

# **BLOOMSBURG UNIVERSITY OF PENNSYLVANIA**

## **BUDGET DEPARTMENT SELF STUDY**

**Final as of 5/21/07**

**JUNE 2007**

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## **INTRODUCTION**

The Finance and Administrative Division periodically performs departmental five year reviews.

Historically, the departments provided information to an outside evaluator to assist them with the process. The Program Evaluation for the Accounting and Budget Offices of April 1999, was conducted by peers from Shippensburg University: Melinda D. Fawks, Associate Vice-President of Administration/Finance, and Christopher A. Bowling, Director of Accounting.

Bloomsburg University's current VP of Finance and Administration requested that the Accounting, Budget and Purchasing Departments develop individual departmental self study documents based on our targets, strategies and outcomes. The final departmental self study documents will be presented to the Budget Subcommittee and the Planning and Budget Committee to be integrated with the University's Strategic Planning and Budgeting processes.

## **SCOPE OF EVALUATION**

This evaluation was done in accordance with the criteria outlined in the State System of Higher Education Board of Governors' Policy 1986-04-A. That policy requires member universities to routinely and systematically assess the strengths and weaknesses of their academic and student services program to assure "deliberate and continuous attention" to quality. Although, the policy does not require the review of all administrative functions, it is our University's decision to do so.

Some of the program review criteria cited within the text of that policy which are applicable to support programs include qualitative feedback from the users of a program's services and an assessment of the unit's effectiveness in working with other areas of the university. Accordingly, this self study focused on three primary areas instrumental to the university:

- the Planning and Resource Allocation Process, as it relates to the Budget Subcommittee and Planning and Budget Committee
- SAP Funds Management-Budget & General Ledger Transactions
- Budget Training.

The Budget Department Self Study Focus Group consisted of representatives from PASSHE, SyTEC, Academic Affairs, Student Life and Administration.

## **METHODOLOGY**

Bloomsburg University's current VP of Finance and Administration requested that the Accounting, Budget and Purchasing Departments develop individual departmental self study documents based on our targets, strategies and outcomes.

The Budget Department designed, developed and prepared a Budget Department Self Study document. The document is comprehensive, incorporating our last Program Evaluation from February 1999 to the Targets, Strategies and Outcomes for Fiscal Year 2006-07. The Budget Department self study evaluation involves the following:

- Timeline
- Budget Department Self Study Document
- Focus Group
- Questions for Focus Group
- Final Evaluation Document by June 1, 2007

Focus group members were suggested by the Budget Department staff and were extended an invitation to be part of our focus group.

Most of the work is planned to be done electronically. The necessity to meet will be minimal (maybe once or twice), pending the group's needs.

The role of the focus group is:

- Review the Budget Department Self Study
- Review the Questions developed for the focus group. Submit suggestions for other questions.
- The questions focus on three primary areas:
  - Planning & Resource Allocation Process
  - SAP Funds Management - Budget and General Ledger Transactions
  - Budget Training
- Focus group may work individually or partner with others in the group to complete the Final Questions.
- Submit electronically the completed responses to the questions and other comments to me.
- Budget Director will incorporate responses into a "draft" evaluation document.
  - Focus group meets to discuss "draft" evaluation document
  - Evaluation document is finalized
  - Evaluation document is submitted to VP of Finance & Administration and Budget Subcommittee

Regarding the focus group members from PASSHE and SyTEC the self study responses can be accomplished electronically and/or calls. Also, your input may not necessarily be in response to the specific questions outlined, but more to the liking of the interaction between our areas.

When the Budget Director compiled the Budget Department Self Study Report, the three primary areas were addressed individually in the following format:

- Questions
- Responses to the questions per the focus group
- Recommendations/Explanations – Explanations for current practices were necessary to clarify statements from the responses and recommendations.

## **QUESTIONS:** **PLANNING AND RESOURCE ALLOCATION PROCESS**

### Origination

The original Planning and Resource Allocation Process document was released in November, 2000 by the Budget Department. The process was developed by the Budget Subcommittee and Planning & Budget Committee over a period of time.

### Annual Revision

The Planning and Resource Allocation Process is reviewed on a continuous basis with users and the documentation is updated annually, incorporating the known changes in conjunction with the President, Provost, Vice Presidents, and related staff that are pertinent to the process.

### **Budget Subcommittee and Planning & Budget Committee**

1. As stated above the Planning and Resource Allocation Process is reviewed and updated annually. The process was developed by the Budget Subcommittee and Planning & Budget Committee over a period of time.

a. BU will be involved in a Presidential search during 2007, with the current President Dr. Kozloff retiring in December 2007. During the Presidential transition, what Recommendations/Explanations do you have to maintain continuity in the Planning and Resource Allocation Process?

### Responses

The current Planning and Resource Allocation Process, including the executive/administrative staff active in the process, needs to continue as is during the presidential transition for at least one year. As the guidelines, do not differ too much year-to-year—this will provide continuity in the process while allowing our new president flexibility in setting the new budget in line with his/her priorities.

How do we use the process as a management tool? As a management tool, what is the product we want? How do we use it? Are we using the process right? Added 5/21/07

### Recommendations/Explanations

To maintain continuity for FY 2007-2008:

- Request that Dr. Kozloff issue the planning/resource allocation process guidelines prior to her leaving office.
- If there is enough lead time in appointing the new President, Dr. Kozloff may want to receive input from the new president before releasing the guidelines.
- Ensure that the new President receives a full briefing on the process. Reiterated 5/21/07
- Do not make any changes in the process for at least one year. If Executive staff is unclear about whether the process has changed or not, then confusion may result.

The process as a management tool: Added 5/21/07

- Have the Budget Subcommittee and Planning & Budget Committee review the current process, leaving it intact until the new president has been here at least one year and incorporate any findings/recommendations from the Middle States Review.
  - ✓ These committees charges could be: how do we want to use the process as a management tool,
  - ✓ Determine what are the outcomes (product) we want from the process and how do we use it

- b. In measuring the effectiveness of this process as a planning and resource tool.
- i. How does it or does it not meet your departmental planning and resource needs?

Responses

The process works well and meets the university needs. The refinements made over the last few years have improved the process. The Planning and Resource process provides reliable data and information at the departmental level, allowing Chairpersons/Directors to maintain consistency in how the process will work.

Recommendations/Explanations

- Currently there are no Recommendations/Explanations.

- ii. What would you suggest to improve the process?

Responses

Overall, the process is fine the way it is. One department did not receive the template for the Operating Line Budget Requests, and had to request it from the Provost's Office after it had already been sent out to everyone.

Recommendations/Explanations

Currently, the Budget Office sends the Operating Line Budget Requests (templates) by division to the President, Provost, Vice Presidents, and their administrative/executive assistants to disseminate to their departments however they desire as long as the task deadlines outlined in the Planning and Resource Allocation Process are met. The President, Provost, and Vice Presidents requested the Budget Department to follow this practice.

- If a department does not receive their template for the Operating Line Budget Requests, they are to contact their appropriate divisional administrative/executive assistant.

- iii. Do the processes take place in a timely manner?
  1. If so, how?

Responses

The timelines are established early in the process to allow departments adequate time to fulfill the deadlines.

Recommendations/Explanations

- Currently there are no Recommendations/Explanations.

2. If not, why?

Responses

No Responses.

Recommendations/Explanations

- Currently there are no Recommendations/Explanations.

- c. The Carry forward process is a sub-process of the above.
- i. How would you describe the effectiveness of communicating the carry forward methodology?

Responses

There are varying responses relating to the Budget Subcommittee and Planning & Budget Committee role in the carry forward process. Responses range:

- From communication being effective and informative,
- The VP's understand the carry forward process
- Departmental Directors do not need to know the details of how the carry forward process works
- The carry forward process is set up and explained to the Deans who carry the information to the departments. For the academic departments the templates received from the Budget Office are revised to include a justification for roll forward. This is extremely helpful to the deans when making decisions about carry forward.
- Misunderstanding among Academic Department Chairs as to what the process is. There is a perception that all academic departments do not carry forward their remaining available budgets from the previous year into the current fiscal year.
- After divisions, colleges, departments request funds to be carried forward, they are not informed if their carry forward plan was approved or not. They do not know until fiscal year end when funds are carried forward or not carried forward. As a result they contact the Budget Department to verify their status.
- There is not a good understanding as to what the carry forwards are.
- How and where do I reference what my carry forwards are?

- ii. Explain how it may be improved.

Recommendations/Explanations

The following are Recommendations/Explanations as to how to improve the process.

- The February timeline for departments to justify funding needs is too early and causes a problem for most academic departments. In February they are unable to anticipate, unanticipated needs. Move the timeline to March/April, incorporating the carry forward justification process in with the formation and timeline of preparing operating budgets.
- Improvement needed in the communication of the carry forward justification process from President, Provost, VP's, and Deans to the departmental chairs and directors. Chairs and directors want to be notified as to the status of their carry forward justifications.
- Implement a process using a percentage of available funds to carry forward to the departments vs. carrying forward none of their available funds. Communicate the process accordingly to the appropriate parties.
- Prepare an analysis on how/when departments are cashing in their reserves.
- Use this analysis when reviewing justifications for carry forwards. Prevent "stockpiling" money in the departmental budgets.
- Provide carry forward reports Added 5/21/07
- Continue to enhance communication of processes Added 5/21/07

## **Budget Department**

2. As stated above, the Planning and Resource Allocation Process document is reviewed and updated annually by the Budget Department.

### Responses

SyTEC manages the SAP financial system for PASSHE. Although these questions, are not best suited for SyTEC to respond to, the funds management liaison has provided the following comments about the Budget Department's interaction with them. "I would like to comment on BU's efforts for the Funds Management (FM) year-end carry forward process. The BU Budget Office staff who handle this each year are extremely proactive in managing the process. They are typically the first school to work with me to ensure that I have the needed information for them to begin these activities. Each school and I typically have at least a few, if not many, rounds of communication during this year-end process in FM. I appreciate BU's open lines of communication during this time and their desire to improve on the process where they can each year. "

a. In measuring the effectiveness of this document as a planning and resource tool: How would you rate your use of it?

- i. Use it on a continuous basis as a guide to follow the process
- ii. Reference it only periodically
- iii. Did not know it existed
- iv. Other

### Responses

The document is referenced periodically as needed. Individuals familiar with the process, did not reference the document.

The document is electronically forwarded to the following: President, Vice Presidents, Deans, Directors, Chairpersons and departmental assistants/secretaries. The document is also listed on the Budget Department's website. Therefore, for those individuals not mentioned above, the self study was the first time they have seen it.

### Recommendations/Explanations

- Currently there are no Recommendations/Explanations.

b. Does the document content provide you with the information you need for the university planning and resource allocation process?

- i. Explain how it does or does not.

### Responses

The document contains sufficient information and timelines needed to accomplish tasks. The document is quite detailed.

### Recommendations/Explanations

For experienced managers the detail may be more than is needed, but for newer inexperienced managers the detail may be useful, therefore should probably be maintained in the document.

ii. What would you suggest to improve the document?

Responses

Do not have any suggestions to improve the document.

Recommendations/Explanations

- Simplify the document to some degree.
- Maintain 1 or 2 years of reporting deadlines

iii. Is the document provided to you in a timely manner?

Responses

Yes, the document is provided within a timely manner.

Recommendations/Explanations

- Currently there are no Recommendations/Explanations.

1. What do you propose as a better distribution time?

Responses

Currently, the timeline distributes materials prior to the Christmas break and requests materials returned soon after faculty return to campus in January. Faculty have expressed that if they would receive the document earlier, it would allow them more time to do a thorough job.

Recommendations/Explanations

The Provost sends the next fiscal year memo for Planning and Budgeting approximately the last week in October or first week in November.

- The Budget Department and the Provost /executive assistant need to coordinate the distribution of the Academic Affairs fiscal year memo for Planning and Budgeting with the distribution of the Planning & Resource Allocation Process document.

2. Who should receive the document?

Responses

The document should be distributed to the President, VPS, Deans, Department Chairs, Deans AA's, Department Secretaries, Directors, Office managers, and all fund center managers.

Recommendations/Explanations

Review distribution list annually for changes to personnel, and to include all of the above individuals.

- c. The technical part of the carry forward process is performed by the budget department.
  - i. During the month of February, justifications for carry forward funds are due to the President & Vice Presidents by February 1. The divisional carry forward funds templates are due to the Budget Office by February 16 to prepare for fiscal year end with SyTEC.
    - 1. Does this process need further explanation?
      - a. If so, explain how
      - b. Define the audience.

Responses

Reference section 1.c. for other responses.

Yes, the process needs further explanation.

Directors and all persons responsible for budgeting and their administrative assistants are defined as the audience.

Recommendations/Explanations

There is a need to define what the legitimate uses to carry forward funds are and provide examples of these.

- ii. During the month of June, fiscal year end instructional memos are sent out by the Budget Department regarding carry forwards and other pertinent year end tasks.
  - 1. Do the memos provide you with sufficient year end guidance and explanations on carry forwards? Explain.

Responses

Yes, the memos provide sufficient year end guidance and explanations on carry forwards. The year end memos are very detailed, comprehensive and understandable as to carry forward dates and users requirements.

Departments need to be aware and continue to align their current and future budgets according to their expenditure purchases and patterns. Train the users in looking to see where dollars were over/under budget.

Departments need to review their budget prior to carry forward and move funds to commitments where available funds will be used for purchases in the new fiscal year.

For auxiliary fund centers, it may be helpful to know, when the last postings against the current fiscal year budget are going to hit and when the new fiscal year budget will start being used. Auxiliaries collapse all of their carry forward into Specialized Services and always end up with last minute charges against salary areas and sometimes expense areas. It would be extremely helpful if a specific time frame was given, such as the first week of August that is consistent every year.

Recommendations/Explanations

Users are trained to monitor their budgets and budget according to their expenditure patterns and needs. The Budget Department during training sessions will continue to emphasize the need to monitor budgets for over/under budget positions.

For the Budget FYE 6/30/07 Closing Memo the Budget Department has already incorporated the following prior to the response above.

1. Make sure you transfer available funds to cover all negative balances (budget deficits) prior to fiscal year end carry forward.
  - a. For any funds/funds centers ending the fiscal year with budget deficits, the appropriate President/Provost/Vice President are notified, requesting funds be transferred accordingly.
2. Available balances for commitments within a funds center will carry forward to that commitment item.
  - a. If you prefer to have the residual budget carry forward to only one or two, etc. commitment items, then as it gets closer to fiscal year end, park budget transfers to place the available funds where you want them to be.
  - b. Keep in mind your expenditure patterns to avoid future transfers.

Currently, the Budget FYE Closing and New Fiscal Year Budget Memo state dates:

- for the last day for accounting/purchasing departments to post operating/capital expenditures and the last day for chargeback processors to post charge backs for the closing fiscal year
- when to cover budget deficits
- residual budget carry forward dates
- the new fiscal year budget availability

The Budget Department will clarify dates on the Budget FYE 6/30/07 Closing Memo and forward the Accounting Department FYE closing memo to the applicable users. The Accounting memo indicates the specifics transactions relating to purchasing documents, goods received and accounts payable.

**2. Do the memos clearly communicate the time frame that carry forwards will be executed and why? Explain.**

Responses

Yes, for the most part, the memos clearly communicate the time frame that carry forwards will be executed and why. But after the carry forward was completed, a department indicated that they did not receive a memo/email confirming the carry forward was completed.

Often, by the time carry forwards are done, many academic departments don't remember if they are carrying forward or not, resulting in phone calls from the departments to their divisional administrative/executive checking on the status.

A lot of the auxiliary accounts, such as dorm reserve, life cycle, non-capital project fund centers, capital project fund centers are in constant motion and the end of fiscal year/beginning seem to be the busiest times for these areas. At times, the auxiliary staff is not completely clear when the funds will be available resulting in calls to the budget office for clarification or requesting the carry forward be completed upon their request because the installments for the new fiscal year occur later in the fall semester.

Recommendations/Explanations

- Budget Department will review their carry forward notification process and institute changes accordingly:
  - Continue to follow the carry forward time frames and practices established in the FYE closing memo working in conjunction with SyTEC to schedule the carry forward jobs in a timely manner.
    - Explain/emphasize that the budget carry forward cannot start until accounting has completed their fiscal year end closing.
    - Review with users the carry forward fiscal year end process set forth in the FYE closing memo upon request.
      - Funds needed in new fiscal year prior to carry forward schedules.
      - Carry forwards for open commitments for purchase requisitions, purchase orders and funds reservations.
      - Carry forwards for self-supporting funds centers, auxiliaries, grants, plant funds.
      - Carry forwards for E&G Fund 101100000
  - Instruct users in the Budget FYE memo to use these reports to check for their carry forward verification:
    - FMRP\_RFFMEP1GX Year-End Closing: Commitments and Budget Carried Forward  
For Year-end closing parameter enter 2006
    - ZBUDSOURCE\_CF FY2006 carry forward is under the column titled CF From LY
    - ZBUDSTAT\_NOCF Budget Status NoCfrwd to Next Yr  
This report shows your budget status before CF was completed.
  - Continue to email fund centers responsible person that carry forwards have been completed and reviewed by the budget department.
- Budget, Accounting and Purchasing
  - Conduct a survey to assess the need and audience of a fiscal year end workshop.
  - Pending results of the survey:
    - Design a BU fiscal year end workshop addressing defined audience and needs
    - Refine fiscal year memos and audience
    - Both of the above

- President, Provost, Vice Presidents, Administrative/Executive Assistants –  
Often, by the time carry forwards are done, many academic departments don't remember if they are carrying forward or not, resulting in phone calls from the departments to their divisional administrative/executive checking on the status.

Improvement needed in the communication of the carry forward justification process from President, Provost, VP's, and Deans to the departmental chairs and directors. Chairs and directors want to be notified as to the status of their carry forward justifications.

The Budget Department will follow the process set forth by the above concerning department notification of approved/unapproved carry forwards.

3. Do the memos reach the appropriate audience? If not, indicate who is not receiving the information.

Responses

Yes, the memos reach the appropriate audience.

Recommendations/Explanations

- Currently there are no Recommendations/Explanations.

**QUESTIONS:**  
**SAP FUNDS MANAGEMENT - BUDGET & GENERAL LEDGER TRANSACTIONS**

Through analysis, we have been able to identify the most common reasons for transfers:

- Cover deficits
- Move money to cover future purchases, travel, and charge backs
- Transfer money out to newly established Funds Centers
- Transfers for special requests or to fund various initiatives
- Supplements for revenue and chargeback revenue received

Responses

SyTEC manages the SAP financial system for PASSHE. Although these questions, are not best suited for SyTEC to respond to, the funds management liaison has provided the following comments about the Budget Department's interaction with them. "Once again, the BU Budget Office staff has been proactive in understanding, learning, and training themselves and their users in the Budget Transfers and Journal Entries in SAP. They have been sure to be in touch with me along the way to understand the Budget Transfer process so they can apply it to their procedures locally. In fact, they have detailed a process for Charge backs (in order to account for things on both the Accounting and Budget sides of the house) that is extremely beneficial to all parties involved. They worked with their Accounting Department and myself here at SyTEC along the way to be sure the process was ok in all aspects. I have shared their example to other schools to help them along the way. Something else to note is that the BU Budget Office has been sure to use the 'park' and 'post' functionalities that SAP offers. They use this for the approval process of Budget Transfers (and Earmarked Funds documents) as we recommended they should (a best practice of sorts). They took the initiative to train their user community to prepare a Budget Transfer, etc. (request) and then the Budget Office reviews the request (the parked document) for approval (post the document) or disapproval. They have an established approval schedule during the day for these Budget Transfer and Earmarked Funds requests that they have communicated to their user community. This is an excellent practice."

1. Explain how we (the Budget Office) can assist you in budgeting more effectively.
  - a. Training on accessing and understanding SAP reports

Responses

The budget status report is confusing. It can be reviewed at one point in time and then it is different when reviewed at another time.

The budget changes and is not able to go back to the original budget.

There are so many reports that it becomes confusing to know which reports to use depending on the situation.

Recommendations/Explanations

All SAP reports continuously change as real time transaction updates budget, commitments for purchase requisitions/orders, funds reservations, and actuals through fiscal year activities. When looking at reports, it is important to keep in mind that the image you are viewing at the moment is a snapshot of the activity at that point in time.

Richard J. Meisinger, Jr. states in his book College and University Budgeting "Budgeting is an ongoing process. No sooner does a budget document roll off the printing presses than the commitments in it change. Because the budget is an attempt to plan and forecast income, and because such plans and forecasts cannot anticipate all future events, the budget generally undergoes revision as it is implemented. Thus, budgeting is a process that does not end with the assembly of a budget document." This book can be obtained through NACUBO.

By referencing the *Budget Source* report, one is able to view all the types of budget transactions (original budget, carry forward budget, supplements, returns, and transfers) that comprise their total budget. Also, when using the *Budget Status* report, one can select budget type and the types of budget will be displayed, allowing one to view original budgets, transfers, supplements, etc.

SyTEC developed and expanded multiple reports as a result of the users' needs. The Budget Department continues to recommend using primarily the following reports:

**Reports to use that include Carry forward Values**

**ZBUDSOURCE\_CF** Budget Sources With Carry forwards to Next Year  
Lists budget: Original + Carry forward + Supplements + Returns + Transfers = TOTAL Budget

**ZBUDSTAT\_CF** Budget Status with Carry forwards to Next Year  
Lists: TOTAL Budget minus Commitments + Actuals = Total  
Commitments/Actuals = Available Budget

**Reports to use that exclude Carry forwards**

**ZBUDSOURCE\_NOCF** Budget Sources No Carry forwards to Next Year

Lists budget: Original + Carry forward (NA for this report) + Supplements + Returns + Transfers = TOTAL Budget

**ZBUDSTAT\_NOCF** Budget Status No Carry forwards to Next Year  
Lists: TOTAL Budget (carry forward not included in budget amount for this report) minus Commitments + Actuals  
Total Commitments/Actuals = Available Budget

The Budget Department will review:

- ✓ the need for periodic training workshops-basic and advanced Added 5/21/07
- ✓ investigate the development of a user mentoring group (Jan-Feb, 2008) Added 5/21/07

Users may visit the SAP website that provides all the training documents including: commitment item code descriptions, the Budget Training Manual (which is clickable by topic) and the commonly used reports packet. There is a section on recommended reports within the Budget Training Manual.

**b. Understanding your expenditure history**

Responses

The three year actual and average sent out by the budget office to assist in preparing FY 2008 operating budgets was confusing and did not provide clear and understandable averages, due to the inclusion of commitment items 699000 PY Correction Expense and 803000 Transfers Out .

Recommendations/Explanations

The Budget Department will revise the three year actual and average to exclude commitment items 699000 PY Correction Expense and 803000 Transfers Out.

**c. Understanding your current and future expenditure patterns.**

Responses

Two of the responses indicated that they have a good understanding of current and future expenditure patterns, as a result of the training received to date and conversations with the budget office.

Having an understanding of the SAP reports would be helpful. Two specific interests are how to pull up purchasing records, etc. and how to determine if something has been paid.

Possibly having sessions on reviewing and realigning budgets at fiscal year end for the new fiscal year may help with understanding current and future expenditure patterns. Concerns would be do departments use the same allocation percentage/dollars every year to budget to the same commitments and do they move unspent dollars to commitments where items will be purchased.

Questions/comments raised as to budget deficits follow.

- Why does the value of commitment item balances need to have a positive or zero balance?
- Why can't we have budget deficits throughout the fiscal year or carry forward the deficits?
- Why can't we have budget control at fund center level vs. commitment item number throughout the fiscal year and balance at fiscal year end?
- Would like to have the capability to purchase even though budget is not available within the fund, funds center, and commitment item.

An academic chairperson indicated that charge backs are confusing. In June (the end of the fiscal year) when the budget was reviewed, there were available funds remaining. Then because of delayed charge back's for postage, telephone and some mileage additional expenses were incurred. Questioned why all the expenses are not in by the end of June.

Recommendations/Explanations

The Budget Department will review the need for periodic training workshops and clarification on email memos distributed when requesting fiscal year operating/capital budgets and fiscal year end closing memos.

Users may visit the SAP website that provides all the training documents including: commitment item code descriptions, the Budget Training Manual (which is clickable by topic) and the commonly used reports packet.

The Budget Department will continue to work with staff on an individual or group basis upon request to work through understanding their budgets and any concerns/issues that may arise.

Users may request individual training as needed.

In keeping with the BU Strategic Plan 2006-07 critical area of Optimize Fiscal Resources and the goal to ensure that University resources are used effectively and efficiently, the Budget Department recommends and encourages that budget deficits be covered within the month/fiscal year incurred and that funds must be available for purchases to be made. The Budget Department agrees with the College and University Budgeting statement that “the single most important determinant of the budget for a given cycle is the budget for the previous cycle.”

Again, per the College and University Budgeting perspective, “the management of resources serves at a minimum two important functions. The first being the accountability requirement that unrestricted funds be spent properly according to the institution’s legal framework and goals. In this capacity, the budget serves as a control mechanism. An underlying issue is the delicate balance between accountability to the source of income and institutional autonomy and academic freedom. Secondly, that the managers of resources recognize that several activities directly depend on certain restricted and designated funds.”

For SAP functionality purposes: Recommendations/Explanations will be passed on to the following departments:

- Purchasing - Prepare a training document and/or conduct training sessions on
  - how to pull up purchasing records, etc. and
  - how to determine if something has been paid.
- Accounting – Prepare a training document and review their fiscal year end memo that states the timing of fiscal year end expenditures and charge backs. Provide a simple accounting explanation as to the processing effects for expenses and charge backs.

**2. Explain how the process of parking budget transfers is working for you? What are the reasons you do transfers?**

Responses

Parking transfers is one of the easiest SAP processes with the exception of student payroll. It’s very basic and quick for the most part (except when I forget to go to the hat to put my reason and name!). This process and timing works perfect for transfers. Reasons that transfers are done:

- Transfer dollars from budget control accounts for funding other personnel expenses
- Perform most transfer at the end of a fiscal year when purchasing lots of replacement items
- Transfers to cover commitment codes running low or have a deficit
- Transfer funds to other fund centers in fund area, such as the non-capital project accounts
- Money that is carried forward remains in the same commitment items, which may not match the commitment item of purchases for which you are using the carry forward funds, (eg. Non-capital furniture) which results in transferring funds.

The number of transfers would be greatly reduced if we did not have line item budgeting.

The Finance and Business Service department asks if it is possible for all grant and plant fund budget transfers to be routed to their appropriate staff for approval and/or review. The Budget Department usually asks if the transfer is OK to process for any unusual transfers to grant and plant fund centers. A process efficiency may possibly be created by having the Finance and Business Service department handle these types of transfers. Not sure if this is even possible to do in SAP or if this is a control budget wants to retain.

Recommendations/Explanations

It appears that the process for budget transfers is working well. At this time no Recommendations/Explanations are made.

Line item budgeting was requested and approved by Executive staff during the implementation stages of SAP. To consider a change in the process, a study would need to be completed with efficiencies, inefficiencies, and outlining the technical steps necessary to change the SAP structure to implement budgeting and reporting at a higher level. This would be a major change to make in SAP and would need to be planned for over a period of time. This study would need to be presented to Executive staff for their review and approval. As this would affect the Planning and Budget Process, the Budget Sub-committee and Planning & Budget Committees would need to review the study. Auxiliaries, designated funds/funds centers, and many academic departments need line item budgeting to meet their accountability needs.

The Finance and Business Service department asks if it is possible for all grant and plant fund budget transfers to be routed to their appropriate staff for approval and/or review. The Budget Department will review the process for feasibility, efficiencies, and inefficiencies. Recommendations/Explanations will be discussed with the Finance and Business Service Department.

3. Is the turnaround time for when you park the transfer and when the budget office approves the transfer responsive enough to meet your needs? Suggestions and why:

Responses

The turnaround time for when transfers are parked and when the budget office approves the transfer is very responsive, absolutely meets needs and works well. The budget staff is always willing to approve a transfer in an emergency situation. Of course there are times that we need the money moved immediately, but the Budget Office has been very accommodating to us for those times. For the most part, when I do a transfer, it's for a purchase and the SAP system is great in that I can "hold" a purchase request and then transfer money. When the Purchasing office goes in the following day to pull the request off, the budget office has already moved the money and purchasing has no problem so the request goes through. I love this feature about SAP and I don't say that very often. ☺

Approving parked transfers twice daily is ample enough of time. Is there still a process for urgent transfers? Previously it was just a matter of a phone call to the dept. If this is still in process, it works well.

Is there a way in the future that departments can do the transfers only within their own funds centers?

Recommendations/Explanations

Currently there are no Recommendations/Explanations to the process, as it works well.

Parked transfers are approved three times a day at 9:00 am, 1:00 pm, and 3:00 pm. Emergency parked transfers may be requested by a phone call and are approved immediately.

The Budget Department will further explore the possibility of doing transfers only within their own fund centers.

4. Do you have an understanding of the commitment item numbers, as to where to appropriately budget and expense items? (questions added per P.Amarante)

Responses

Yes, for the most part, there is an understanding of where to appropriately budget and expense purchases in commitment items. Sometimes, there is a need to correct directors. Some, departments follow the expenditure history.

Recommendations/Explanations

The Purchasing, Accounting, and Budget departments are available to contact for appropriately budgeting and expensing items.

Departments can follow their expenditure history, keeping in mind any changes that may have been made.

Reference commitment Item definitions located on the <http://ot.bloomu.edu/SAP/index.php>

If you are unsure of how to budget/expense items, do you contact the accounting or budget offices for assistance, or do you randomly pick a commitment item number?

Responses

If I am not sure, I will contact purchasing or the budget office.

Depending on what the transactions are for will determine who is contacted and becomes involved. For instance, if budgeting for a capital project, Deb Newman and most likely Diann Shamburg, because she does the contracts for these projects. Actually, for any project, unless it's completely clear what the project is, I ask Deb Newman whether to make it a capital project and set up a new fund center, or make it non capital. Once I do that I then usually double check with Diann in Purchasing to make sure the commitment number I have done is what she needs. If it's a construction project I then rely on Maintenance to tell me what areas they need money in because they put the purchase requests on during the project.

Responses indicated that no one randomly picks a commitment item number to budget/expense items if they are unsure.

Recommendations/Explanations

The Purchasing, Accounting, and Budget departments are available to contact for appropriately budgeting and expensing items.

Departments can follow their expenditure history, keeping in mind any changes that may have been made.

Reference commitment Item definitions located on the <http://ot.bloomu.edu/SAP/index.php>

How can we assist you to budget and expense items to the correct commitment item number?

a. Provide commitment item definitions.

Responses

Providing commitment item definitions is a good idea and would be helpful to anyone who deals with budgeting or coding of expenses. There is a listing on the SyTEC website, but maybe an email to everyone with the document attached would get more attention.

Recommendations/Explanations

The Purchasing, Accounting, and Budget departments are available to contact for appropriately budgeting and expensing items.

Departments can follow their expenditure history, keeping in mind any changes that may have been made.

Reference commitment Item definitions located on the <http://ot.bloomu.edu/SAP/index.php>

b. Other suggestions.

Responses

No further explanation is needed on my end.

Provide specific examples to those who frequently have problems/questions with their budgets. Or better yet - DO AWAY WITH LINE ITEM BUDGETING! What is the purpose of line item budgeting if we are forced to move the original budget around to cover deficits? It takes up so much time and effort on the part of all employees responsible for budgets and it doesn't force the person responsible for their budget to be accountable if they deviate from their initial budget submission. I don't see where it has any value as a budgeting tool if we always make the budget equal actuals.

Recommendations/Explanations

The Budget Department will look into reviewing/updating the commitment Item definitions located on the <http://ot.bloomu.edu/SAP/index.php> to see if examples are provided.

Line item budgeting was requested and approved by Executive staff during the implementation stages of SAP. To consider a change in the process, a study would need to be completed with efficiencies, inefficiencies, and outlining the technical steps necessary to change the SAP structure to implement budgeting and reporting at a higher level. This would be a major change to make in SAP and would need to be planned for over a period of time. This study would need to be presented to Executive staff for their review and approval. As this would affect the Planning and Budget Process, the Budget Sub-committee and Planning & Budget Committees would need to review the study. Auxiliaries, designated funds/funds centers, and many academic departments need line item budgeting to meet their accountability needs.

Reference Recommendations/Explanations for section 1.a. and 1.c.

Using the example of someone's personal budget including income and expenditures, their budget will become their actual income received, expenditures paid, and cash saved/invested. For example, car insurance is budgeted, at \$1,000 annually and then your policy changes increasing to \$1,500 due to an accident, policy change, etc., where would the funds come from to cover the additional expense not budgeted. Obviously, one would have to transfer from their savings if available or transfer from another area (examples: clothing or entertainment budget line) in their budget.

## **QUESTIONS:** **BUDGET TRAINING**

The Budget Office itself continuously develops, revises and implements processes, which involves learning and training within the department prior to extending training to other power users (accounting and payroll) and system users.

### Responses

SyTEC manages the SAP financial system for PASSHE. Although these questions, are not best suited for SyTEC to respond to, the funds management liaison has provided the following comments about the Budget Department's interaction with them. "I would like to comment that the Budget Office staff at BU has been continuous in their efforts to train their users. They were eager to learn from the SyTEC offered training and by their efforts working with me to best determine how to either best understand how SAP can fit their business processes or how they need to adjust their business processes to be most efficient with the SAP system. Since their conversion to the SAP system, they have been most proactive to learn more and more about the Funds Management module and how the other areas integrate with it. They have then used this knowledge to train their users. They developed a training packet for their users and have made sure I reviewed it for accuracy in the Funds Management module. The training packet is excellent and with their approval, I shared it with the other 13 schools. I know this has been helpful to the other schools."

1. The most current Funds Management Training Packet located on the U drive was updated and released on March 31, 2006.
  - a. How often do you use the training packet
    - i. Once a week
    - ii. Once a month
    - iii. I do not use the Funds Management module in SAP

### Responses

Responses vary depending the need and experience of the users. Some reference it once a month, maybe four times a year, occasionally when doing something such as a Funds Reservation done once or twice a year, when the training manual is first available and there are those that do not use the Funds Management module in SAP.

### Recommendations/Explanations

- Currently there are no Recommendations/Explanations.

- b. Is the funds management training packet easy to navigate through to find answers to your questions? Explain why or why not.

### Responses

Most responses feel the funds management training packet is well constructed, very helpful/specific, detailed, informative and user friendly. It is easy to follow and you can easily find what you're looking for with the use of the table of contents. One individual bookmarks many pages that they use often. Another individual feels it is cumbersome.

### Recommendations/Explanations

Users need to familiarize themselves with the funds management training packet. Users may visit the SAP website that provides all the training documents including: commitment item code descriptions, the Budget Training Manual (which is clickable by topic within the table of contents) and the commonly used reports packet.

**c. How can the training packet be improved?**

Responses

The training packet is very adequate.

Another user indicates that with SAP, the less the better. By this I mean the budget packet gives us a ton of information. I don't know how many reports we can use. If the packet could just include the basic reports that are used the most, I think that would be nice for the system users. When you give us so many choices (as nice as that is for you to take the time to do that) it ends up being overwhelming for a lot of people. I think most of us just need the basics, and then, if we run into something that the basics don't give us, we can contact the Budget Office and someone can tell us about a report that will meet our needs. For example: the Mapper system can generate many different reports with the same information, but we don't really have a list of all the reports we can pull from it. Those who use it often have the report names for those they use the most, but when they need something different, they contact Technology Support, or Bob Burns, and they tell us what to put in. I think if we did that with all of the budget reports, again for the system users, it would make it easier for them and for the Budget Office, because they won't have to generate so much information.

The training documentation can be very intimidating for an inexperienced SAP user because of its volume. It would be helpful to have it broken down into one subject sections for commonly asked questions – i.e. – How do I do a funds reservation? How much is available in my budget? Or pared down to only the most commonly used reports and the less frequently run reports on a separate document. Seeing all the reports listed in one place with naming conventions that are not intuitive gets overwhelming and confusing.

Add some links to the table of contents so that you can easily jump to where you need to be in the document. Or break up the document on the web page, so that you can easily get to the section you want.

Recommendations/Explanations

The Budget Department continuously looks at updating and making revisions to the current budget training document based on feedback, new concepts, etc. The document was designed to be comprehensive in scope. Reference the table of contents, page 2, General Information, Navigation of this Training Manual, page 6, where this is stated. The table of contents contains clickable links. Click on a line to go directly to that page in the manual.

Just to cite the main subject areas which appear separately within the document. Under each of these topics are sub topics, not listed here, which also contain clickable links.

- General Information
- Funds Management Reports
  - Master Data
  - Funds management Reports
  - [Recommended Reports to Use](#)
  - Other Reports
- Report Functions
- Report Layout
- Report Variants
- Exporting Reports to Excel
- Budget Transfers
- [Quick Guides](#)
- [Appendices](#)
  - [Appendix D – Frequently Asked Questions](#)

One of the other practices that the Budget Department has in place is issuing an email/memo/attachment to announce new reports, new tricks, and other information deemed important for users to know. For example, when we announced the availability of the new SAP reports, we sent an email/memo/attachment and also had it announced in the SAP newsletter. Within the content of these two announcements, the four frequently used reports were identified.

We understand that the SAP power users are more familiar with the training document, than the occasional user. Also, with the information age we are in, all of us become inundated with all sorts of information, emails, and documents to read. What the Budget Department recommends and requests users to do, is take the time to read and familiarize yourself with the training documents, email/memo/attachment related to the subject areas that are important to you to successfully complete your budget related responsibilities.

2. One on one training session(s) for new employees are set up as requested. If applicable to employees in your area, explain if the training has been adequate to meet their operational needs and yours.

Responses

The one-on-one training sessions for new employees is adequate. But there may be time lags in usage due to position responsibility. I believe that there should be yearly refresher trainings to assist any new developments and new staff.

The training of the new employees in the Finance and Business Services department has been helpful and the training documentation provides easy to follow step-by-step instructions. The only issue has been that when the employees are initially trained, they are very new to SAP and BU's budgeting process so much of the training doesn't make sense at the time and is overwhelming. Perhaps brief follow up training would be helpful after the employee has been here 1-3 months.

Recommendations/Explanations

As previously stated, the Budget Department will review the need for periodic training workshops to implement major new developments and refresh current/new staff.

The Budget Department informs each new employee being trained to contact us for a refresher of the training session if needed. They are also encouraged to contact the Budget Department as needed.

The Budget Department will consider reinstating contacting the new employees by email after they have been here 1-3 months. We previously contacted new employees trained on a regular basis, but failed to receive any responses from the new employee for additional training. Those new/existing employees with questions do contact us as needed.

3. In what areas would you like to see additional training workshops established?
- a. What is the BU budget process?
  - b. How can I learn about the BU budget process and how it integrates with the SAP funds management system?
  - c. How do I budget for revenue and expenses?
  - d. How do I budget for expenses?
  - e. Funds management reports  
Analysis of my budget and actual data
  - f. Fiscal year end processes
  - g. Carry forward process
  - h. Other

Responses

*What is the BU budget process?* - Because I am not part of the entire budget process from the beginning, and had never before seen the Planning & Resource Allocation Process Document, it would be interesting to know how the budget is defined and allocated from the state level down to BU, then to the individual departments. Just more for information, then job necessity from my perspective.

*How can I learn about the BU budget process and how it integrates with the SAP funds management system?* - Interest was expressed to have an additional training workshop on this topic.

*Funds Management Reports* - There are so many reports that it becomes confusing to know which reports to use depending on the situation.

*Analysis of my budget and actual data* - Interest was expressed to have an additional training workshop on this topic. From my perspective of dealing with grant project directors and the questions they ask, even though they can run the budget reports (ZBUDSTAT\_CF, ZBUDSTAT\_EX\_CF), they don't always understand what the reports represent or mean (of course, many are unwilling to learn and would rather just call and ask questions).

*Fiscal year end processes* – The question was raised, how much do most end-users really need to know about this? Per BLS- a lot. They need to know cutoff dates as to the old FYE, and new FY budget; purchasing documents dates, input, cutoffs; chargeback processing; when carry forwards will be done, some depend on their carry forward to operate. All this integrates with successfully closing and starting fiscal years.

Recommendations/Explanations

The Budget Department will review the requested types of workshops further to determine the audience and interest of the subject matter. Pending the interest, audience, planning, development and time involved; workshops may be one on one, in a classroom setting, or electronically delivered as an informational/training packet. **Continue to have one on one training.**  
Added 5/21/07

We suggest and encourage referencing the Budget Training document section Recommended Reports to Use. This will assist with deciding what reports to use and eliminate some of the confusion with the reports listed.

**Continue to maintain/enhance training opportunities.** Added 5/21/07

4. How often would you like to see workshops offered? (question added per P.Amarante)
  - a. Annually
  - b. Semi-annually
  - c. Other

Responses

There are varying responses. Several would like to see workshops offered annually. Maybe a short, annual refresher course for newer employees or employees who don't use SAP that often. Give a few tips and tricks that people may not be familiar with (or have forgotten). One would like to see workshops offered semi-annually. Several responded under the other category with no comment.

Recommendations/Explanations

The Budget Department will review the requested types of workshops further to determine the audience and interest of the subject matter. Pending the interest, audience, planning, development and time involved; workshops may be one on one, in a classroom setting, or electronically delivered as an informational/training packet.

5. The Business Warehouse is to be utilized as an additional tool for analysis and reporting needs. Current constraints of using the business warehouse are:
- Business warehouse availability,
  - data element availability/capability,
  - training,
  - determine/investigate the possibility of other reporting tools that are interactive with BW and may be available.
  - need to define the type of user to perform BW reporting functions
  - SyTEC support and expertise are instrumental.
- a. What types of additional financial (budget/actual) reports would assist you in your area to effectively manage your funds?

### Responses

The group contributed a lot of good suggestions and thoughts.

- Analytical reporting for budget development
- Purchasing reports like we had in the past. We would pull up items and quickly find the final cost. Now it takes several clicks to get where we need to be. Very frustrating.
- Right now I'm very happy with the reports I currently use and don't see a need for anything else.
- I think a report that shows Original Budget, Current Budget and Actuals would be helpful to show how well a department is budgeting. (Perhaps this report already exists and I don't know about it). Currently, I find the existing reports in SAP to be adequate to meet my needs, although I am excited about being able to customize reporting and detail using the Business Warehouse. Perhaps as the budget department develops queries and reports, they can be shared with the general population to use if they feel they would benefit from it. Using the BW to create reports that show more detail up front, rather than having to drill down into budget or actual line items I think would be well received – especially if people who are not regular SAP users would not even have to log into SAP to retrieve the information.
- A very simple report that would show us our expense detail (item details of purchases) by commitment item, so that we would not need to drill down on screen.
- Develop management tools, using budget and actual data, changeable over time
- Analysis of spending patterns
- Variation reports – disparities over a period of time
- Trend analysis - trends that show anomalies, changes, deficits, periods of time
- Actual trends
- Determine revenue/expenditure areas to monitor. Examples would be: an overtime report by individual shop and number of people, discretionary spending, and temporary employees.
- Develop a report similar to the position status report (pre SAP) but on smaller scale.
- Would like to see the plant fund as more project based than on a fiscal year basis.
- Determine ways we can let the budget and actuals become a management tool.

### Recommendations/Explanations

The key recommendation relating to developing business warehouse reports is forming a team from the various areas: Administrative Technology, Budget, Accounting, Purchasing, HR-Payroll, and the Asst. VP of Plant Facilities to determine the need for reports, determine source/instrument for reports (SAP, Access, etc.), develop consistency, share techniques and avoid duplication of reports. These areas may end up working individually on reports more specific to their area of expertise, but the reports would be available for use by the audience needing/requesting the information.

Suggested goals for the team:

- Develop management tools, using budget and actual data, changeable over time
- Analysis of spending patterns
- Variation reports – disparities over a period of time
- Trend analysis - trends that show anomalies, changes, deficits, periods of time
- Actual trends
- Determine revenue/expenditure areas to monitor. Examples would be: an overtime report by individual shop and number of people, discretionary spending, and temporary employees.
- Determine ways we can let the budget and actuals become a management tool.

For SAP functionality purposes: Recommendations/Explanations will be passed on to the following departments:

- Purchasing
  - how to pull up purchasing records, etc.
  - how to determine if something has been paid
  - simple report for expense detail (item details of purchases)
- Accounting
  - Analysis of spending patterns
  - Actual trends
  - Variation reports – disparities over a period of time
- Human Resources- Payroll
  - Develop a report similar to the position status report (pre SAP) but on smaller scale.

The Budget Department continues to improve development of analytical reporting for budget development.

Currently, in SAP, two reports may be used, to view original budget, current budget, and actuals. Reports to use that include Carry forward Values

**ZBUDSOURCE\_CF** Budget Sources With Carry forwards to Next Year  
Lists budget: Original + Carry forward + Supplements + Returns + Transfers = TOTAL Budget

**ZBUDSTAT\_CF** Budget Status with Carry forwards to Next Year  
Lists: TOTAL Budget (which is current budget) minus Commitments + Actuals = Total Commitments/Actuals = Available Budget

**b. How often would this information be needed?**

Responses

Responses are as follows:

- I am unable to determine this at this time. There is a strong possibility that the Salary and Benefit budgets and reports may utilize this often.
- I use this kind of data on a daily basis.
- If users can be trained to run reports themselves, they can run them whenever they need them.

Recommendations/Explanations

Primarily how often the information may be produced per the need, would be affected by the Recommendations for question 5.a.

Investigate if users can run business warehouse reports themselves. The Team would be instrumental in determining how to manage the business warehouse and other report needs and requests.

**ADDITIONAL COMMENTS**

Responses

SyTEC manages the SAP financial system for PASSHE. Although these questions, are not best suited for SyTEC to respond to, the funds management liaison has provided the following comments about the Budget Department's interaction with them. "This Budget Office has a clear 'can do' attitude. From the beginning, they have been most proactive in their conversion efforts to SAP, in receiving training, in providing training, in knowledge sharing with the other universities, and have been most cooperative with this colleague. I sincerely appreciate their efforts along the way. They have experienced not only staff turnover during their conversion to SAP, but they have also changed a bit organizationally to optimize their daily efforts. They work continuously to fine tune anything as needed along the way. It seems they view themselves as a continuous work in process and I commend them for that. Their upfront efforts to train there users to navigate the Budget reports and to prepare Budget Transfer and Earmarked Funds documents (requests) really have made their users better informed users in this system."

## **SELF STUDY FOCUS GROUP**

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