FINANCIAL SERVICES WORKSHOP

State Funds Overview

Presented by:
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Lisa Edwards, Budget Analyst
March 7, 2017

WHO WE ARE

University Budget Office
Financial Services
Building 165 – 209 East 3rd Street

Nancy Phelps, Director
Tim Morris, Assistant Director
Heather Taylor, Accounting Technician
Lisa Edwards, Budget Analyst
Heather Gardner, Budget Analyst
STATE FUNDS AND PURPOSE CODES
STATE FUNDS BEGIN WITH 111 (EAST CAMPUS) OR 112 (WEST CAMPUS)

<table>
<thead>
<tr>
<th>Purpose Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>Regular Term Instruction</td>
</tr>
<tr>
<td>102</td>
<td>Summer School Instruction</td>
</tr>
<tr>
<td>103</td>
<td>Non-Credit and Receipt Support Instruction</td>
</tr>
<tr>
<td>104</td>
<td>Division of Health Affairs/Dental School</td>
</tr>
<tr>
<td>110</td>
<td>Organized Research</td>
</tr>
<tr>
<td>151</td>
<td>Libraries</td>
</tr>
<tr>
<td>152</td>
<td>Academic Support</td>
</tr>
<tr>
<td>160</td>
<td>Student Support</td>
</tr>
<tr>
<td>170</td>
<td>General Institution Support</td>
</tr>
<tr>
<td>180</td>
<td>Physical Plant Operations</td>
</tr>
<tr>
<td>230</td>
<td>Financial Aid</td>
</tr>
<tr>
<td>252</td>
<td>Other Reserves</td>
</tr>
</tbody>
</table>
**BUDGET POOL ACCOUNT CODES**

State Budgets are budgeted in `Account Pools'. Listed are the *most common* account pools used for State Budgets:

<table>
<thead>
<tr>
<th>Salary Pools</th>
<th>Temp/Student Wage / Operating Pools</th>
</tr>
</thead>
<tbody>
<tr>
<td>60100 - EPA Non-Teaching Salaries</td>
<td>60501 - NonStudent Pay (Temps)</td>
</tr>
<tr>
<td>60150 - EPA Faculty Salaries</td>
<td>60521 - Student Pay</td>
</tr>
<tr>
<td>60200 - SPA Staff Salaries</td>
<td>72000 - Supplies Budget Pool</td>
</tr>
<tr>
<td>60202 - CSS Staff Salaries</td>
<td>72350 - Library Books</td>
</tr>
<tr>
<td>60250 - SPA LEO Salaries and Wages</td>
<td>72400 - Property Plant and Equipment</td>
</tr>
<tr>
<td>61202 - Social Security</td>
<td>73000 - Purchased Contractual Services</td>
</tr>
<tr>
<td>61205 - State Retirement</td>
<td>73200 - Travel</td>
</tr>
<tr>
<td>61210 - Law Officer Retirement</td>
<td>73400 - Current Services</td>
</tr>
<tr>
<td>61220 - Optional Retirement</td>
<td>73600 - Other Fixed Changes</td>
</tr>
<tr>
<td>61270 - Health Insurance</td>
<td>73700 - Other Expenses and Adjustments</td>
</tr>
<tr>
<td></td>
<td>75000 - Utilities</td>
</tr>
</tbody>
</table>

**BUDGET ROLL PROCESS**

- The biennium starts in the even year (FY13-14, FY15-16).
- The biennium ends in the odd year (FY14-15, FY16-17).
- Permanent budget is determined by Rule Codes BD01 and BD02. BD01 and BD02 transactions are the only rule codes that roll forward. Once End-of-Year has closed, a query is executed that pulls all funds beginning with 111 and 112 and with Rule codes BD01 and BD02.
- BD01's represent original budget from prior year.
- BD02's usually represent permanent budget changes in the current fiscal year.
BUDGET TRANSFERS

Welcome to Financial Services at East Carolina University
Budget Office

Accounts Payable
Accounts Receivable
• Banner Journal Voucher Entry Form
Budget
• EHRA Salary Buy-Out Form
Cashier
• SHRA Salary Buy-Out Form
General Accounting
• Benefit Rates
Payroll
• Benefit Calculator
Student Loan Collections
• More Position Benefits Budget Estimator
Systems Coordination
Self-Supporting Organization List
Special Funds
Travel Office
• How to Access and Use EPDSU
Quick Links
Financial Aid
GDS and Data Warehouse
• How to Access and Use Position Change Form
• Frequently Asked Questions about Position Change Form

BUDGET TRANSFERS - PERM/TEMP

There are two main types of budget transfer entries:

➢ Processed by the Budget Office – BD01/BD02/BD03/BD04
➢ Processed in Self Service Banner (SSB) – B11/B22/B44

Here are the differences:

➢ Budget Office transfers move salary (SPA, EPA, and Benefits)
➢ SSB transfers move operating funds permanently or temporary
**BUDGET TRANSFERS IN SSB**

Departments can transfer funds:
- Permanently and temporarily between the 7xxxx accounts using B11 and B22
- Temporarily between 7xxxx and 605xx accounts within the same fund using B44

**Budget Transfer in Self Service Banner**

- Begin by creating a budget transfer or retrieving an existing template. If available budget exists, budget can be transferred.
- Choose Complete to perform a validation and forward the document for processing.
- Use Code Lookup to query a list of available values.

<table>
<thead>
<tr>
<th>Use template</th>
<th>None</th>
<th>Retrieve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Date</td>
<td>11/26</td>
<td>12/26</td>
</tr>
<tr>
<td>Journal Type</td>
<td>B11 (Permanent Budget Transfer)</td>
<td>B44 (Temporary Budget Transfer)</td>
</tr>
<tr>
<td>Transfer Amount</td>
<td>B11 (Permanent Budget Transfer)</td>
<td>B44 (Temporary Budget Transfer)</td>
</tr>
<tr>
<td>Document Amount</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

**Budget Transfers - Temporary**

- B11 are permanent transfers and B22 are temporary transfers moving funds from one operating pool account (7xxxx) to another:

  Example: From 111101-550702-72000-0000  
  To 111101-550702-73600-0000

- B44 are temporary transfers moving funds between salary accounts (605xx – Nonstudent or Student Pay) and operating pool accounts (7xxxx) ONLY.

  Example: From 111101-550702-73400-0000  
  To 111101-550702-60521-0000

Note: B44 Temporary Transfers will be routed to the Budget Office for approval.
BUDGET QUARTERLY REVIEW / RECONCILIATION

- Beginning July 1, 2011, OSBM mandated that there can be no negative pool account balances within State funds at the end of each quarter.

- To assist the Budget Office with this new mandate, we have asked each unit to clean-up their negative BBA at the FOAP level on a monthly basis.

- Another tool developed to assist with this process is an automated program that creates temporary budget entries (B22/B44) on a monthly basis. These entries cover negative balances at the FOAP level. The document number begins with “BA”.

- As the end of the quarter approaches, the automated program runs weekly to ensure compliance with the OSBM mandate.

- Please encourage your units to check for negative BBA at the pool level.

ECU SPENDING GUIDELINES

The university has a wide variety of sources of funds, each of which has its own spending characteristics. Some basic rules, regulations, and precedents that help guide employees to make wise spending decisions can be found at the link below:

http://www.ecu.edu/cs-admin/financial_serv/accounting/index.cfm

Can also be found on our website:

http://www.ecu.edu/financial_serv/budget.cfm
ECU SPENDING GUIDELINES

Unallowable Purchases from State Budget Codes

(Document pages 9 and 10)

There are some purchases that are specifically not allowable from state funds.

Examples include the following:

- Alcoholic beverages, "setups", drinks, or food items;
- Decorations (seasonal or otherwise);
- Excess per diem for meals on travel status;
- Extra insurance for travel (ex. Rental cars, airlines – see Travel Manual);
- Flower arrangements, cut flowers, works of art, paintings, drawings, pictures, plaques, plants, etc. Decorative/aesthetic items may be purchased for public areas such as lounges, hall ways, and reception areas.
- Food, coffee, tea, drinks, bottled water, candy, snacks, break refreshments, etc. except for those provided under University and state travel regulations. The State Budget Manual gives specific requirements and limitations for internal and external conferences.
- Get well cards, sympathy cards, birthday cards, or holiday cards;
- Gifts or items of recognition (regalia, luncharrays, cords, ribbons, plaques, awards, prizes) unless recognizing years of service or items related to the graduation fee;
- Medications (pain relievers, aspirin, etc.), shots, and/or medical supplies for staff/employees other than as may be required by federal or state regulations or for emergency first aid.
- Multi-year agreements not with original purchase and multi-year agreements where vendor requires up-front payment for all years;
- Paper products (cups, napkins, plates, utensils, etc.);
- Penalties or late fees;
- Personal clothing items or t-shirts which are not part of required uniforms, safety related, or required program-related;
- Personal or personal use items (Riemen, hand sanitizer, desk name plates, personal memberships, wireless routers for home use, etc.). Name badges may be purchased with state funds as long as the position requires such identification. The badge must be worn during all work hours.
- Pre-payments;
- Rental of portable water dispensers, coffee pots, or table cloths;
- Search expenses for travel related to SIA employees;
- Staff development expenses (tapes courses, motivational speakers, etc.);
- Student registration fees unless on official state business;
- Window curtains and drapery's made of cloth (blinds, shades, etc. may be ordered through Facilities' work order system).
STATE LAPSED DOLLARS

State lapsed dollars are salary and benefit dollars lapsed due to a vacancy in a position or temporary move of employees to a different funding source.

Approved budget entries can move lapsed dollars to operating lines (e.g. supplies, equipment, current services, temporary employment etc.). These entries must be processed by the University Budget Office for Budget code 16065 and by DHS Budget Office for Budget code 16066.

Here are some examples of using lapsed salaries that do not require Executive Council approval:

- State lapsed dollars may be used to provide incentive for and encourage units and individuals to seek external funding. This is accomplished via the buy-out process.
- State lapsed dollars are used by the Graduate School to support graduate students via tuition remissions and awards. The Dean of the Graduate School makes these allocations after conferring with the Vice Chancellor for Research and Graduate Studies.
- State faculty lapsed dollars may be used to conduct faculty searches for new faculty positions up to a maximum of $2,500 per search. All costs related to the search are allowable, including advertising. If the cost related to searches exceeds the $2,500 maximum, use of additional lapsed salary dollars requires the approval of the appropriate Vice Chancellor.
- Units may use their lapsed dollars to support temporary payroll expenses, including temporary support, over-time, shift, longevity, etc. (EPA Teaching and Non-Teaching lapsed dollars may not be used to cover SPA temporary wages, over-time, shift, longevity, etc.) Note: Faculty lapsed dollars may also be used to support honorariums, contractual salaries, or temporary faculty salaries directly related to academic or research activities.

All other budget entries against lapsed salary dollars must be approved by the Executive Council.

STATE LAPSED DOLLARS - PROCEDURE

- For Budget Code 16065, the University Budget Office prepares a projection of lapsed dollars and communicates that information to the Vice Chancellor for Administration and Finance. The Vice Chancellor for Administration and Finance gathers non-recurring requests from other divisions and makes recommendations regarding the amount to allocate for each item (requests must be consistent with the use of state appropriated funds). These recommendations are then reviewed, prioritized and approved by the University's Executive Council (the Chancellor, Vice Chancellors and the Chancellor's other direct reports).

- Each Vice Chancellor has the authority to redirect funds allocated to his/her division among pre-approved initiatives from the Non-Recurring list as long as the University Budget Office has prior notification and documentation. If a Vice Chancellor determines that he/she will be unable to spend allocated funds by June 30th and does not have another approved initiative on which the funds can be spent, then he/she should notify the University Budget Director so that funds can be redirected centrally in a later phase.
JOURNAL ENTRIES
(INTERDEPARTMENTAL TRANSFERS / BUDGET TRANSFERS)

- Must meet UNC-Fit Guidelines
- Must verify amount and have valid business or academic purpose
- Must have documentation required to support transaction
- +/- for budget entries, D/C for journal entries
- J63 for Expense Adjustments, J51 for Internal Sales and Services
- Approver must be on the Delegation of Authority for orgn being debited
- Preparer cannot be approver or sign as the approver on behalf of someone else

FUND 111103
REVENUE / BUDGET GUIDELINES

- Fund 111103 can be used for collection of fees associated with Workshops, Conferences, or Training Courses, etc. that are not part of a contract or gift activity.

- When funds are deposited into a FOAP with the fund 111103, a budget entry needs to be completed to create expense and revenue budget.

- In order for budget to be created the department needs to notify the Budget Office. The information needed to create budget is as follows:
  - FOAP the funds are being deposited
  - Purpose of the funds
  - Estimated receipts to be deposited for the Fiscal Year

- Once this information is given to the Budget Office, a request (BD600) is submitted to the Office of State Budget and Management (OSBM) for approval. Once approved by OSBM the necessary budget entries will be processed by the Budget Office.

- Contact to have budget created:
  University Budget Office
  Financial Services – Division of Administration and Finance
  Building 165 - 209 E. 3rd Street
  254-737-1192
FUND 111103

REVENUE / BUDGET GUIDELINES

- Fund 111103 is considered self-supporting and certain expenses are permitted that are typically not approved with State funds. Food items are allowed in some cases with appropriate documentation as long as all participants pay a registration fee.

- Registration fees for conferences, workshops, or training courses are typically collected to offset expenses such as the cost of speakers, building (room) use, handout materials, breaks, and lunches.

- Food items, such as refreshments or meals, can be purchased for conferences, workshops, and training courses if the costs of these items are included in the registration fee. All participants must pay the registration fee. Food cannot be purchased for faculty/staff/students if no registration fee was collected. The registration fee must not consist exclusively of meals.

FUND 111103

REVENUE / BUDGET GUIDELINES

- Expenses not allowable from State Funds should not be processed directly through State funds. These expenses should be processed through the clearing fund in Institutional Trust Funds, 141700. When processing the payment, charge the expense to Fund 141700, the Department’s ORGN, the proper Expense Code / Account (should begin with a 7xxxx) and Program 0000.

- A journal entry form also needs to be prepared to move the revenue from the state 111103 fund to the clearing fund 141700.

  111103 - Dept ORGN - 5xxxx - 0000  D
  141700 - Dept ORGN - 5xxxx - 0000  C

- The amount transferred should be the exact amount required to cover the cost of the expenses. The direct payment form and the Journal Entry Form must be submitted simultaneously for processing to the Institutional Trust Fund Office.

- Contact for processing payment and Journal Entry: Institutional Trust Fund Office, Financial Services - Division of Admin and Finance, 3800 E. 10th St.
The Salary Buy-Out Form is used if an employee is permanently funded by State funds and is being partially paid by a non-state fund or an external institution/agency.

The state salary saved (lapsed) can be transferred from salary to operating funds, temporarily.

The Salary Buy-Out forms are located on the Budget Office website.
**POSITION CHANGE FORM (PCF)**

The PCF is used to change most information on a position. EPOST access is given to every user that has Banner-HR access. It is a wonderful BIC query tool that allows “one-stop” shopping on any position.

PCF allows end users to change position information.
- Permanent or Temporary Budget Transfers
- Position FTE Changes
- Position E-Class Changes
- Position Funding Changes
- Owner Org or Location Changes

**EPOST** gives the ability to accurately capture the necessary data for:
- Lapsed Salaries
- Project Position Budget Availability
- Incorporate Temporary Budget Changes
- Track Vacant Positions

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**PCF HELPFUL TIPS**

- Do not mix funding sources on PCF’s, create a new PCF for each new funding source

- Forms may be ‘one sided’ or ‘two sided’
  - One sided PCF’s are used if funds are coming from operating dollars and a Budget Transfer Form is forthcoming or if fte, e-class, owner Orgn and location is being changed
  - Two sided PCF’s are used if funds are being transferred from another position that has the same funding source and a Budget Transfer is required if the Fund or Orgn are different

- Funding sources can be added or removed by creating a new PCF

- When processing an EPAF, ensure that data matches the position information on PCF or NBAPBUD
BUDGET OFFICE WEBSITE
HELPFUL TIPS

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  - Budget Overview
  - Calendar of Budget Cycles
- Policies and Procedures
- Budget Communications
- ECU Spending Guidelines
Other Funding Sources
- ECU-Foundations
- Grants and Contracts
- Institutional Trust Fund

Forms and Instructions:
- Banner Journal Voucher Entry Form
- EPA Salary Buy-Out Form
- SPA Salary Buy-Out Form
- Benefit Rates
- Benefit Calculator
  (For SPA Positions or EPA Positions)
- State Position Benefits Budget Estimator
- Self-Supporting Organization List
- Instructions
  - How to Access and Use POSMEN EPOST
  - How to Access and Use Position Change Form
  - Frequently Asked Questions about Position Change Form

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East Carolina University
Basic Spending Guidelines by Fund Source
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June 25, 2015

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PLEASE FEEL FREE TO CALL US WITH QUESTIONS OR CONCERNS. WE ARE HERE TO OFFER GUIDANCE AND SUPPORT!

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Questions?