PREPARATION AND SUBMISSION OF THE ORIGINAL BUDGET

Purpose of the Original Budget Submission
Each School and Center must submit an Original Budget (each spring) in the fourth quarter to the University Budget Office via PILLAR that reflects that School or Center’s complete financial plan for the upcoming fiscal year. (“PILLAR” is the online application the University uses for budget planning and for inputting the Original Budget into the General Ledger.) School and Center Original Budgets form the basis for the consolidated University budget, which is reviewed and approved by the Trustees at the end of the fiscal year. The Original Budget will also form the basis for the budget-to-actual comparisons that will be reported to the Trustees quarterly. Each Original Budget must be consistent with the guarantees, parameters, and other guidelines contained in that School/Center’s budget “guarantee letter.”

Responsibility for the Submission of the Original Budget
The Senior Business Officer in each School and Center is responsible for ensuring that its Original Budget is submitted to the University Budget Office by the specified deadline. The University Budget Office will then “upload” the detailed Original Budget into the University’s General Ledger before the beginning of the new fiscal year.

The Senior Business Officer is also responsible for reviewing the detailed budgets for their organizational units and ensuring that the resulting Original Budget is correct. In the event that there is a significant difference between the Original Budget and the Initial Budget submission, please send a memo to the Budget Office describing the reason for the revisions.

Level of Detail Required in the Original Budget
In general, Schools and Centers should budget to the level of detail that:

- Allows transactions to pass Funds Checking as determined by the level of Budgetary Control assigned to the account combination.
- Assists your School or Center in financial management and analysis.
- Facilitates meaningful budget-to-actual comparisons and projections during the fiscal year.

In some cases, it may not be feasible for a School or Center to include a detailed budget for all planned activity because this level of budget planning is not possible by the spring submission deadline. Since it is important that the Original Budget reflect each School and Center’s complete financial plan for the coming fiscal year, Schools and Centers may need to submit an Original Budget that is partially detailed to the 26 digit COA level, and partially summarized in at the Fund Group and Object Category level.
To exercise this option, a School or Center will need to determine how much of its total planned activity is reflected in the detailed budgets it is submitting in PILLAR. The School or Center will then need to estimate the remaining residual activity by Fund Group, and budget that remaining level of projected activity in PILLAR for each Fund Group using the following surrogate fund numbers:

- Designated Investment Income Funds 479999
- Designated Operating Gift Funds 649999
- Designated Capital Gift Funds 659999

**Treatment of Project-Based Activity in the Original Budget for the Fiscal Year**

The fiscal-year portion of project-based activity will be included in the Original Budget via PILLAR. For Grants and Contracts, each School should budget the total planned level of activity for the coming fiscal year in Fund 599999. Total income for all grants should be budgeted in Object Code 4600 and expenditures for all grants should be budgeted in the individual object codes in which those expenditures are expected to occur.

For University Research Foundation awards (URFs), Schools should budget planned activity for the fiscal year in Fund 000002 in the Initial Budget. These lines should be removed from the School’s submission in the Original Budget, and will be budgeted centrally. (Because there is no surrogate fund for URFs, budgeting this in the Schools in the Original Budget would cause confusion with the real URF budgets.)

**Updated Year End Projections**

In the spring, Schools and Centers must submit an updated “Year-End Projection” for the current fiscal year in the PILLAR xxxxxP2.pln file. This projection must include revenue and expenditure data for each Fund Group. For any RCM rows that show a significant variance from the Original Budget or from what the YTD Actuals would support, please add a note to the appropriate line items documenting the reason for the variance. The Budget Office will rely on these explanations when budget to school variance analyses are prepared for the Trustees.

**Revised Supporting Schedules**

School/Center Input Assumptions, Faculty Planning Assumptions, Service Delivery Goals, and the Standing Faculty Funding Template are expected to be consistent with the submitted Original Budget. If revisions to your budget are not consistent with the version of the Input Assumptions, Faculty Planning Assumptions, Service Delivery Goals, and Standing Faculty Funding Template that a School or Center submitted to the Budget Office a revised version of the “budwbkxx.xls” spreadsheet must be submitted with the appropriate changes included.

**No Spending May Occur in the Absence of a Detailed Budget Submission**

In any ORG/FUND combination where a detailed budget was not submitted via PILLAR in the spring, the School or Center Senior Business Officer must ensure that a detailed budget has been recorded in the University’s General Ledger using the Budget Journal Entry screen in order to establish an authorized spending level before any spending may occur in that ORG/FUND combination. Any such entries are to be made to the Current Operating Budget.
Checklist for Submission of Original Budget

Before submitting a budget:
- Confirm all budgeted Resource Transfers and Expense Credits are documented in notes to the PILLAR Original Budget file
- Review and resolve any PILLAR diagnostic messages
- Print Financial Statements 01 and 12

Original Budget submissions should include:
*Budgets are submitted three times in a fiscal year.

<table>
<thead>
<tr>
<th>Document</th>
<th>Required Centers</th>
<th>Form of Transmission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current-Year Projection</td>
<td>All Responsibility Centers</td>
<td>Electronic copy of PILLAR “P” file to Prudence/Plan/Submit</td>
</tr>
<tr>
<td>Five-Year Budget</td>
<td>All Responsibility Centers</td>
<td>Electronic copy of PILLAR “B” file to Prudence/Plan/Submit</td>
</tr>
<tr>
<td>Explanatory Cover Letter (if any material differences exist between the initial School/Center budget submission and the Original Budget submission)</td>
<td>All Responsibility Centers</td>
<td>Hard copy to Provost, EVP, or Chief of Staff, as appropriate, with copy to Budget Office</td>
</tr>
<tr>
<td>PILLAR Financial Statement 01, General Purpose Funds</td>
<td>All Responsibility Centers</td>
<td>Hard copy attached to cover memo, with copy to Budget Office</td>
</tr>
<tr>
<td>PILLAR Financial Statement 12, Total Operating Budget</td>
<td>All Responsibility Centers</td>
<td>Hard copy attached to cover memo, with copy to Budget Office</td>
</tr>
<tr>
<td>Input Assumptions</td>
<td>All Responsibility Centers</td>
<td>Electronic copy of “budwbkXX.xls” to Prudence/Plan/Submit (if changed since previous submission)</td>
</tr>
<tr>
<td>Faculty and Academic Support Staff Planning Assumptions</td>
<td>Schools only</td>
<td>Electronic copy of “budwbkXX.xls” to Prudence/Plan/Submit (if changed since previous submission)</td>
</tr>
<tr>
<td>Standing Faculty Funding Template</td>
<td>Schools only</td>
<td>Electronic copy of “budwbkXX.xls” to Prudence/Plan/Submit (if changed since previous submission)</td>
</tr>
<tr>
<td>Service Delivery Goals</td>
<td>All Responsibility Centers other than Schools</td>
<td>Electronic copy of “budwbkXX.xls” to Prudence/Plan/Submit (if changed since previous submission)</td>
</tr>
</tbody>
</table>
Loading the Original Budget into the University’s General Ledger

The University Budget Office will load each Original Budget into the General Ledger. This budget will be called the “FYxxxx Original Budget,” and will be available for analysis and reporting. At the same time, the Original Budget will be copied into the Current Operating Budget, which is the budget that will be used for Funds Checking.