

**FY22 Budget Guidelines**

July 1st, 2021 - June 30th, 2022



# In-year Budget Guidelines and Request Process

## Scope of Guidelines

* 1. Applies to Funds 02, 04, 29, 41 and 55
	2. For Fiscal Year 2022
		1. [Balanced budget transfers](https://www.niu.edu/budget-planning/files/balanced-budget-transfer-approval-guide.docx):
			1. Available through PeopleSoft workflow (Self-Service)
			2. Do not require Budget Office authorization to execute
			3. Posted within an hour but may be manually posted at any time
		2. All other budget transfers and amendments: Requested through the completion of the appropriate budget transfer request form available [here](https://www.niu.edu/budget-planning/forms/index.shtml).
	3. Non-Balanced Requests must be material
		1. Threshold: > $1,000 (smaller amounts should be accommodated locally)
	4. The Budget Office has sole authority to determine what constitutes an individual budget guidelines request, both in scope and in completeness. With respect to scope, the Budget Office may separate components of requests into separate requests or aggregate separate requests into a single request. Advance consultation with the Budget Office prior to making a request is advisable if there are concerns about how components of the request should be bundled or unbundled. No request will be considered complete and advanced in the process unless it is certified as complete by the Budget Office. Advancement of a request through the Budget Guidelines process will indicate the Budget Office accepts both the scope and completeness of a request.

## Types of Budget Requests

* 1. Balanced Budget Transfer: PeopleSoft Self-Service (only availability)
		1. Expense for Expense
		2. Centrally Funded (Expense for Expense): Inquire about Cost Center for Funding
		3. Revenue for Revenue
		4. Transfer-In for Transfer-Out (Revenue Sub-Type - 500-Series Account Codes)
			1. Required for Non-02-Fund Cost Center without Revenue
	2. Revenue-Justified Transfer: E-Mail Submission via Form with Documentation
		1. Increase of Expense justified by New Revenue/Business
			1. New: No ability to forecast/foresee and/or compared to previous years; Exception to “New”: Loss of Revenue Disclosed during Budget Prep
			2. Documentation Requirement Applies: New Contract, Contract Addendum, etc.
			3. Must receive funds locally (not assigned centrally): Thus, must be 04, 41, or 55-fund or, with Provost approval, 02-fund differential cost center.
			4. Examples: Student Fundraisers, New or Addendum of Sales/Service Contract, etc.
	3. Unbalanced Transfer: E-Mail Submission via Form
		1. Spend Down Request
		2. Strategic Budget Expansion (extension of Budget Prep through leadership permission)

## Requests Budget unlikely to be approved (depending on current fiscal environment):

* 1. Spend Down Requests of any amount (Note: This is not a prohibition on requests)
	2. Budget expense increases (expansion without documented university leadership approval)
	3. Revenue-justified transfers without documentation
	4. Expense Increases paid from Central Services

## Process for Balanced Budget Transfers (About 95% of Request in Previous Years)

* 1. Submission -> PeopleSoft: Commitment Control > Budget Journals > Budget Transfer
		1. Requirements: Passing Budget Checking
	2. Approval -> Workflow: Via e-mail notification within units affected
	3. Posting -> Auto-posted hourly with option to post manually sooner

## Process for Revenue-Justified Transfers (Up to 5% of Requests in Previous Years)

* 1. Submission -> E-mail from Division/College Business Manager with completed [budget transfer form](https://www.niu.edu/budget-planning/forms/index.shtml) should be sent to TransfersExceptions@niu.edu. Attach the necessary documentation as evidence of the revenues how/why they were excluded from budget prep. Some examples to document the new revenues are contracts, contract addendums, already realized sale increases or otherwise demonstrate a commitment to NIU for payment. Documentation should always include a dated overview by fund for which increase is requested and prorated for the fiscal year within the unit (Division or Academic College). The overview should be contrasting budgets to actuals listing revenues and expenses.
		1. Requirements:
			1. Documentation satisfies new revenue burden of proof
			2. Documentation satisfies additional revenues burden of proof in cost center
			3. Documentation satisfies additional revenues burden of proof in Division/College
	2. Approval -> The requesting unit is responsible for providing all relevant or requested information. The Budget Office will examine ALL revenues of the requesting unit, which must demonstrate that current revenues are projected to meet or exceed budget within the cost center and throughout same-fund cost centers controlled by the requesting unit. The Budget Office, based on the circumstances of the request, will determine the definition of “unit” for the revenue review purposes.
	3. Posting -> Done by the Budget Office without further leadership approval. In case the conditions are not met for a Revenue-Justified Transfer, the unit has the option to request processing the transfer request as an Unbalanced Transfer.

## Process for Unbalanced Transfers (Less than 1% of Requests in Previous Years)

* 1. Submission -> E-mail from Division/College Business Manager with completed budget transfer form should be sent to TransfersExceptions@niu.edu. In the email subject, list justification (i.e. Spend-Down, Strategic or Other Budget Expansion) for the budget request.
		1. No specific requirements of supporting information, except for the need of fund balance for spend-downs and an outline of the strategic nature to be considered for either.
		2. Review by leadership will include university-wide consideration of financial health and other competing funding requests.
	2. Approval -> After Budget Office review a valid/complete request will be forwarded according to the following approval hierarchy:
		1. Between $1,001 and $100,000 – reviewed and approved by Chief Financial Officer
		2. $100,000 and up by University leadership, to include at the least joint approval of the CFO and EVP & Provost. Approval is sequential: By advancing the request to the EVP & Provost the CFO is certifying her approval of the request. Either the CFO or EVP & Provost may, at their individual or joint discretion, require approval of an expanded University Leadership group for any request that is projected to increase the all-funds operating deficit of NIU by $100,000 or more.
	3. Posting -> If approved, budget transfer processed by Budget Office Staff
		1. If denied, Director of Budget Office to respond to Business Manager

## Timing Considerations

* 1. Requests requiring reviews and approvals (at least):
		1. Budget Office = Weekly
		2. Chief Financial Officer = Monthly
		3. EVP & Provost = Monthly
		4. Expanded University Leadership review: Every-other-Month

## Reasons for Denial (examples only—not an exhaustive list):

* 1. Incomplete request/insufficient documentation/faulty scope
	2. Insufficient budget to cover transaction (denial at desktop level budget checking)
	3. Central not able to fund initiative (denial via workflow)
	4. Not mission critical (denial of expansions or spend-downs)
	5. Too Immaterial / Fund Locally

## Some questions to assist in justification (see Process as listed on page 2)

* 1. Budget Leadership Reporting or Financial Summary Report (FSR) backup (most current) – showing the funds are available
	2. Is this a Balanced or Unbalanced budget request? (see types previously)
	3. How does this affect the Division or Department?
	4. What mission critical need is this solving? How does the request support the Strategic Action Framework?
	5. What is the benefit of the budget request?
	6. Why is the budget request needed? Have alternative funding options been considered?
	7. Provide any and all documentation that will help support the justification dialogue