

DALHOUSIE UNIVERSITY  
2020-21 BUDGET PREPARATION GUIDE

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## INTRODUCTION

In order to enter the annual operating budget on the Banner Finance system, each budget unit is responsible for preparing a detailed budget submission for their budget unit. The Budget Office has developed a few steps to follow to ensure the data is received on a timely basis in a format that can be loaded onto the financial system:

1. Each budget unit will receive by e-mail an excel file that includes the template to be used to prepare the budget submission. It is the responsibility of the budget unit administrator to ensure that the submission is accurate and complete by reviewing and editing the data. Since the file is based on the current year data, changes are usually needed. The file doesn't include a budget allocation amount but units can begin working on the file updating it for known changes.
2. Each budget unit will receive a memo indicating the budget allocation for the year and the due date for the budget submission. The excel file should be updated to ensure that the detailed budget submission total agrees with the budget allocation. Submissions will not be accepted if they are over the budget allocation amount. Budget units that are late submitting their budget can expect delays having purchase orders, Facilities work orders, and employment requisitions approved.
3. The Budget Office will review the budget submission and any supporting worksheets prior to loading the data on Banner. The Budget Office will contact the budget unit administrator should any questions arise when reviewing the submission.
4. The detailed salary information that is submitted is used during the year to calculate salary budget adjustments.

## IMPORTANT POINTS AT A GLANCE

- 1) The templates for the 2020-21 Budget Preparation worksheets are e-mailed to the budget unit administrators. Please use this guide to assist in completing the worksheets. **Shaded terms** in this guide are explained in the Glossary of Terms at the end of the document. Please contact the Budget Office at [finbud@dal.ca](mailto:finbud@dal.ca) should you encounter problems with the file. Complete your budget submission using the templates and e-mail the file to [finbud@dal.ca](mailto:finbud@dal.ca) by the deadline. Please **do not re-format the template in any way, and use the checklist in the template to ensure your submission is complete and balanced** before returning it to the Budget Office.
- 2) Deficit budgets will not be accepted or processed without the prior approval of the appropriate Vice-President. **Units submitting unbalanced budgets should anticipate delays on significant purchasing transactions and employment requisitions.**
- 3) **Units should not budget for use of carry-forward surplus in their annual budget.** Instead, a detailed carry-forward plan must be submitted indicating how the funds will be spent. Budgeting for the required payback of a prior over-expenditure (i.e. deficit) in account 9610 is acceptable.
- 4) Salary lines are to be budgeted by the individual and their position number at the March 31, 2020 rate and at the appropriate FTE. Submitted salary information must be correct for proper incrementation to

occur. **Check that the orgn, account, position number, and FTE are correct for the individual being budgeted.** Salary lines for pooled positions (i.e., 6032, 6036, 6037, etc.) should have only one position number for each salary account and there is no FTE assigned for these accounts.

- 5) Human Resources uses a series of position numbers for academic and administrative stipends as well as academic overload teaching. Please ensure the budget submission reflects the use of these position numbers. Note that all stipend positions and academic overload appointments should have an FTE of 0.

Effective December 1, 2014 Human Resources introduced position number 999883 for select administrative market differentials for DPMG 8 and 9 classifications. Please ensure the budget submission includes a budget for this position number if applicable.

- 6) **Document details for all revenue/recovery accounts (5000 series, 9600 and 9610) on a separate worksheet. Budget submissions will be returned if this information is not provided.** A salary recovery worksheet template is included.
- 7) Please use the Chart of Accounts codes on the Financial Services website at <https://www.dal.ca/dept/financial-services/For-Staff-and-Faculty/budget/budget-preparation.html> in the preparation of your budget submission. Please contact [finbud@dal.ca](mailto:finbud@dal.ca) if you cannot identify an account that meets your needs.

<b>NOTES FOR 2020-21</b>	
1)	CUPE TA's, markers and demonstrators must be identified as students or non-students. There are two account numbers to identify these employees: 6036 – TA's markers and demonstrators (CUPE) student 6038 – TA's markers and demonstrators (CUPE) non-student
2)	Effective April 1, 2015 a new pension fringe benefit account 6391 was introduced to record the employer cost for pensions. All fringe benefits should continue to be budgeted in general fringe benefit account 6390 only and using the fringe benefit rate provided on the budget allocation letter.
3)	Units with salary and fringe benefits charged to <b>endowment accounts</b> are reminded that salary increases must be funded from the endowment and that no salary budget increment is provided on the operating accounts. Please ensure that the <b>endowment template</b> that was sent out in the budget preparation file is completed.



If you have any questions, please do not hesitate to contact the person responsible for your budget unit. If you are unsure whom to contact, e-mail [finbud@dal.ca](mailto:finbud@dal.ca)

## A. GENERAL INFORMATION

Please follow the procedures outlined in this Budget Preparation Guide to ensure that all budget submissions are uniform and accurate. Budgets will not appear on the monthly **Budget Unit's** electronic financial reports until reviewed by the Budget Office, and any issues identified from that review are resolved.

Please complete your budget as indicated in Section B of this guide by revising the cells in the worksheet templates. Amounts entered on the template must be in **even dollars (no cents)** and monthly budget amounts must be submitted as numbers, **not formulas**.

## B. STEP-BY-STEP APPROACH TO COMPLETING THE BUDGET

### 1. SALARY BUDGET (6000 SERIES ACCOUNTS)

STEP 1: Budget Preparation Worksheet: Revise the position numbers, names, and salary amounts in the BUDPREP worksheet, as required, for all individuals to be paid through the operating budget in the period April 1, 2020 to March 31, 2021. Insert lines for new positions and delete all unnecessary lines. Ensure new lines are included in the formula for salary subtotal at the bottom of the organization.

#### **POINTS TO REMEMBER:**

a) Salary Amounts Shown on the Budget Preparation Worksheet - are based on the March 2020 salary budget for the individuals shown. Individual salary budgets **should not be** revised to reflect regular salary adjustments that are expected to occur in the 2020-21 fiscal year (i.e. step adjustments, scale increases, etc.). Financial Services will make these budget adjustments. **Budgets that are submitted with incorrect salary information for individuals will not receive the appropriate salary adjustment during the salary budget incrementation process.**

Units that budget for endowment salaries using the special accounts (6005, 6007, 6163, 6168, and 6398) should ensure that the **endowment template** that was sent in the budget preparation file is completed.

**Exception payments** or other extraordinary salary adjustments (i.e. reclassifications, DFA Y-value minima adjustment, overtime) that are anticipated **should be included** on the report **on a separate line**. Funding for these extraordinary adjustments must be funded from the resources of the budget unit.

b) Changes to Amounts - Ensure the monthly salary budget amounts are correct and at the correct **FTE** (i.e. modify for sabbatical leaves, terminations, leaves of absence, errors, etc. in the appropriate months).

STEP 2: Fringe Benefit Rate Calculation: Using the rate indicated in the 2020-21 budget allocation letter, calculate the fringe benefit cost on **the total of the salary budget amount (excluding negotiated separations)**, revising the fringe benefit cost shown on the worksheet. Only a total annual calculation is required. The same percentage should be applied uniformly throughout

the budget unit except in those cases where a separate rate has been established by the Budget Office for an organization within a budget unit.

STEP 3: Reporting FTE (Full-Time Equivalent): The amounts budgeted for salaries and wages are to be assigned an FTE (Full-Time Equivalent) value based on the guidelines set out in the Glossary of Terms.

## 2. NON-SALARY EXPENDITURE BUDGET (7000 & 8000 SERIES ACCOUNTS)

Insert the annual budget amounts for the non-salary expenditure accounts under April on the Budget Preparation Worksheet. Please insert any additional accounts in sequence and ensure new lines are included in the non-salary subtotal at the bottom of the organization. **Please note that transactions involving the transfer of costs in a specific expense code should be done through the expense code (i.e. allocation of photocopy costs should be done through account 8613).**

Please note that the "external salary" accounts 7200 to 7204 and "external temporary services" account 7208 are not payroll accounts. **External Temporary Services should be budgeted for in the Non-Salary Expenditure Budget.**

Fund Transfer In/Out - When a unit budgets for transfers in/out of account 9600, details for each budgeted item should be provided on the template included in the budget submission.

## 3. REVENUE & RECOVERY BUDGET (5000 SERIES ACCOUNTS)

Revenue - Detailed definitions of revenue sources are contained in our Chart of Accounts (see account codes **5100 to 5480**).

External Cost Recoveries - Detailed definitions of external cost recoveries are contained in our Chart of Accounts (see account codes **5900 to 5904**).

Revenue/Non-Salary Recovery Documentation - If a budget unit records revenue or non-salary expenditure recoveries in the 5000 series accounts, **details** of each revenue/recovery should be provided on a separate worksheet that includes the source and amount.

Salary-Recovery Documentation - In certain circumstances, portions of employees' salaries are recovered from sources outside the operating fund based on the individual's salary at March 2020. The amounts budgeted as a recovery will be increased by Financial Services, in accordance with salary and benefits increases implemented during the fiscal year. Recovery information should be documented on the template provided.

## 4. CARRY-FORWARD BALANCES (9610)

Please refer to the Financial Service website to view the policy on operating budget carry-forwards <https://www.dal.ca/dept/financial-services/policies/budget.html>

Each budget unit with a carry-forward balance must submit a carry-forward plan for review each year. To use a carry-forward surplus for one-time expenditures, the carry forward is accessed by overspending

the operating budget. Should you have any questions about planning for use of carry-forward, please contact the Budget Office at [finbud@dal.ca](mailto:finbud@dal.ca).

## 5. BALANCING TO BUDGET ALLOCATION

Confirm that the budget submission for all organizations within the budget unit is equal to or less than the 2020-21 allocation. Budget overages must be approved by the appropriate Vice-President prior to submission.

## C. GLOSSARY OF TERMS

### Budget Unit

Refers to a department or group of departments for which an individual budget allocation is calculated by Financial Services (i.e. Faculties are budget units, departments within Faculties are not).

### Chart of Accounts

Located at <https://www.dal.ca/dept/financial-services/For-Staff-and-Faculty/budget/budget-preparation.html> contains all of the available revenue and expense codes and their descriptions, for use in budget preparation for Banner.

### Cost Recovery - External

With only two exceptions, all transactions involving the receipt of cash that do not meet the strict definition of revenue are considered external cost recovery.

- i) *The first exception relates to those transactions involving the **reimbursement** of expenditures to the University. For example, all or a part of the travel expenditures for a visiting lecturer are reimbursed by a third party. In this case, a deposit advice form would be coded with the expense code to which the expense was originally charged and a brief note should be included on or with the deposit advice form noting that the deposit amount is a reimbursement of expense. **Hence, expense budget amounts should be set at a level which is net of any anticipated reimbursements.***
- ii) *The second exception relates to **the receipt of cash for the settlement** of an outstanding account receivable of the University. In this case, the deposit would be coded to the appropriate account receivable code.*

### Cost Recovery - Internal

Internal cost recoveries involve the **sale of service** at a predetermined and mutually agreed upon rate from one Dalhousie unit to another. In providing this service, significant elements (i.e. greater than 20%) of labour, materials, and other costs must be incurred to qualify a transaction as an internal cost recovery. Where the internal recovery is significant for the purposes of yearend financial reporting, special account numbers have been identified for use. If you have questions about whether the cost recovery you are budgeting has a special account assigned, please contact [finbud@dal.ca](mailto:finbud@dal.ca). Account **5951** should be used to budget internal salary recoveries. All other internal cost recoveries should be budgeted in account code **5950**.

### Exception Payment

These are often lump-sum payments made to employees for services rendered in another department or for additional work in their own unit.

Fringe Benefit Rate

The fringe benefit rate is estimated based on the prior year’s actual cost of fringe benefits for each budget unit. If the cost is higher or lower for the current year’s budget, Financial Services will adjust the budget accordingly.

Full-Time Equivalent (FTE)

*Continuing or Contract Full-Time Staff* who carry a full-time workload have an FTE of 1.0. Those whose appointments are less than 1.0 FTE should be expressed appropriately (i.e., .5 FTE = 50% workload).

*Continuing Full-Time Staff* budgeted from April 1 to March 31 who carry a full-time workload should be shown as 1.0 FTE. Where the appointment is split between departments or the position is funded from more than one source, the FTE number should be calculated as follows:

$$\text{FTE} = \frac{\text{Annual Salary for the Specific Department Position}}{\text{Total Annual Salary (from all sources)}}$$

If an academic staff member is on sabbatical leave or any other type of leave, the FTE is calculated as above.

*Sessional or Regular Part-Time Appointments* - In the case of sessional appointments, the fraction of the fiscal year for which the individual is budgeted would be the FTE value, assuming the appointment is full-time during the period. A budgeted part-time staff member should be assigned a FTE value based on time worked or workload assigned.

*Student and Casual Appointments* - Quite often a budget is required for student and casual staff. When it is not known what individuals will be hired or the precise timing during the year, there is no requirement to provide a FTE value; however, the budget must be broken down monthly based on the best estimate of when the costs will be incurred.

Revenue

In the University context, revenue is confined to a limited number of specific circumstances – see Chart of Accounts.

Salary Account Coding

The Chart of Accounts outlines all available salary accounts and a brief definition of each.

Salary Recovery

Where portions of employees' salaries are recovered from sources outside the operating fund, recoveries must be credited to the same Banner orgn where the original expense was incurred except in cases where employees are performing an academic function and are paid from non-operating orgns. In this instance, the recovery must go to the employees operating orgn, as the recovery is for an academic function.