

DEPT BUDGET REVIEW INSTRUCTIONS

- 1.) All indices must balance (total of amounts budgeted to revenue account codes must equal total of amounts budgeted to expenditure account codes for every index). Refer to Index Out of Balance Report / Budget Development Working Report to get list of indices that need to be corrected.
- 2.) All budget amounts in Budget Planner must be entered in whole dollars and no cents.
- 3.) There can be no negative amounts budgeted to expenditure account codes. The only exception to this instruction is for GME's budgeting of account 21TO.
- 4.) Verify that all allocations shown on your Dept Report of Allocations have been budgeted. The appropriate revenue codes that should be budgeted on these indices are 0340 for all allocations whose allocation numbers begin with "UNMH-", and 1610 for all other allocations, unless otherwise indicated on your "Dept Report of Allocations".
- 5.) Verify that the total I&G (account 1640) amount budgeted by your department ties with the total amount on your I&G appropriation sheets. Run the Budgeted Account Code Report for account code 1640, Fund 3U0044, to verify, as all I&G revenue should be budgeted to account code 1640, and all 1640 budgets should be in only Fund 3U0044 indices. Additionally, account 1640 can only be budgeted in "Non-Self-Supporting" I&G indices (I&G indices with Program codes P101, P111, P121, or P131"). Please check these indices to make sure that their Program codes are only P101, P111, P121, or P131.

In "Non-Self-Supporting" I&G indices (I&G indices with Program codes ending in "1"), the only Revenue account codes allowed are 1640, 1600, 1610, 1620, and 1660. No Tuition and Fees accounts (01xx and 02xx) and no Transfer accounts (11xx and 12xx) are allowed – these accounts should be used when budgeting "Self-Supporting" I&G indices (I&G indices with Program codes ending in "2" – P102, P112, P122, or P132).

- 6.) Verify that the amounts budgeted for your Special State Appropriations agree with the amounts shown on your State Appropriation "Notices of Appropriation" letters. These amounts should be budgeted to either account code 0720, 0740, or 0750 or a combination of the three, as indicated on your State Appropriation letters.

Run the Budgeted Account Code Report for these three account codes and/or refer to the Budget Development Working Report to verify that all appropriation amounts have been budgeted.

On some of the State Appropriations, the VP's Office has assessed an F&A (Administrative Overhead) tax. This tax amount should be budgeted to account code **8066**. (Budgeting to account 1100 was done in previous years, but was changed back to account 8066 for FY18.....therefore, please do ***NOT*** use the 1100 account code that was used in prior years.)

- 7.) The Santa Fe Tax that is charged to your department should be budgeted to account code 07D0. (Please budget the same amount of Santa Fe tax that you budgeted last year – this amount is shown on a spreadsheet in your budget folder from the Dean's Office.) The Budget Planner reports may still be rolling this number up into the "State Appropriations" category. Be aware that this may be the reason why your State Appropriations number on the Budget Planner reports is not tying to the appropriation notification letters. You can also run the Budgeted Account Code Report for account 07D0 to confirm that you have budgeted your Santa Fe Tax correctly.

8.) Verify that the amount budgeted for your UNMMG revenue (accounts 0380 plus 0390) ties to the amount shown on the "UNMMG SOM Department Budget Summary" sheet in your folder. The total of your 0380 and 0390 budgets should equal the "Net Distribution" amount in the "Budget FY20" column on this sheet.

Verify that the amount budgeted for your SRMC revenue (account 0360) is equal to your projected FY21 department-incurred expense for only "pre-approved" SRMC positions, with the amount of approved raises for these positions also built into this number.

You can either run the Budgeted Account Code Report for accounts 0360, 0380 or 0390 or look at the Budget Development Working Report to verify that the amount budgeted agrees with the numbers you have been given.

9.) Adequate amounts of fringe need to be budgeted by each department. This amount will vary by department depending on the method chosen to calculate fringe. When the Dean's Office reviews the total amount of fringe budgeted by a department, they are checking to make sure that there is not either a significantly low rate of fringe budgeted OR a significantly high rate of fringe budgeted.

Please remember that when you review this number, salaries paid from "**Non**-Self-Supporting" I&G indices should **not** have fringe budgeted, as this amount of fringe is paid by the Fringe Pool Indices in the VP's Office. However, you **must** budget the fringe on salaries paid from "Self-Supporting" I&G indices. ("Non-Self-Supporting" I&G indices have Program Codes that end in "1"; "Self-Supporting" I&G indices have Program Codes that end in "2".)

10.) F&A revenue should be budgeted to account code 1601, and should be based on your FY20 distribution amount. A schedule that shows your FY20 F&A distribution amount is included in the folder you received from the Dean's Office at the Budget Kick-Off Meeting.

11.) In a sheet provided to you by the Dean's Office, you will see an "Approved Use of Balance" or "Target Net Margin" amount. Please insure that the total of the amounts budgeted to your 1901 accounts equals the "Approved Use of Balance" amount provided to you. You can verify this by running the Budgeted Account Code Report for account 1901. (If you have been granted approval to budget an amount of Reserves, the total of your 1901 budgets should be a positive number. If you have been told that your net margin will be a positive (surplus) amount, the total of your 1901 budgets should be a negative amount.)

Please also remember that when you budget a positive amount to account 1901 on an index for FY21, you must have a reasonable expectation that the index will actually have that much balance remaining in it at the end of this fiscal year (FY20).

When the Dean's Office reviews the amounts you have budgeted to account 1901, we look at each individual index which has a positive amount of 1901 budgeted. For every one of these indices, we look at Banner Form FGIBDST, and make the following calculation: We deduct the Encumbrances amount from the YTD Balance amount, and we also deduct an approximate amount of fringe that will likely be charged to any Encumbered salaries. We then look to see if there is additional revenue that might be credited to the index prior to year end, and add that amount if applicable. The result of this calculation is the maximum amount of 1901 that you can budget to this index. If this result is a negative number, you cannot budget a positive amount in account 1901 on that index.

12.) Allocations – your 1600, 1620, 1660 (and any other 16xx) allocations should net to zero by Fund, unless you are allocating to, or will receive allocations from, indices external to your

department. Please run the Budgeted Account Code Report for these account codes by each of your Funds to insure that you have budgeted them correctly.

13.) Transfers – please run the Transfers/Allocations report in MyReports to determine the correct transfer account code to use when budgeting your transfers. Also, add a comment on that Account code in Budget Planner that reflects the index and account that will either receive the transfer from your index or that will give the transfer to your index.

14) Accounts 8060 and 80E0 should only be used sparingly, with minimal amounts budgeted only if there are no other alternative accounts that can be used.

15) Foundation Tax – a spreadsheet is in your budget folder that gives you the amount of your Department's share of the FY21 Foundation Surcharge Tax. Please budget this amount to account 80K2.

16) Biostats Position Support for ACGME Accreditation – for some SOM departments, a spreadsheet has been included in their folders that directs them to budget this transfer or allocation from their department this year during Original Budget. In past years, some departments budgeted this, some did not. For FY21, we want all affected departments to enter this during Original Budget.

17) Endowed Spending Distributions. If applicable, a spreadsheet that shows your FY21 spending distribution by spending distribution index has been included in your budget folder. For FY21, please budget the amount in the "Net Spending Distribution" column of this spreadsheet. Use either account 12P0 or 1011 to budget these amounts. Refer to Banner Form FGIBDST in FY20 to determine which of these accounts has been credited to your indices during FY20.

18) Transfers to/from I&G. In only very limited circumstances are Transfers allowed to or from Regular ("Non-Self-Supporting) I&G indices (those whose Program codes are either P101, P111, P121, or P131). Pre-approval of these transfers needs to come from Theresa Kelley before budgeting them. In Self-Supporting I&G indices (Program codes are either P102, P112, P122, or P132), there are instances where SOM indices will budget the receipt of a small Transfer from Main Campus – these Transfers are allowed.

19) Salary Planner – Job Amount should equal Position Amount in most instances, both in total and by index. There are reasons why the two will not agree (for instance, if an employee will only be here for the first three months of the year, the Job side amount will reflect the total annual salary, but the Position side amount will only reflect three months of this salary, or if a 2005 incentive has been budgeted on the Position side but not the Job side, etc.). In cases where the two do not agree, Comments need to be entered in Salary Planner that explain the variance.

20) Account 20H0 - 20H0 should only be used to budget the salaries of those persons who are *not* UNM employees. For instance, if UNMMG direct charges your index for someone who is a UNMMG employee, this salary amount should be budgeted to account 20H0.

If, on the other hand, you have your own UNM employees whose salaries are reimbursed to your index through either account 0340, 0380, 0390, or 0360 (from either the Hospitals or UNMMG through Salary Agreements), their salaries should be budgeted to our standard salary accounts (2000, 2020, 2040, 2060, etc.).

BUDGET REVIEW INSTRUCTIONS SUMMARY CHECKLIST

1. All indices must net to zero – Revenue budgets (including 1901) must equal Expenditure budgets.
2. Budgets must be in whole dollars – no cents!
3. No negative expenditure account budgets.
4. Deans Allocations to departments should tie to your Dept Report of Allocations. Budgets should be to either 0340 (allocation numbers beginning with "UNMH-") or 1610 (all other allocations, unless otherwise indicated).
5. I&G budgets should tie to department's I&G appropriation sheets. Budgets should be to account 1640.
6. State Appropriations should tie to Appropriation notifications and should be budgeted to either account 0720, 0740, or 0750. Any VP's F&A tax on these appropriations should be budgeted to account **8066**.
7. Santa Fe tax should be budgeted to account 07D0.
8. UNMMG revenue should tie to sheet provided by UNMMG and should be budgeted to either account 0380 or 0390. SRMC revenue should be budgeted to account 0360.
9. Check to see if enough (or too much) fringe has been budgeted.
10. F&A Revenue should be budgeted to account 1601, and should be based on FY20 actual distribution.
11. Net margin should tie to department's Approved Target Net Margin/Approved Use of Reserves.
12. Calculate appropriate 1901 amounts by index.
13. Allocations and Transfers – net allocations to zero by fund (unless there are external allocations); comments need to be added to transfer account codes detailing the offset index and account for each transfer budgeted.
14. Only minimal amounts should be budgeted to accounts 8060 and 80E0, with preference that nothing be budgeted to these two account codes.