Local Fund Budget (LFB) FY 2020
Budget Submission

- Review of this year’s process
- Discuss timeline and purpose of Local Fund Budget
- Review Budget Entry, Review, and Approval
- Review Budget Assumptions
- Review Budget Forms & Backup Documentation
- Review Analytics Reports
- Resources & Contacts
Changes this year

• Local Fund Budget (LFB) and All Funds Multi-Year (AFMY) are due to the Office of Budget and Planning by March 4th.
  • Program Fees will also be due to our office by March 4th. The submission for this is the same as last year. Communication was sent out week of January 7th.

• Access to the LFB System can be updated in the UAccess Provisioning Tool

• Thresholds for submission
  • Dependent on College approval
  • $50K in Revenue, Expenses, and/or Fund Balance within an Organization
  • For example, Org# 123 has three budget shells each totaling $5K. This organization would not be required to submit a budget in the LFB System.
TIMELINE AND PURPOSE OF LOCAL FUND BUDGET
Timeline

January 3rd
Communication sent out to budget user listserv about Seminars

January 8th and 9th in Old Main
Kathy Whisman’s budget presentation to campus

January 14th-18th in Admin 101G
Office of Budget & Planning detailed information seminars for business officers who will be responsible for preparing & approving both the Local Fund Budget & All Funds Multi-year Planning Submissions

January 14-March 1
Communicate with budget analyst any questions/clarifications when submitting budget plans

March 4, 2019
LFB & AFMY Submissions due to the Office of Budget & Planning
Purpose

• Build partnerships across campus to support initiatives that align with the University’s Strategic Plan

• Collaborate on management reporting to provide transparency and accountability to campus leadership

• Communicate success, accomplishments, challenges, and opportunities

• Develop a deeper understanding of financial metrics to plan for the future

• Create conversations within units about their financial health and plans
Why LFB and AFMY?

Department and College Business Officers should communicate to ensure input into the AFMY reflects LFB

Local Fund Budget

- The budget submissions input by the departments and colleges into the Local Fund Budget (LFB) system are used in the official reporting to the AZ Board of Regents in April.

- LFB only accounts for certain account-types (is not an “all funds” budget)

- Same process as prior years. Submit shell in the LFB System

- Input at the department level

All Funds Multi-Year Plan

- High-level projection of all funds (not just shells) over four years

- Input into Adaptive Planning

- Communicate financial health of unit and how initiatives align with University’s strategic mission

- Input at the college/division Level
BUDGET ENTRY, REVIEW, AND APPROVAL
Budget Entry, Review, Approval

- LFB Budget Entry One-page quick reference guide
- LFB System Navigation Video
- LFB System Input Video
- LFB System Routing/Approval Video
LFB System Access

- Access Provisioning Tool
- New this year - Edit Role & Approver Role
- Request/Edit Access Instructions
LFB System Access

- Analytics > Security > All Roles
- Application = Budget System
- Technical role contains “LFB”

- Description will identify what budget shells the employee has access to
REVIEW BUDGET ASSUMPTIONS
FY2020 Planning Assumptions

**ERE** (rates not final)
*Use FY20 Proposed Rates for FY21 and FY22*

<table>
<thead>
<tr>
<th>ERE Group</th>
<th>FY19 Rates</th>
<th>Proposed FY20 Rates</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Benefit Employee</td>
<td>31.2%</td>
<td>31.4%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Faculty Ancillary</td>
<td>21.0%</td>
<td>20.0%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Classified Temporary</td>
<td>15.1%</td>
<td>15.9%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Student Employees</td>
<td>2.0%</td>
<td>2.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Graduate Assistants</td>
<td>14.1%</td>
<td>11.0%</td>
<td>-3.1%</td>
</tr>
</tbody>
</table>

**Administrative Service Charge** – no change

**Salary Adjustments**
- suggest planning 1.5% to 2.0% pool based upon full benefits positions, need to be cognizant of inflation and not lose ground
- plan for impacts of Arizona Minimum Wage – Prop 206
  - Increase to $11/hr Jan 2019 from $10.50
  - Increase to $12/hr Jan 2020 from $11.00
### Revenue Based Administrative Service Charge (ASC)
#### Calculating Average ASC

<table>
<thead>
<tr>
<th></th>
<th>FY19 Actuals</th>
<th>FY19 Revised</th>
<th>FY20 Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales (includes Internal &amp; External Sales)</td>
<td>$405,488</td>
<td>$600,000</td>
<td>$615,500</td>
</tr>
<tr>
<td>ASC Actual Costs (Object Code 7955)</td>
<td></td>
<td>$7,605</td>
<td></td>
</tr>
<tr>
<td>% charged on Total Sales (ASC Costs/Total Sales)</td>
<td>1.88%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Sales Rate (1.88/9.5)</td>
<td>19.79%</td>
<td>19.79%</td>
<td>19.79%</td>
</tr>
<tr>
<td>ASC %</td>
<td>9.5%</td>
<td>9.5%</td>
<td>9.5%</td>
</tr>
<tr>
<td>ASC $$ (Total Sales x External Sales Rate x ASC Rate)</td>
<td>$11,280</td>
<td></td>
<td>$11,572</td>
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</table>

- Use current YTD sales and ASC to project FY19 Revised and FY20 Requested Budget
- FY19 Revenue Based ASC Rate is 9.5%, use FY19 Rate for FY20 Requested Budget
- Refer to [FSO Policy 6.17](#) for detail of Administrative Service Charge (ASC)
### Expenditure Based Administrative Service Charge (ASC)
#### Calculating Average ASC

<table>
<thead>
<tr>
<th></th>
<th>FY19 Actuals</th>
<th>FY19 Revised</th>
<th>FY20 Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenses (excludes transfers out, ASC Charge, Stdt Aid)</td>
<td>$493,800</td>
<td>$550,000</td>
<td>$620,500</td>
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<tr>
<td>ASC Actual Costs (Object Code 7956)</td>
<td>$4,870</td>
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<td></td>
</tr>
<tr>
<td>% charged on Total Expenses (ASC Costs/Total Expenses)</td>
<td>0.986%</td>
<td>0.986%</td>
<td>0.986%</td>
</tr>
<tr>
<td>ASC %</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>ASC $$ (Total Expenses x % charged on Total Expenses)</td>
<td>$5,423</td>
<td>$6,118</td>
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</table>

- **Use current YTD Expenses (excluding transfers out, ASC Charge, Student Aid) and ASC to project FY19 Revised and FY20 Requested Budget**
- **FY19 Expense Based ASC Rate is 1.0%, use FY19 Rate for FY20 Requested Budget**
- **Refer to FSO Policy 6.17 for detail of Administrative Service Charge (ASC)**
Forms

• Explain significant changes in Revenue, Expense, Transfers In/Out, Fund Balance
  • FY19 Revised Budget vs. FY19 Original Budget
  • FY19 Revised Budget vs. FY20 Projected Budget

• Explain Capital Expenditures over $5,000
Backup Documentation

- New this year – You can attach backup documents in the LFB System! Please use a detailed name when saving the file name.
ANALYTICS REPORTS
Analysis Review

- Reports to consider using in your analysis
  - LFB Cost Ratios
  - Period-to-date analysis

- Questions to ask yourself prior to submission:
  - Are large variances in revenue/expenses/budget explained or is supplemental documentation attached?
  - Does FY19 Revised Budget support total committed revenues and expenses?
  - Is the ERE amount in alignment with changes in rates? Did the department provide any backup calculation to help support the total ERE budget?
  - Is the ASC budget (Revenue & Expense) calculated accurately?
  - Are there any supplemental schedules for debt and/or loan payments?
  - Are large fund balances and/or negative fund balances explained on the LFB form?
    - Refer to the Fund Balance Variance Report for balance thresholds (Analytics > Dashboards > Budget > All Funds Multi-Year > AFMY with Metrics > Fund Balance Analysis (report located in box on right-hand side of page))
Analytics Reports

• Analytics Report Quick Reference Guide (handout)

• Let’s go into Analytics and look at some of these reports
RESOURCES & CONTACTS
Other Resources

Office of Budget & Planning
Budget & Financial Analyst Contact Page
Request access to edit & approve in Local Fund Budget System
Other LFB Training Materials

Join the discussion on the UA Community
Planning, Budget, & Analytics Forums
Thank you!

Any questions?