Budgetary Guidelines

Operating Staff Council

These guidelines provide a quick overview of some of the basic information that the executive committee should know about budget and spending activities. It is important that the committee Chairs be familiar with their budget, general guidelines and timelines related to financial transactions to be proactive in managing budgets effectively.

# Committee Funding

The committee is allocated a portion of the division of university administrative services 02 funds. 02 is the designation for funds that consist of state appropriation and tuition income. These funds are somewhat restricted as far as the types of expenditures that can be applied.

# Budget Related Resources and Training

 The divisional business administrative associate is the first line resource that chairs can call on for budget-related issues. Questions about guidelines, timelines, budget development and approval processes can all be directed to the business admin.

# Budget Process and Timeline

NIU’s fiscal year cycle is July 1 of one year to June 30 of the following year. Unexpended budget amounts do not carry forward to the next fiscal year. Any unexpended spending authority goes back to the central budget office and helps to reduce the deficit. Budgets are developed in January and should be finalized and ready for submission around March of each year. The budget should be a direct reflection of the planned activities of the committee.

The executive committee should make an appointment with the business admin. to discuss budget development for the next cycle during the January – March time period. Budgets once developed are reviewed and approved by the President’s Office prior to submission. Once submitted, budgets are reviewed by the budget office and then approved by the Board of Trustees.

When utilizing budgets all items and activity must be paid for during the same fiscal year in which the activity occurred. All items purchased during the fiscal year **must arrive on campus by June 30**.

* Contractual agreements (speakers/interpreters etc.) should be started prior to May 15.
* Commercial card purchases should be completed by June 15.
* All Invoices must be submitted for payment by July 10.

# Making Expenditures

The easiest way to make allowable purchases is by using the commercial card. The business admin. holds a commercial card tied to each of the cost centers within the division and can process any purchases as requested by the chair or treasurer. On-line purchases can be made via email with a link to the item and information as to how many of each to order. Questions as to allowability of purchases can be forwarded to the Business admin. and are found in the commercial card policies and procedures found on the [Procurement Services website](http://www.niu.edu/procurement/card-services/index.shtml).

The [Accounts Payable (AP) website](http://www.niu.edu/controllers/aps/forms/index.shtml) contains the forms that are required to process payments that are unallowable on a commercial card. Please keep in mind that NIU is tax exempt. The **sales tax exemption certificate and letter** are also available on the A.P. web page. Please be sure to present a copy of the sales tax exemption certificate when making purchases.

* **Check Request form** is used for services and reimbursements under $2,500. A signed W-9 tax form is required to pay vendors for services. Once completed, the form goes to the business admin. or the executive secretary to the president for signature. Check requests to pay for events must be accompanied by a listing of attendees and at **least one non-NIU person must be present at the event**. Please be familiar with the regulations surrounding the provision of food and other items to employees.
* **Independent contractor certified work statement** is used in conjunction with an offer/acceptance, W-9 and a check request form to pay speakers, interpreters, and other types of outside artists. Once completed, the chair (as department) and the contractor should sign the certified work statement then forwarded along with the check request (without signature), the offer/acceptance and the W-9 to the business admin for final approval and signature.
* **Travel voucher** is used for all employee travel. Travel vouchers are now electronic using [OnBase](https://www.niu.edu/controllers/travel/electronic-travel-voucher.shtml). The system will use a standard workflow to route the travel voucher through the various levels of approval. Travel vouchers must be submitted within 30 days of return.
	+ Travel reimbursements to non-employees must go on a check request.
	+ Student non-employee travel is handled differently. If this situation occurs, please be sure to contact the business admin. **prior to** the awarding of student travel to discuss the best way to handle the situation.

The business admin. has a tax-exempt **Amazon account** and can place orders that will be charged directly to the committee cost center. The chair or treasurer may send a link to the item to the business admin. via email with the details of the purchase.

When utilizing campus services such as Catering, Huskie Den, Hotel, Athletics, Disability Resource Center etc. simply supply the committee’s accounting string containing the fund, the cost center, and the subclass. The departmental unit providing services will then bill the commission directly using an Internal Sales Journal.

# Financial Vocabulary

Similar to any institution, NIU uses some financial vocabulary that chairs should be familiar with to process related paperwork and communicate easily with departments across campus. Listed below are some terms commonly used in budgeting and accounting transactions at NIU:

* Fund - Refers to the type of revenue source and is designated by a two-digit code such as 02,04,41,29, etc. The Committee is operating on a **02** fund.
* Cost center – refers to a particular budget designation assigned to a department or project. This is a seven-digit alphanumeric code such as AB12345. The committee’s cost center is **OG36190**.
* Subclass – a three-digit alphanumeric code such as 01A, 02B etc. that ties back to the type of activity conducted within a particular cost center. The Committee’s Subclass is **06C.**
* Account number – refers to a particular item of expense as classified by the State of Illinois. These are six-digit numbers such i.e. 685510 which represents other contractual expenses including catering. A listing of commonly used account codes along with a brief explanation of how they are used entitled “Account Code Quick List” is available on the [Controller’s website](https://www.niu.edu/controllers/reports/index.shtml)

All university transactions will include the fund, cost center, subclass, and account number to indicate where and how a particular item of expense should be recorded. **02-OG36190-06C**

# Financial Statements

The office of budget and planning, the Controller’s Office and Human Resources all post financial statements reflecting departmental budgets and expenditures periodically online. These statements provide information as to the annual budget and expenses that have been posted to the financial system and include the following:

* Financial Summary Report (NFSRGLxlsm) This is an overall cumulative summary of all monthly and annual budget and expense activity in the cost center indicating budgeted, spent, and obligated amounts and balances.
* Human Resource Summary (NHRSGL.xlsm) This is a summary of funds expended on personnel.
* Financial Detail Report (NPRDGL.xlsm) This is a detailed summary of all non-salary expenses posted to the cost center.
* Obligation Report (NOBLGL.xlsm) This is a summary of all PO obligations for various expense categories for a cost center.
* Budget Detail Report (NBUDGL.xlsm) This is a cumulative summary of all budget transactions including initial budget development postings and subsequent transfers for a cost center.

Chairs/treasurers should familiarize themselves with these reports and ensure charges have been recorded accurately. If any adjustment should be made, please notify the business administrative associate.

Financial reports are posted online on a monthly basis for the first 10 months of the fiscal year and then on a bi-weekly or weekly basis as the fiscal year comes to a close. Each report posted online is identified with a distinctive filename with the following conventions:

**Cost Center\_Fund\_Fiscal Year\_Period\_Report Name.**

For example, a financial summary report (FSR) for the month of September for fund and cost center 02-OG36190 will appear as OG36190\_02\_2025\_3\_FSRGL.xlsm. July is the first period and each of the following months are 2, 3, 4 and so on with June being period 12. Requests to access the reports are prepared by the secretary and approved by the business associate. Please contact your business administrative associate for questions on reports or report access***.***

# Tips For Managing Your Budgets Effectively

Listed below are some best practices on managing budgets effectively. It is a good idea to work closely with both the executive committee and the business administrative associate on budget-related issues.

* Learn NIU’s financial vocabulary and familiarize yourself with the various financial statements. Request any budget related training necessary.
* Be aware of deadlines for budget reviews, submitting budget plans for the following fiscal year, cut-off dates for purchases, commercial card use etc.
* Review reports at least quarterly and speak with your business admin, about resolving any identified discrepancies in the financial reports.
* Monitor transactions closely during the last quarter of the fiscal year (April – June) and estimate expenses and remaining budget for the remainder of the fiscal year so that they are not overspent.
* Any refund checks/cash should be deposited within three days of receipt. Please contact the business admin. for proper allocation of the deposit.
* Be sure to follow established by-laws in using funds for intended purposes and be transparent with the process with the executive committee and the business associate.
* Network with your committee members and share tips on budget planning, handling discrepancies and explaining budget related information in addition to collaborating on the best use of limited resources.
* Track budget and expenditures on an excel spreadsheet or another tool so that at any point in time a remaining balance can be obtained. It is best to keep the tool in a shared folder or drive so that anyone in charge of making expenditures can view the remaining balances and add expenditures. The Business Admin can only report what has been posted to the financial system. There is always a delay in getting expenses processed through the system. Therefore, whatever tool is used to track expenditures as they happen will be more accurate as to remaining balances.
* Budgets are flexible between lines as long as the total budget is not exceeded.
* If supplemental funding is required, a request to the President’s Office including a justification and breakdown of requested expenditures can be submitted for approval.