FY 2016-17

UC BERKELEY BUDGET GUIDELINES & ASSUMPTIONS

This document provides information which is not included in the Campus Budget Call Letter. It provides guidance to Divisions for the FY17 budget process, including key dates, planning assumptions, contextual information, and links to helpful tools and resources.

As we continue to strengthen our budget cycle, optimize our strategies, and enhance our financial planning systems and tools, the Campus is optimistic we are on a path to financial sustainability maintenance.
UCB Budget Guidelines & Assumptions

FY17 Operating and Capital Budget Processes & Instructions

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FY17 Operating Budget Process & Instructions

I. Overview and Goals

The purpose of this document is to provide guidance for the FY17 budget process, including key dates, planning assumptions, contextual information, and links to helpful tools and resources. We hope it is helpful and welcome feedback and suggestions.

a. Ongoing Working Assumptions

- Each Division will be able to accomplish a divisional budget process that engages with unit leaders to clarify plans and establish targets.
- Divisions will work to improve the quality and accuracy of budgets and forecasts. They will establish DeptID level budgets and regularly monitor them against Actuals.

b. FY17 Budget Process – Campus and Division Goals

- Fortify our Financial Strength
  - Implement a portfolio of revenue generating and cost containment initiatives to improve our financial position and prepare for potential exogenous shocks. Emphasize a culture of philanthropy.
- Manage data-informed decisions
  - Focus on the holistic trends presented by our budgets and variance analysis in comparison to actuals. Understand the implication of these trends, take appropriate actions and adjust budgets and plans accordingly, reducing the variance quarterly.
- Ensure our current resource allocations work harder
  - Strategy drives budget! Place a new focus on reallocation in this tight financial environment, so our current assets are working in the right places, and support strategic shifts and trade-offs.

These goals will be achievable for some Divisions and more challenging for others. For Divisions that already have well-defined budget processes, the goal can be to continue optimizing the alignment between strategies and resource allocation decisions.

The following illustrates the Office of the CFO’s strategies for FY17:

- Achieve financial strength
  - Align financial resources to Campus strategies.
- Simplify process
  - Standardize and simplify policies, business processes and internal controls for campus partner satisfaction, greater efficiency and compliance.
- Build a service oriented model of campus engagement
  - Engage campus partners through adoption, acceptance and satisfaction of applications, processes and tools.
- Leverage data for strategic decision making
  - Leverage and institutionalize financial, academic and human resources data sets for strategic decision making.
- Promote collaboration and professional development
  - Build and maintain a culture of collaboration and continuous professional development that supports accountability, engagement and opportunity.

c. Changes and Refinements to the FY17 Campus Budget Process and Systems

- CalPlan System Enhancements and Changes
  - More detailed information can be found in the upcoming CalPlanning release notes either through user email announcements or the CBO website [http://budget.berkeley.edu/systems/calplanning/updates](http://budget.berkeley.edu/systems/calplanning/updates).
After the data refresh from Human Capital Management (HCM) to Human Capital Planning (HCP) in late January, FY16 Forecast Working and FY17 Operating Budget Working are available to planners at the same time on February 4, 2016.

CalPlan and HCP forms have been simplified and allow for FY16 Forecast Working and FY17 Operating Budget Working simultaneous planning. Users can now plan revenues, transfers, compensation (except for DeptID adjustments), and non-compensation expenses, and fund balances on the same screen at the same time.

The CalPlan Data Entry Form has four columns on one screen: FY15 Actuals, FY16 YTD Actuals, FY16 Forecast, and FY17 Operating Budget.

The Internal Operating Transfer Management Form now shows the five fund types before expanding further.

HCP
- The usability is improved to offer a more efficient user experience, e.g., fewer clicks, simpler and easier form navigation, as well as a menu option for changing “plan home department”.
- Due to popular demand, lecturers will be managed as Pooled Positions.
- HCP has extended appointment end dates to minimize user manual effort, except those with end dates on or before December 31, 2015. Contract appointments are not extended.

Campus Shared Services (CSS) assessment automatically calculates and updates multiple times each day, during the daily data push times in CalPlan.

Changes to Forms (More detail about the changes can be found in Section III)
- Faculty Permanent Budget Summary (Form A) – The partially pre-populated form will be distributed to the Divisional Financial Leaders (DFL) for completion and the Portfolio Budget Officers (PBO) will enter the data in CalPlan.
- Supplemental Budget Request Form (Form B) – This form was excluded in the FY16 budget process. It will be included in the FY17 budget process with a modified format.
- Budget Reductions Analysis (Form X) – This is a new form that the DFLs will enter to capture their implementation of the planned targets.

Operating Transfers Job Aid
- Based on feedback from last year’s budget process, an Operating Transfers Job Aid has been created to provide background on how Operating Transfers work, which accounts to use, and how to enter data into CalPlan.
- Additionally, we have developed a tool to assist Divisions in reconciling Operating Transfers by account to ensure they net to zero where appropriate (included as part of the Budget Process Toolkit).
- The Operating Transfers job aid can be accessed at [http://budget.berkeley.edu/systems/calplanning/fy2016-17-budget-process-tool-training-sessions/job-aids](http://budget.berkeley.edu/systems/calplanning/fy2016-17-budget-process-tool-training-sessions/job-aids) under "General CalPlanning References".

Budget Process Toolkit and Internal Divisional Budget Template
- The Budget Process Toolkit developed last year has been modified based on feedback from Divisions.
- The Internal Divisional Budget Template (template) launched last year to several pilot Divisions is available to all Divisions this year with revisions. Divisions are encouraged to evaluate and determine if they would like to use it as an optional tool for their internal budget process and planning. The Toolkit includes information about the template.
- The Toolkit can be accessed at [http://budget.berkeley.edu/budget-process-toolkit](http://budget.berkeley.edu/budget-process-toolkit).

Training
- Training classes and work sessions are available. The class description and schedule can be found at [http://budget.berkeley.edu/systems/calplanning/fy2016-17-budget-process-training](http://budget.berkeley.edu/systems/calplanning/fy2016-17-budget-process-training).
• Temporary Academic Support
  o The CBO, in conjunction with the Office of Planning & Analysis, introduced a new FY17 interim model. Detailed information about this model has been distributed under separate cover.

• Timeline
  o Since the FY16 Forecast and the FY17 Operating Budget are open at the same time for simultaneous planning, a preliminary snapshot for both will be taken on March 16, 2016; so that Divisions and the CBO can use this version as a check-in and review point. The final budget submission is April 5, 2016.

• Recharge
  o In FY17, the annual recharge rate certification process will be integrated with the budget process and the term of approved rates will be aligned with the fiscal year. As a result, Divisions will be provided with provisional recharge rates to incorporate in their FY17 planning, as appropriate.

The Campus has been enhancing its partnership with Divisions and refining the budgeting tools. The Campus Budget Office’s (CBO) PBOs will continue working with their partner Divisions to improve continuity of service and support during the budget process and throughout the year, nurture collaborative relationships, and advance the CBO’s knowledge and understanding of each Division. To identify the PBO assigned to each Division, please refer to the CBO website: [http://budget.berkeley.edu/about/officecontact](http://budget.berkeley.edu/about/officecontact).

II. Timeline

a. Budget Calendar

Each Division needs to complete their FY17 Operating Budget in HCP and CalPlan, and submit the Budget Narrative and Forms by **April 5, 2016**. Divisions should build internal timelines based on the campus deadlines.

<table>
<thead>
<tr>
<th>Time</th>
<th>Milestone</th>
<th>Level</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/21 &amp; 2/4</td>
<td>Q2 in CalPlanning</td>
<td>Campus</td>
<td>1/21 December Actuals loaded to CalRptg.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2/4 December Actuals loaded to CalPlan &amp; HCP Rptg.</td>
</tr>
<tr>
<td>Through</td>
<td>Update HCM</td>
<td>Division</td>
<td>Review and update records in HCM Position Management and Workforce Administration. This effort will minimize the work needed to update HCP after the 2/4 refresh.</td>
</tr>
<tr>
<td>1/25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/27-2/4</td>
<td>Budget Call / Narrative / Forms / Guidelines / Template Introduction / Toolkit</td>
<td>Campus</td>
<td>CBO publishes FY17 Campus Budget Call Letter, Narrative, Forms (A-E and X), Guidelines, Template Introduction and Toolkit. These documents are available on CBO’s website <a href="http://budget.berkeley.edu/budgetprocess">http://budget.berkeley.edu/budgetprocess</a>.</td>
</tr>
<tr>
<td>2/4</td>
<td>FY16 &amp; FY17 in CalPlan</td>
<td>Campus</td>
<td>FY16 Forecast Snapshot taken and copied to FY17 Operating Budget. Users can plan and enter data for both years simultaneously.</td>
</tr>
<tr>
<td>Jan-Mar</td>
<td>Training</td>
<td>Campus</td>
<td>Training and work sessions are offered.</td>
</tr>
<tr>
<td>1/25-2/4</td>
<td>HCM to HCP</td>
<td>Campus</td>
<td>FY16 Forecast Snapshot taken and copied to FY17 Operating Budget. Users can plan and enter data for both years simultaneously.</td>
</tr>
<tr>
<td>3/16-3/17</td>
<td>Feb Actual in CalPlan/ Preliminary Snapshot for FY16 &amp; FY17</td>
<td>CalPlan Blackout</td>
<td>February Actuals loaded to CalPlan. FY16 Forecast and FY17 Operating Budget snapshot in CalPlan and CalRptg (not HCP Rptg). CBO and Divisions can use it as preliminary view to check and review data in preparation of the final submission.</td>
</tr>
<tr>
<td>Through</td>
<td>Budget Preparation</td>
<td>Division</td>
<td>DFLs must review, synthesize, and present budgets to Dean/VC for approval. Dean/VC is ultimately responsible for ensuring the consolidated Divisional budget in CalPlan and Narrative submission is accurate, and links to their strategies and goals.</td>
</tr>
<tr>
<td>4/5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY16 Forecast</td>
<td>Review &amp; Update/ Preliminary Snapshot</td>
<td>Division</td>
<td>Update FY16 Forecast Revenues, Operating Transfers, Compensation and Non-Compensation Expenses, and Changes in Fund Balance.</td>
</tr>
<tr>
<td>2/4-3/15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3/18-4/5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/5</td>
<td>Forecast Due</td>
<td>Division</td>
<td>Deadline for FY16 Forecast Planner Submission.</td>
</tr>
<tr>
<td>2/4</td>
<td>FY17 Operating Budget Opens</td>
<td>Campus</td>
<td>Campus Support transfers are seeded. Compensation growth assumptions are built-in (see details on page 10).</td>
</tr>
<tr>
<td>3/18-4/5</td>
<td>Review &amp; Update</td>
<td>Campus</td>
<td>PBOs send DFLs Form A for Faculty Permanent Budget Summary. The form is pre-populated for the faculty hires and separations. DFLs will fill out Merits/Promotions/Range Adjustment.</td>
</tr>
<tr>
<td>2/4</td>
<td>Form A to DFLs</td>
<td>Campus</td>
<td>DFLs return completed Form A to PBos.</td>
</tr>
<tr>
<td>2/19</td>
<td>Form A to PBos</td>
<td>Division</td>
<td>DFLs return completed Form A to PBos.</td>
</tr>
<tr>
<td>2/26</td>
<td>Form A in CalPlan</td>
<td>Campus</td>
<td>PBOs enter Form A data in CalPlan.</td>
</tr>
<tr>
<td>Time</td>
<td>Milestone</td>
<td>Level</td>
<td>Activity</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------------</td>
<td>-----------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2/16</td>
<td>Recharge</td>
<td>Division</td>
<td>Proposal for FY17 recharge rates are due</td>
</tr>
<tr>
<td>3/1</td>
<td>Recharge</td>
<td>Campus</td>
<td>CBO sends FY17 provisional recharge rates to divisions.</td>
</tr>
<tr>
<td>4/5</td>
<td>Budget Due</td>
<td>Division</td>
<td>Deadline for FY17 Operating Budget Planner Submission, Narrative, and Forms B-E and X. Email to PBOs, cc Laurent Heller and Jon Bain-Chékal – Budget Narrative, Supplemental Budget Request Form B, Capital Plan (Forms C &amp; D), Debt Service Schedule (Form E), and Budget Reductions Analysis (Form X).</td>
</tr>
<tr>
<td>Apr-Jun</td>
<td>Budget Hearing &amp; Financial Review</td>
<td>Campus &amp; Division</td>
<td>CBO partners with Campus leadership and Divisions to prepare and facilitate budget hearing and financial review.</td>
</tr>
<tr>
<td>Jun-Jul</td>
<td>Budget Decisions</td>
<td>Campus</td>
<td>Campus finalizes and communicates the budget decisions. PBOs will coordinate with Divisions to incorporate needed high-level adjustments into CalPlan.</td>
</tr>
</tbody>
</table>

b. Budget Review Process and Hearings
The PBOs will review submitted budget data in CalPlanning, the Budget Narrative, and Forms. This review will be collaborative and Divisions should expect to work with their PBOs to address questions and issues, and to prepare for their budget hearings and/or financial reviews.

III. General Budgeting Guidelines
While UCB remains challenged by factors outside of our control, including the global and State economy, we believe that with rigorous budgeting and financial management the campus will continue to thrive. Berkeley’s process for determining resource allocations is evolving given the increased pressure on our resources. For the FY17 Operating Budget, Divisions are expected to reallocate their own resources to help achieve their key strategic objectives.

The following is a summary of the budget narrative and various forms for the FY17 budget process:

Narrative:
It will be similar to last year with minimum changes. It will be focused on strategy alignment with budget. Within that context, Divisions should provide an update on the achievements of their strategic and financial goals, tradeoffs, and fundraising.

Forms:
- A – The permanent faculty budget is partially pre-populated with data related to faculty hires and separations.
- B – All central funding requests for FY17 will require a Business Reason, a Form B Financial Impact Excel file and a GL Department Fund Summary Report in order to be considered. Divisions should review all requests before submission.
- C-E – Same as last year; see pages 15-17.
- X – The instructions in the form will state the steps to follow to conduct the budget reductions analysis.

Divisions should bear the following principles in mind when budgeting:
- DeptID – A Division’s Forecast and Operating Budget should be fully planned at the DeptID (L7) level.
- Account – Material anticipated revenues, operating transfers, and expenditures should be budgeted in the Forecast and Operating Budget in the appropriate account or plan-account.
- Fund – A Division’s Forecast and Operating Budget should be budgeted at the plan-fund level unless planning to an individual fund will provide significant management value. Divisions are only required to plan Current Funds in CalPlan.
- Chartfield1 – Divisions have the ability to budget to any Chartfield1 (CF1) that is loaded in CalPlan. In general, the Forecast and Operating Budget should be budgeted at the C1 - Summary - Plan level unless planning to an individual CF1 will provide significant management value.
• **All-Funds Budgeting** – Budgets should capture planned spending for each of the five Current Fund types. In general, Divisions should plan to use dollars generated from gifts, endowments, and other restricted funds (in accordance with fund restrictions) before using unrestricted funds. Budgeted expenditures and ending fund balances in unrestricted vs. restricted funds will be among the metrics evaluated by the PBOs when reviewing their Forecast and Operating Budget.

• **Consider Materiality** – The Operating Budget is only a plan and should not attempt to recreate actuals activity dollar-for-dollar. Divisions should choose a dollar level for budget entry that strikes the right balance for the Division and their Departments between effort required and benefits gained (e.g. a larger unit may not want to budget a $100 line-item for paper).

• **CalPlanning Plan-Account and Plan-Fund Mappings** – An Excel mapping tool for Accounts and Fund numbers allows for easy translation of current BFS Accounts and Fund numbers to their corresponding CalPlan Accounts and Fund numbers. Accounts and Funds that have been recently created or updated in BFS may not be available for look-up within this tool for up to 30 days. If you have any questions, please contact the CalPlanning Help Desk at calplanhelp@berkeley.edu. Account and Fund Mapping Files can be found in the CalPlan Job Aids section of the CalPlanning Reference Tools page: [http://budget.berkeley.edu/projects/calplanning/reference-tools](http://budget.berkeley.edu/projects/calplanning/reference-tools).

• **Budget Process Toolkit** – The CBO will continue to build upon and provide the Budget Process Toolkit for FY17, which was a new resource designed for FY16 to help Divisions launch and manage their internal divisional budget process. We encourage Divisions to create a budget process that is meaningful and effective given the nature of their organizations. The Toolkit represents a recommended best practice that will help to guide divisions in the development and implementation of a robust internal budget process. The Toolkit will include timelines, tactics, templates and other supporting materials that are easy to access and use. The Budget Process Toolkit will also serve as a reference and approach to working with units on campus during the budget process. The Toolkit is located electronically on the Google drive which can be accessed via the bConnected link on the CBO website [http://budget.berkeley.edu/resources/sharedfiles](http://budget.berkeley.edu/resources/sharedfiles).

### IV. Planning Assumptions and Table of Accounts

The CBO recommends certain budget assumptions be used when budgeting in CalPlanning, unless a Division has more accurate information regarding their individual situation.

Below are central planning assumptions by major account categories. If no assumption is given, Divisions should plan for known items and trends. The table does not include accounts that are for Central Use Only, or those which are no longer in use. When not certain of an account description, Divisions may find it useful to refer to the account long description which is located at: [http://www.bai.berkeley.edu/BFS/BudgetGL/coaReportsDownload.htm](http://www.bai.berkeley.edu/BFS/BudgetGL/coaReportsDownload.htm).

<table>
<thead>
<tr>
<th>Category</th>
<th>Account Codes</th>
<th>Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Full Costing</td>
<td>Various Contra Revenues</td>
<td>Assume 9% assessment rate for sales and services revenues.</td>
</tr>
<tr>
<td>Gift Fee</td>
<td>Various Contra Revenues</td>
<td>Assume 5% assessment rate for donor gifts received.</td>
</tr>
<tr>
<td>Compensation Expenses</td>
<td>Academic/Staff Salaries &amp; Wages</td>
<td>Assume 3% growth assumption for faculty and staff salaries. No incremental funding will be provided for non-ladder-rank faculty or staff salaries, and associated benefits.</td>
</tr>
<tr>
<td>General inflation assumption</td>
<td>Non-Compensation Expenses</td>
<td>No inflation assumptions have been centrally built into the FY17 Operating Budget for non-compensation expenses. Local knowledge should inform growth in non-compensation expenses.</td>
</tr>
</tbody>
</table>

#### a. Revenues

**Net Tuition & Fees**

Divisions are responsible for budgeting Miscellaneous Student Fees, Course Materials Fees, Professional Degree Supplemental Tuition Fees, Self-Supporting Graduate Professional Degree Program Fees, and other fees that are received by the Division.
Contracts & Grants

- Contracts & Grants Revenue
- Compensation and Non-Compensation Expenses (including Facility & Administrative/Indirect Cost Recovery-ICR)

Divisions may approach budgeting for Contracts and Grants (C&G) by performing a high-level estimate of C&G expenses (based on prior year actuals or a trend analysis plus any expected changes), or by creating a detailed analysis of expected spending for the upcoming year.

Compensation expenses should be budgeted in HCP using the appropriate C&G plan-fund (e.g., Federal Contracts & Grants-Plan). This will provide the summarized compensation expenses on the C&G fund layer in CalPlan.

For non-compensation expenses, Divisions should estimate expenses, including ICR, using the appropriate C&G plan-fund (e.g., State Contracts & Grants-Plan) in CalPlan.

Contracts & Grants Revenue should be budgeted to appropriately offset expenses on the C&G fund layer. The goal here is to show a $0 change in net assets for the C&G fund group in a Division’s plan submission.

Private Gifts for Current Use

440xx – Private Gifts for Current Use-Plan. This plan-account is used to plan private gifts, including UC Berkeley Foundation (UCBF) endowment and Fund Functioning as an Endowment (FFE) annual payout.

For revenue planned in Private Gifts, which includes annual fund and other current use gifts, Divisions should base their budgets on trend analysis and/or specific knowledge of anticipated gift payments (including outright gifts and pledge payments). Private gifts received by Divisions should typically be planned for in the "Restricted Gift" Fund Type.

With respect to UCBF endowments and FFES, DFLs may project a 4% increase in the FY17 payout compared to FY16 payout. CBO will provide an updated estimate by late-February should this projection change.

The growth assumption assumes that the Division’s UCBF endowment and FFE funds have not had any significant additions to, or invasions of, principal during the three years ending March 2016, and presumes no further market movement through March 2016. Divisions with funds that diverge from these assumptions in ways that will materially affect payout should adjust their projections in the FY17 Operating Budget accordingly.


Investment Income

This revenue category primarily accounts for Short Term Investment Pool (STIP) earnings, which is analogous to interest earned on the campus’ pooled cash balances. Under current campus policy, almost all STIP earned on positive cash balances is income to the center, therefore, most Divisions will not enter budgets in these accounts. Divisions that have one or more funds that earn a material amount of STIP under an exception to the policy (e.g., certain Federal grants) should plan for it here. Note that endowment income payout is not budgeted to the units here; instead either a transfer account 72210 (Regents) or gift revenue account 440xx (UCBF) is used.

Non-Operating Revenue

In general, these accounts are used by central units only or they are not relevant for Divisions’ planning in Current Funds. One exception is Student Affairs, which may plan for Federal Pell grants in this revenue category. Other Divisions should seek guidance from their PBO before planning in this area.
### Category | Account Codes | Discussion
--- | --- | ---
#### Total Revenue

**Net Tuition and Fees**
- 404XX - SS and Special Programs Rev - Plan
- 4050X - Other Student Fees - Plan
- 4053X - Professional Degree Fees - Plan
- 4055X - Self-Supporting Degree Program - Plan
- 4056X - Other Fees - Plan
- 407XX - UNEX – Plan

Revenue estimates should be based on target enrollments and approved fees for each eligible program. May plan for increase of PDST fees as proposed by the President, to a maximum of 5% (where applicable), and for not-yet-approved SSGPDP fee increases (to a maximum of 5%) if Divisions believe approval is likely. Otherwise, consider contingency plans for how any unapproved programs or fee increases will be addressed.

**Contracts & Grants**
- 412XX - State Contracts & Grants - Plan
- 421XX - Federal Contracts & Grants - Direct - Plan
- 441XX - Private Contract & Grants – Plan
- 455XX – Other Contracts & Grants Activity – Plan

**Private Gifts for Current Use**
- 440XX - Private Gifts for Current Use – Plan

**Investment Income**
- 49210 - STIP Investment Income
- 492XX - Investment Income – Plan

**Sales and Services of Educational Activities**
- 463XX - Sales Services & Other Income – Plan
- 470XX - Sales & Services of Auxiliary - Plan
- 47010 - Food Sales/Services
- 47020 - Telecom Svcs to Students
- 47030 - Books/Merchandise Sales
- 47040 - Ticket Sales-Auxiliary Activ
- 47041 - ESP Benefit Revenue
- 47060 - Revenue-Sharing Revenues
- 47061 - Off-Site Game Rev (Guarantees)
- 47070 - Media Revenues-Auxiliary Activ
- 47090 - Other Marketing Revenues
- 47100 - Camp Fees
- 47110 - Parking Revenues-UC Related
- 47900 - Rental of Real Property-Aux
- 47980 - Sls/Svcs Auxil-Contra-Finl Aid
- 47999 - Misc Sls & Svcs of Auxiliary
- 47000 - Residence Fees
- 48XXX - Other Income – Plan

Local knowledge should inform growth in Sales & Services of Educational Activity revenues.

**Non-Operating Revenue**
- 49080 - Federal Pell Grants
- 493XX - Disposal of CapAssets NetofPro - Plan
- 495XX - Nonoperating Rev/Exp-Other – Plan

Division use may include Federal Pell Grants.

### b. Operating Transfers

**Operating Transfers**

Operating Transfers reflect transfers of a variety of resources (i.e. campus, divisional, and departmental). For divisional planners, it is important to ensure the 73xxx, 74xxx, and 75xxx net to zero. More information may be found in the Job Aid under "General CalPlanning References" (see page 3).

**Campus Support 71XXX**

Campus Support reflects transfers of central campus resources. Planning for these accounts will be done by the CBO. These amounts are for planning purposes only. Note that campus support commitments in CalPlan represent a plan for projected resource transfers and are not necessarily guaranteed commitments. Proposed budget reductions, according to the Campus Budget Call Letter, will be planned here. The precise reduction amounts are in your call letter Appendix.

**Permanently Budgeted Faculty Funding (Form A)**

**71110 General Allocation, 71304 Benefits Support, and 71314 Faculty Merits/Promotions**

- **Hires and Separations** – This information will be pre-populated by the CBO. The Form A does not assume all current searches will result in 7/1/16 appointment, based on historical trends. If the hiring salary is known as of 12/31/15, the actual rate will be used; if not, an average starting salary for the Division will be noted and used. Separations are generally based on decanal projections submitted with Target Year 2017-18 FTE proposals.

- **Merits/Promotions/ Range Adjustment** – Divisions will need to fill out the changes of salaries and benefits related to FY17 merits, promotions, and a 3% range adjustment.
Temporary Academic Support 71220
Divisions received their allocation letter decisions in January, which provided an early commitment of resources, and were based on the new interim model. The model included a formulaic component to the distribution of Campus TAS Allocations, and combined Temporary Academic Support, Upper Division Impaction, and Common Good Curriculum.

Supplemental Budget Request (Form B) 71295
PBOs will enter approved Form B requests in this account in the final version of the FY17 Operating Budget after all decisions are final.

<table>
<thead>
<tr>
<th>Category</th>
<th>Account Codes</th>
<th>Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Transfers</td>
<td>• Operating Transfers</td>
<td>FY16 Forecast 71110 General Allocation – FY16 Jul-Dec Actuals are loaded. 712xx and 714xx – FY16 Commitments Database amounts are loaded. 713xx –</td>
</tr>
<tr>
<td></td>
<td>– Plan</td>
<td>FY16 Jul-Dec Actuals and Commitment Database amounts are loaded. FY17 Operating Budget 71110 General Allocation  • Dec Permbudg of the centrally managed funds is loaded. For a fund list, please</td>
</tr>
<tr>
<td></td>
<td></td>
<td>refer to the Centrally Managed Funds section at <a href="http://budget.berkeley.edu/budgetprocess">http://budget.berkeley.edu/budgetprocess</a>. Planners can run the Permbudg Ledger Summary Report for details.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>712xx, 713xx, 714xx Campus Support – FY17 Commitments Database amounts are loaded. • These accounts reflect commitments and assessments (e.g., start-up, block grant, temporary academic support, UCOP allocations, etc.). They are not all guaranteed for funding, and may require further review by the CBO. The details can be found in the Divisional folders on bDrive at <a href="http://budget.berkeley.edu/resources/sharedfiles">http://budget.berkeley.edu/resources/sharedfiles</a>. • If UCOP allocations in 71290 are based on Permbudg, the Dec balance will be loaded in CalPlan. • Operating transfers in these series will not reflect planning assumptions for salary and benefit adjustments; however, salary and benefit adjustments for “state-supported” faculty will continue to be met from central funds.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Faculty Permanent Budget Summary Form (Form A) in 71110 General Allocation, 71304 Benefits Support, and 71314 Faculty Merits/Promotions –  • The form will be partially pre-populated. The PBOs will send it to each DFL by 2/4.  • The DFLs will complete the form and return it to the PBOs by 2/19.  • The PBOs will enter the data in CalPlan by 2/26.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>71110 General Allocation and 71420 Withdrawals/Returns – CBO will enter budget reductions in these accounts based on the Campus Budget Call Letter Appendix, depending on permanent or one-time.</td>
</tr>
<tr>
<td>External Transfers</td>
<td>• A72110 - Inter-Location Xfr (Rev)  • A72115 - Inter-Location Xfr (Fund Bal)  • InterLocation Transfers - Plan  • 72210 - Regents Endow/FFE Payout  • 72295 - Other Transfers</td>
<td>External Transfer accounts are used to designate a flow of resources that originates from elsewhere in the UC system, generally from UCOP or one of the other UC campuses. Planned transfers are not going to be copied from FY16 Forecast, except for account 72210 – Regents Endow/FFE Payout. Divisions should input budgets into other 72XXX accounts if any material transfers are anticipated. 72210 - Regents Endow/FFE Payout – FY16 Forecast reflects Actuals and will be copied to FY17 Operating Budget. Once copied, the CBO suggests planning for a 4% increase in the FY17 payout compared to FY16 for most endowments. The CBO will provide an updated estimate by late-February, should this change. Regents Endowment payout rates are typically set by The Regents in late spring for the payout the following August. Once set, they are applied against the rolling average month-end balance for the last 60 months (five years). This growth assumption is for Divisional funds invested in the Regents General Endowment Pool that will not have had any significant additions to, or invasions of, principal during the five years ending June 2016. Divisions with funds that diverge from these assumptions in ways that will materially affect payout should adjust their projections in the FY17 Operating Budget accordingly.</td>
</tr>
</tbody>
</table>
c. Compensation Expenses

Compensation is budgeted in HCP. In FY17, the CBO will continue to provide salary and benefit adjustments for filled ladder-rank faculty positions and Divisions will need to continue to absorb non-ladder-rank faculty and staff salaries, and associated benefits costs.

**Academic and Staff Salaries & Wages**

Please see the budget calendar timeline (Section II, page 4) for information on key dates and related guidance.

The HCP update should include a review of individual and shared/pooled positions, including FTE, salary, chart string distribution, effective dates, and ending dates. If Divisions are funding new positions internally, they should add the new positions to HCP along with expected salary expenses. Based on the Form A information, Divisions should plan accordingly for permanent budget faculty compensation expenses.

**FY17 Compensation Growth Assumptions**

Compensation expenses in the HCP FY17 Operating Budget will reflect the following growth assumptions, as determined by position effective dates, salary-type, and cost increase category. The Salary Adjustment growth percentages are high-level planning assumptions that represent predicted Cost-of-Living increases and/or Merit Programs.

<table>
<thead>
<tr>
<th>Salary Adjustment Type</th>
<th>Growth Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Adjustment for Teaching Faculty</td>
<td>3%</td>
</tr>
<tr>
<td>Salary Adjustment for Non-Teaching Faculty</td>
<td>3%</td>
</tr>
<tr>
<td>Salary Adjustment for Staff</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Fringe Benefits**

UCB has set Composite Benefit Rates (CBRs) to cover employee benefits for all Divisions. Starting in FY14, the CBR structure and content changed significantly. Details may be found at [http://scr.berkeley.edu/costingpolicies](http://scr.berkeley.edu/costingpolicies).
CBRs are calculated automatically in HCP based on the four CBR groups indicated below. The U.S. Department of Health and Human Services has approved the FY16 rates. Rates beyond FY16 are based on estimated cost increases and are provided for planning purposes only. FY17 CBR projections will be loaded into HCP. Due to the complexity of the programming, BELI codes are not included in the HCP calculation.

<table>
<thead>
<tr>
<th>UCB Composite Benefit Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBR Rate Group</td>
</tr>
<tr>
<td>Academic</td>
</tr>
<tr>
<td>Staff</td>
</tr>
<tr>
<td>Limited</td>
</tr>
<tr>
<td>Students (Grad &amp; Undergrad)</td>
</tr>
</tbody>
</table>

Category | Account Codes | Discussion
---|---|---
Total Expenses | | |
Total Compensation | | |
Academic Salaries & Wages | | Salary growth assumptions loaded in HCP.
• 50240 - Acad Teach-Regular (Default)
• 50242 - Acad Teach-Limited Benefits
• 50241 - Acad Teach-Exempt from CBR
• 50215 - Acad Nonteach-Regular (Default)
• 50212 - Acad Nonteach-Limited Benefits
• 50211 - Acad Nonteach-Exempt from CBR

Staff Salaries & Wages | | Salary growth assumptions loaded in HCP.
• 51029 - Work Study
• 51210 - Staff-Non student
• 51231 - Staff-Exempt from CBR
• 51232 - Staff-Limited Benefits

Other Employee Compensation | | No inflation assumptions have been centrally built-in.
• 520XX - Other Employee Compensation – Plan

Fringe Benefits | | Composite Benefit Rates loaded in HCP.
• 53060 - Benefit Assess-Acad Regular
• 53070 - Benefit Assess-Staff Regular
• 53080 - Benefit Assessment - Limited
• 53XX - Fringe Benefits - Plan
• 57310 - General & Empl Liability Insur

For FY17, assume 0.95% for GAEL; however, this rate may change.

**d. Non-Compensation Expenses**

Divisions should budget material expenditures in the appropriate non-compensation accounts and plan-accounts. No inflation assumptions have been centrally built into the FY17 Operating Budget for non-compensation expenses. Local knowledge should inform growth. Additional context for some expense types is provided below.

**Scholarships & Fellowships**

Funding and responsibility for Berkeley’s expenditures in support of financial aid and scholarships are broadly distributed throughout the campus. CalPlanning expense budgets for Scholarships & Fellowships should only reflect local plans for financial aid expenditures that will be recorded using each Division’s chart strings (L7 DeptIDs). Divisions should budget for spending on locally held donor scholarships, financial aid expenditures for many professional programs, stipends or scholarship payments supported by endowed chairs, or other funds (restricted or unrestricted) that are held in the Departments, etc.

Divisions should not budget for financial aid expenditures that occur outside their DeptIDs in CalPlanning. For this reason, Divisions should not budget in CalPlanning for most financial aid provided for undergraduate students (the bulk of which is a central responsibility managed by the Financial Aid and Scholarships Office - FASO), nor for support of graduate students using Block Grant or other funds held or managed by the Graduate Division.
Recharge Expenses
Recharge units are required to submit proposed FY17 rates by 2/16/2016. The CBO will provide DFLs with a table of proposed FY17 recharge rates by 3/1/2016. These rates should be used for planning purposes. Final, approved rates (effective July 1, 2016) will be published on the CBO’s website.

DFLs are responsible for researching and identifying the extent to which their Division pays for Recharge services.

More information about Recharge activity, including a list of Recharge Units, services provided and current rates, can be found on the CBO website at http://budget.berkeley.edu/recharge-information.

Depreciation
Divisions do not record net depreciation expense and therefore should not plan for depreciation expense in CalPlan. Recharge units record both depreciation expense and an equal and offsetting depreciation expense credit in the Actuals ledger (Actuals accounts 54251 and 54252). Since these net to zero, there is no budget impact. Only the transfer of resources from the recharge fund to the Reserve for Renewal and Replacement should be planned in CalPlan, if material. (See Changes in Fund Balance: To/From Plant Funds, page 13)

<table>
<thead>
<tr>
<th>Category</th>
<th>Account Codes</th>
<th>Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non-Compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies, Materials and Equipment</td>
<td>• 550XX - General Supplies – Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5501X - Laboratory Supplies – Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 55049 - Dining Service Supplies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 54XXX - Equipment &lt;$5K – Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 55XXX - Equipment &gt;$5K – Plan</td>
<td></td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>• 574XX - Undergraduate – Plan</td>
<td>Fee remission is planned via HCP pooled positions for GSIs and GSRs.</td>
</tr>
<tr>
<td></td>
<td>• 5741X - Grad Scholarships and Fellowships - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5380X - Fee Remission - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5745X - Other Prizes and Awards - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 57490 - Scholarship Allowance Contra</td>
<td></td>
</tr>
<tr>
<td>Indirect Cost Recovery</td>
<td>• 579XX - Indirect Cost Recovery – Plan</td>
<td></td>
</tr>
<tr>
<td>Recharge Income</td>
<td>• 59000 - Recharge Income</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 59010 - Recharge-Systemwide Assessment</td>
<td></td>
</tr>
<tr>
<td>Contract and Grants Sub Awards</td>
<td>• 5780X - C&amp;G Sub Awards – Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5781X - Non UC Contracts - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5782X - C&amp;G Intercampus Expenditures – Plan</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>• 560XX - Comp Service &amp; Software – Plan</td>
<td>The CSS Assessment on Current Funds (excluding C&amp;G, recharge, and research gift funds) has a built-in formula which automatically calculates and updates multiple times each day, during the daily data push times in CalPlan.</td>
</tr>
<tr>
<td></td>
<td>• 561XX - Communications - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 562XX - Maint Contract &amp; Services - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 564XX - Publications &amp; Media - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 565XX - Transportation - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 566XX - Other Services - Non Computer – Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 56637 - CSS Assessment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 56638 - Cleaning Services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 56610 - Advertising: Fed Chargeable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 56611 - Advertising - Fed Unchargeable</td>
<td></td>
</tr>
<tr>
<td>Rents and Utilities</td>
<td>• 5631X - Space Rental – Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5632X - Equipment Rental - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5634X - Utilities - Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5639X - Contra Rent &amp; Utilities – Plan</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>• 572XX - Travel – Plan</td>
<td>Two accounts may cause confusion and examples of when to use which are as follows:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>56720 Consultant Fees occur when a Division pays a consulting firm for services, such as evaluating an existing IT system, implementing a new system, or evaluating organizational structure and giving recommendations for improvement.</td>
</tr>
</tbody>
</table>
e. Changes in Fund Balance

Changes in Fund Balance
In our fund accounting environment, 3XXXX series transfers are unusual since they are made between the Current Fund group and other fund groups (e.g., Plant or Agency), or between UC Berkeley and other UC locations. Generally, they are used to record specific activities that are not properly part of a Division’s in-year operating results and are therefore “below the line”. By excluding these items from a Division’s operating surplus or deficit, we have a better picture of whether the Division is operating above or below their means, excluding certain unusual one-time activities.

Divisions are only required to plan for the Current Funds side of fund balance transfers in CalPlan. Fund balance transfers will not be copied from the FY16 Forecast to the FY17 Operating Budget. Divisions should budget for fund balance transfers in accordance with the instructions below.

<table>
<thead>
<tr>
<th>Category</th>
<th>Account Codes</th>
<th>Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Fund Balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To/From Regents Endowment Pool</td>
<td>34231 - (To)/Fr Rgnts Endow - FFE Principal – Plan</td>
<td>Planned contributions to FFE from available current fund balances, as well as withdrawals from FFE principal, should be budgeted in this account and the appropriate plan-fund. In rare occasions, units return a portion of the payout from true endowments to principal. If a Division is anticipating a material transfer of this kind, the Division would plan for it here in this account. Note that new gifts to endowed funds are booked directly with the Regents or UCBF and are therefore not planned for by Divisions in CalPlan.</td>
</tr>
<tr>
<td>To/From Plant Funds</td>
<td>33100 - (To)/Fr Retire of Indebt - Exter Debt Srvc – Plan, 34010 - (To)/Fr Unexp Plant Fund - Cap Projects - Plan, 34039 - (To)/Fr Res for Renewal &amp; Replacement - Plan, 34XXX - Plant Other – Plan</td>
<td>33100 – Divisions will be provided with an estimated Debt Service Schedule (Form E). These estimates should be used to plan for the aggregate flow of money for debt service in FY17. 34010 – This account should be used to budget the outflow of equity contributions for capital projects in FY17. The amount budgeted should agree with Capital Projects Fully Funded by Division Resources (Form C). Divisions should not include plans for new Capital Projects requiring central contributions until approved at the conclusion of the budget process. 34039 – This account should be used to plan for contributions to, or withdrawals from, Reserves for Renewal and Replacement. The use of this account is primarily for recharge funds. 34XXX – This account should be used in the event a material change has occurred in an account not listed above. Divisions should seek guidance prior to account use.</td>
</tr>
<tr>
<td>To/From All Other Fund Balance</td>
<td>All Other Fund Balance Changes – Plan, Prior Year Adj - Plan</td>
<td>In general, use of these plan-accounts is restricted to the CBO. Divisions should seek guidance before planning fund balance transfers in any of these accounts.</td>
</tr>
</tbody>
</table>
V. Capital Budget Process Overview

The budget process for FY17 includes forms for your Division’s capital improvement plans. More detailed instructions for each form are presented below.

- **Capital Projects Fully Funded by Division Resources (Form C)** – Complete this for capital investments which the Division intends to fund entirely with their own resources.

- **Capital Project Requests for Central Resources (Form D)** – Complete this for capital investments for which the Division intends to request central resources for a share of the project cost.

- **Debt Service Schedule (Form E)** - Will be pre-populated by the Office of the CFO (OCFO) and should be used to plan for the FY17 aggregate flow of money for debt service or campus loan repayments.

These forms, when combined at the Campus scale, will help to provide a consolidated view of the FY17 capital improvement priorities on Campus, and establish a framework to facilitate strategic decision-making regarding the use of limited central resources. It is uncertain what central resources will be available for capital improvements but it is important to understand a Division’s needs.

VI. Capital Budget Process Timeline and Review Process

**Divisions should submit Capital Plan Forms C - E no later than April 5th, 2016.**

Submit Capital Plan Forms C - E together with the Division’s FY17 Budget Narrative Submission.

The proposed capital expenditures of a Division’s resources in both Form C and Form D will be reviewed by the OCFO to ensure those expenditures are correctly and fully captured in the “changes in fund balance” section of the FY17 Operating Budget and by the VC of Real Estate (VCRE) Office to understand a Division’s goals in terms of asset management and capital investment. The projects in Form D will be compiled and reviewed by the VCRE Office for consideration of requests for central funding to the Capital Projects Committee (CPC).

Decisions on central funding for each year are made in the context of the budget as a whole, and those decisions may differ from those in previous years. In FY15, the central allocation to the Capital Bank was $7.5 million, while the central allocation to Capital Renewal was $35.7 million. In FY16 at the time of this document, there has been $0 allocated for Capital Renewal and $5M allocated for critical and urgent safety and risk mitigation needs for Capital Bank.

It is yet unknown what central resources will be allocated to Capital Bank and Capital Renewal for FY17, however, knowing a Division’s capital needs and requests provides important input to the VCRE Office who will propose funding levels for both these programs to CPC for FY17. For capital project requests determined to be suitable for central capital funding, the campus typically requires a contribution from Division of at least 1/3 of the project cost.

Once the capital requests are received, the VCRE Office will evaluate them based on strategic asset management goals for campus building and grounds. For academic divisions, projects will also be evaluated by the VP of Strategic Academic & Facilities Planning (VP-SAFTP) staff for alignment with academic plans.

The outcome of that process is then forwarded to the CPC with a recommended Capital Bank funding request. If the capital bank funding request is approved, the prioritized projects would be included in the Campus’ FY17 capital improvement program. Divisions would then be asked to review and finalize their priorities, and also commit to the required funding match.
Note that the CPC action is only funding authorization, and that project approval is contingent on detailed review of the project scope and budget by the campus leadership from VCRE, CFO and VP-SAFP at the time Division is ready to initiate it. Projects are approved for the specific fiscal year, and any project for which central funding is approved must be initiated within 18 months of notification of the approval or the funds revert to the central source and the project is removed from the capital improvement program list and must be re-initiated.

VII. Capital Projects Funded Entirely by Division Resources – Instructions (Form C)
The purpose of this form is to capture projected capital improvements (i.e. transfers of funds to capital project accounts) in FY17 which consist entirely of Division resources, including operating funds, reserves, restricted gifts, restricted endowments and FFES, and external debt service with Division funds. The form should only include capital projects with a value greater than $35,000.

Note: The timing of expenditures on a capital project can depend on both the time required to plan and design the project and the time required for project approval. All projects require campus approvals and some require approval by UCOP and The Regents. For major capital projects, with a projected value of over $5M Divisions are encouraged to consult with the VCRE Office and the OCFO for guidance on approval and cost estimating.

Sections a-c below provides additional information on completing each column of Form C.

a. Project Name & Description: The project name and a brief description of the project.

b. Total Estimated Project Budget: A project’s total budget includes the cost of both construction and services, also referred to as “hard” and “soft” costs; fixed and moveable equipment and furniture, and infrastructure required to complete the project. Contact the Construction & Design unit to obtain a project cost estimate through the Project Renovation Request (PRR) system.

c. Funding Plan: Indicate how the total project budget will be funded in FY17. To the extent the project funding comes from Division resources, these amounts must also be reflected in a Division’s annual operating budget in account 34010 - (To)/Fr Unexp Plant Fund - Cap Projects-Plan. Refer to the Operating Budget instructions for further guidance.

1. Operations – Funding available from current year unrestricted or designated resources of a Division (i.e., the Division’s annual operating surplus).

2. Reserves – Funding available from a Division’s unrestricted or designated reserves/fund balances.

3. Restricted Endowments & FFES – Funding from current year restricted endowment distribution, prior year fund balances, and withdrawals from principal from endowment/FFE funds.

4. Restricted Gifts – Philanthropic funds given to a Division to support capital projects. This includes:
   a) In-Hand – philanthropic funds that have been received by a Division
   b) Pledges – committed funds that have not been paid to a Division
   c) New Gifts – philanthropy that has not yet been received nor pledged

5. External Debt – External debt serviced by Division resources (e.g. professional degree fees).

VIII. Capital Project Requests for Central Resources – Instructions (Form D)
The purpose of this form is to capture capital improvements in FY17, which are proposed to be funded partly or entirely by central resources, including operating funds, reserves, gifts, endowments, and external debt. Unlike Form C, Form D includes columns for grants and loans of Central Resources. The form should only include capital projects with a value greater than $35,000.
The projects on Form D will be reviewed first by the VCRE Office, the VP-SAFP staff, and the OCFO, and then forwarded to the CPC for funding consideration. On Form D, central funds may be requested either as a grant or a loan. For planning purposes, please assume that loan terms are 5 years at 5% interest.

We recognize that final decisions have not yet been made on requests for central funding from FY16. Funding requests for FY16 were deferred by the CPC because the Capital Bank funds have been designated only for critical urgent health and safety needs, and because funding decisions regarding the Capital Renewal program have not yet been made. For those projects awaiting decision, please resubmit them and include them in Form D if the need remains a priority.

Sections a-e below provide additional information on completing each column of Form D.

a. **Priority:** When filling out the form, please list the projects in order of priority and number them so that the priority is clear. The prioritization should include projects previously submitted in FY16 for which no decision on central funding has yet been made.

b. **Project Name & Description:** The project name and a brief description of the nature of the project.

c. **Project Type:** When completing the form for a new request, please select the project type (numbers 1 - 7) that best fits/identifies the project. You may choose more than one.

   1. Renewing existing systems at or beyond the end of their useful lives
   2. Upgrading existing systems unable to meet current performance demands
   3. Improving existing systems to reduce operation cost and resource consumption
   4. Renewing and enhancing roads, paths, landscapes, and exterior places of interaction
   5. Supporting new fields of instruction and new paths of research
   6. Accommodating changes in methods and work styles
   7. Improving the functionality and utilization of space

d. **Total Estimated Project Budget:** A project’s total budget includes the cost of both construction and services, also referred to as “hard” and “soft” costs; fixed and moveable equipment and furniture, and infrastructure required to complete the project. Contact the Construction & Design unit to obtain a project cost estimate through the Project Renovation Request (PRR) system.

e. **Funding Plan:** Indicate how a Division proposes to fund the total project costs. A brief definition of each fund type has been provided below.

   1. Central Funds – The amount of central funding the Division is requesting from the campus. Central funds may be requested either as a grant or a loan: Form D includes a column for each.

   2. Operations – The amount of funding a Division proposes to contribute from the current year Unrestricted or Designated resources of a Division (i.e., a Division’s annual operating surplus) to help fund the project. Note that historically, 19900 funds may not be used to fund capital projects.

   3. Reserves – The amount of funding a Division proposes to contribute from Unrestricted or Designated reserves/fund balances.

   4. Restricted Endowments & FFES – Proposed funding from current year endowment distribution, prior year fund balances, and withdrawals from principal from endowment/FFE funds. Note that the gift instrument must allow for these funds to be used for capital purposes.
5. **Restricted Gifts** – Proposed funding from philanthropic funds. Note that the gift language must allow for these funds to be used for capital purposes. This includes:
   a) In-Hand – philanthropic funds that have been received by a Division
   b) Pledges – committed funds that have not been paid to a Division
   c) New Gifts – philanthropy that has not yet been received nor pledged

6. **External Debt** – External loans serviced by Division funds. While the CPC may elect to fund the central share of some projects with debt rather than equity, this decision will be made by the CFO and the CPC. The ‘external debt’ column should only include debt serviced with Division funds.

**IX. Debt Service Schedule – Instructions (Form E)**

Form E summarizes each Division’s estimated internal and/or external debt service for planning purposes. These schedules will be pre-populated by the OCFO, and will be forthcoming. Divisions should utilize the ‘Total Debt Payment’ information for FY17 to plan for the aggregate flow of Current Fund monies for debt service in account 33100 – (To)/Fr Retire of Indebt – Exter Debt Srvc - Plan.

Sections a-i below provide additional information on reviewing/understanding each column of Form E.

a. **Project Name & Description**: The project name and a brief description of the nature of the project.

b. **Department**: Indicates the specific Department (L4) where the capital project is/has taken place.

c. **Loan Source**: Identifies whether the loan source is internal or external.

d. **Total Loan Amount**: The total amount borrowed by a Division/Department to fund a capital project. In most cases, a fee/annual percentage of the principal is charged for the use of borrowed money.

e. **Interest Rate**: The fee/annual percentage of the principal charged varies by loan 0-5%.

f. **First Repayment Date**: The project has been placed in service, and a Division must make their first debt service payment.

g. **Last Repayment Date**: Terms of the outstanding loan have been completed.

h. **Estimated Service Date**: The date when a project is deemed to be complete and will be placed in service.

i. **Total Debt Payments**: Provides a Division’s annual total debt service payment, both principal and interest, by fiscal year.