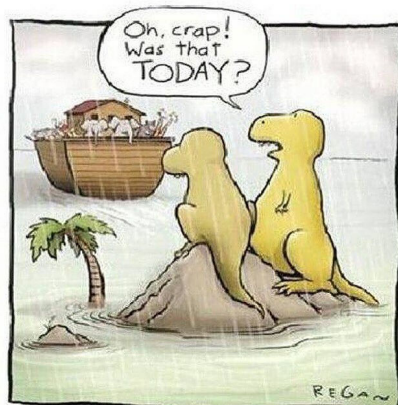
Additional information concerning your request that would assist us in error correction or researching/documentation.

- Submit the completed ASR form and required support documentation via e-mail to DataControlASR@odu.edu.
- Keep copies for your files.
- E-mail date is submission date. (E-mails received after 2:00pm will be considered received on the next work day.)
- Average processing time – 14 business days.
- Questions about the ASR process may be addressed to DataControlASR@odu.edu or 757-683-3257. Please reference the assigned ASR number.
- The ASR number is reflected in Banner when corrections posted in Banner.

**** Office of Finance Use Only Below This Line ****

Reference #	Date Processed	Assigned to:
Problem Type		
Response Section – completed by department assigned to resolve/research.		
Date Received		
Name of Person Responding	Department	

45



General Reminders

46

General Reminders



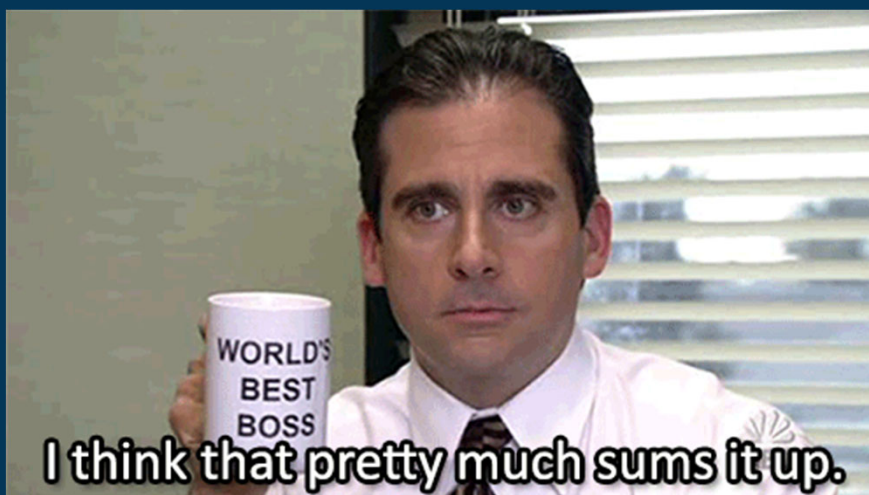
University Budget Office Staff	Office of Finance Key Staff
Adam Henken Director of Financial Planning	Catherine Burris Assistant Controller, General Accounting Manages financial accounting and reporting areas for Banner & Cardinal
Jenny Caja Strategic Sourcing & Payment Solutions Analyst	Monique Johnson-Dowe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

Policy Review: University Policy #3001 – Responsibility of Budget Unit Directors on Use of Funds (Expenditures)

- <https://www.odu.edu/about/policiesandprocedures/university>

47

Guess What?!



- Any Questions?

48

Certificate in University Financial Management 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.
- **SCHEV** 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.

Budget Adjustment Guidelines

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.		
Type of Transaction	Dollar Threshold	Approval
Within a Single Org Unit	Up to \$50,000	Budget Unit Director (BUD)
Within a Single Org Unit	\$50,000 to \$999,999	All above PLUS the respective Vice President
Within a Single Org Unit	\$1,000,000 and up	All above PLUS the Vice President for Finance & Administration
Cross Org Units	Up to \$999,999	Budget Unit Director (BUD) PLUS the respective Vice President
Cross Org Units	\$1,000,000 and Up	All above PLUS the Vice President for Finance & Administration
Cross Fund Units	Up to \$999,999	Budget Unit Director (BUD) PLUS the respective Vice President
Cross Fund Units	\$1,000,000 and Up	All above PLUS the Vice President for Finance & Administration

*****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.

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

*****Expenditure Recoveries and IDC line items will continue to be loaded and managed using the Line Item method.*****

Budget Adjustment Guidelines

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
- Auxiliaries, 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: $(\text{Position Value} \times 23.25\%) + (12,000 \times \text{FTE})$
Used when establishing or abolishing a position
- Position Adjustment Benefit Rate: $(\text{Adjusted Salary} \times 23.25\%)$
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 cods:

FUND TRANSFER TO		FUND TRANSFER FROM	
9902	TRANSFERRED TO LOCAL AUX	9931	TRANSFERRED FROM C/W E&G
9903	TRANSFERRED TO C/W E&G	9932	TRANSFERRED FROM C/W AUX
9904	TRANSFERRED TO C/W AUX	9934	TRANS. FROM LOCAL AUX
9905	TRANS. TO CAPITAL OUTLAY	9935	TRANSFER FROM CAPITAL OUTLAY
9906	TRANS. TO C/W RESTRICTED	9936	TRANS FROM C/W RESTRICTED
9908	TRANS. TO SCHOLARSHIP FDS	9937	TRANS FROM ENDOWMENT FDNS
9913	TRANSFERRED TO LOCAL RES	9938	TRANS FROM LOCAL REST
9914	STATE SCHOOL. GRAD	9951	REVENUE BOND PRINCIPAL PAYMENTS
9915	STATE SCHOOL. UNDERGRAD	9952	REVENUE BOND INTEREST PAYMENTS
9917	TRANS TO UNRESTRICTED		

Example:

ORG-ACCT	CURRENT AVAILABLE BAL	INCREASE	DECREASE	AVAILABLE BAL AFTER ADJUST.
6PN01-6999	100,000		10,000	90,000
6PN01-9908	-	10,000		10,000
8SXW6-6999	100,000	10,000		110,000
8SXW6-9938	-		10,000	(10,000)
		20,000	20,000	