

NUPlans

Budget Preparation

Glossary

Course Number	FMS701
Subject Area	Budgeting
Creation Date:	February 19, 2015
Last Updated:	April 15, 2017
Last Updated By:	RB

Terms for People

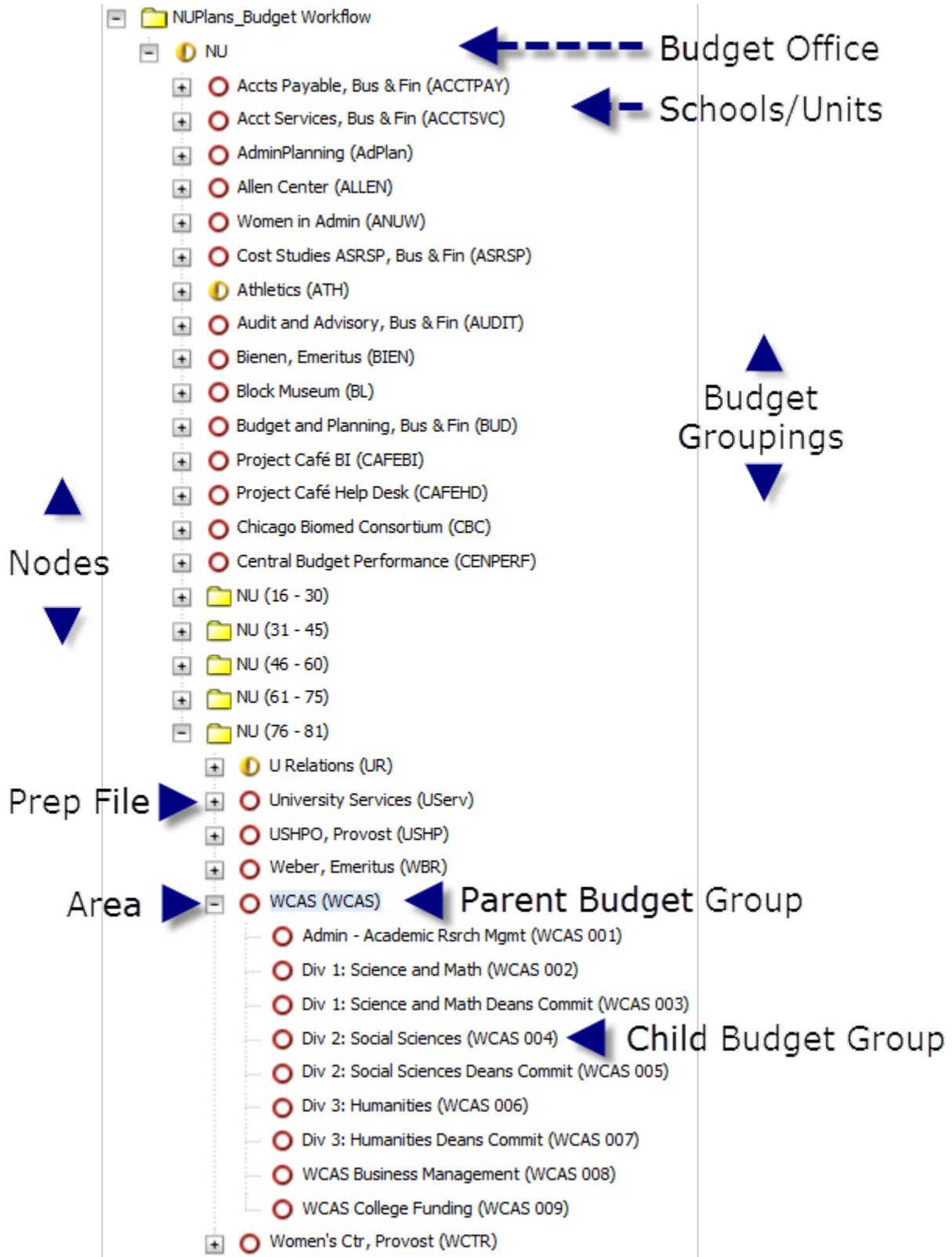
Budgeting

Term	Definition
Budget Office Budget Analyst	A member of the Budget Office staff with expert knowledge of the University Budget Model and budgeting policy Budget Analysts are the contacts for questions related to your area's budget hierarchy, the budget model, budget policy, and the final approved budget.
Area Budget Manager	A member of school or unit administrative staff with budget management responsibility. Budget Managers typically design internal budget preparation processes and assign security access levels to colleagues within the area. Budget Managers are the contacts for questions related to your area's internal process and policy.
Area Budget Analyst	A member of school or unit administrative staff with expert knowledge of an area's internal budgeting processes and policy. In areas where they exist, Budget Analysts are the first point of contact for questions related to internal processes and policy.

NUPlans

Term	Definition
Prep File User	A user of NUPlans with access to the school or unit's Prep File, the file created by the Budget Office with all school/unit chart strings and history. The Prep File User is typically an area Budget Manager and has broad security access, including review and area approval responsibility.
Reviewer	A user of NUPlans with access to a Parent Budget Grouping. Reviewers typically have broad security access, including review and approval responsibility.
End User / Budgeter	A user of NUPlans at the Child Budget Grouping level or within it. End users may see an entire budget grouping, or only part, depending on role and data security access. End users may have view, edit, and/or submit access.

Terms for the Budget Hierarchy



Term	Definition
Budget Hierarchy	<p>A model of organizational structure specifically for budgeting</p> <p>A budget hierarchy in NUPlans is an expandable tree of nodes ordered by logical levels.</p> <p>Like the NUFinancials Department Tree, the NUPlans budget hierarchy supports the Chart of Accounts, but it has no other relationship to the Department Tree, which means that areas may distribute budgeting responsibility differently than other financial responsibility if necessary.</p> <p>Budget hierarchies consist of budget groupings that are attached to nodes on the tree.</p> <ul style="list-style-type: none"> • The highest node on the tree (NU) is occupied by the Budget Office. • The next level of the tree is occupied by schools and units. • Levels below the school and unit are occupied by budget groupings created by area Budget Managers to reflect internal budgeting responsibility and to support internal budgeting processes.
Area	<p>Area normally refers to a school or unit. Areas may have subareas.</p> <p>For example, in the Feinberg School of Medicine (FSM), Medicine and Surgery are subareas on the NUPlans budget hierarchy.</p> <p>Reviews may take place within the subareas prior to the review by the area's approving office.</p>
Prep File	<p>Prep File refers to the chart strings and previous fiscal years' budget information that is loaded into NUPlans for an area (school or unit) as the basis for next year's budget preparation. There is one prep file per area. As of this writing, there are 87 prep files in the University.</p>
Budget Group / Budget Grouping	<p>A group of chart strings defined by schools/units and built around department IDs.</p> <p>Budget Groupings assign and distribute budgeting responsibility and limit security access. They are attached to nodes on the budget hierarchy.</p>
Parent Budget Group	<p>A parent budget group is a budget group with other budget groups that rollup to it. They occupy the hierarchy on a consolidated node.</p> <p>Parent budget groups exist at the area and subarea levels. They are view only; data entry is not enabled at that level.</p> <p>Reviewers assigned to parent budget groups approve or reject the budgets submitted by the child budget groupings below them.</p>
Child Budget Group	<p>A child budget group rolls up to a parent budget group. They occupy the hierarchy on descendant nodes.</p> <p>Budgeters enter data in child budget groups and submit their budgets to reviewers at the immediate parent level. End users may have access to all or the budget group or to parts (specific departments/projects within it).</p>
Node	<p>A node is a position on the budget hierarchy.</p> <p>Security access is assigned to users by node. With the correct access, users can view, take ownership, edit, and/or submit data within the node.</p>

Terms about Budget Process

Term	Definition
Allocation See also: appropriation	<p>Allocations are a way of supporting spending.</p> <p>Allocations distribute spending authority, for example, from the Central Office to centrally supported schools and units, or from school/unit management offices to the chart strings they manage.</p> <p>Centrally supported schools and units receive a net expense budget at the school level (Level 3 of the NU Department Tree), which budget managers may further allocate to the individual chart string level. The allocation often equates to the expense budget but may be thought of as the amount that an expense budget may exceed the revenue budget, if there is one.</p> <p>In NUPlans Web, two Allocation Summary views display allocations and other parts of the budget model to users with a qualifying security access profile. Two Allocation Input views enable area budget managers to (re)distribute allocations to the chart string level (other than gifts/endowments). The Allocations Summary view is organized by account category (budget class codes).</p> <p>Allocation amounts are provided by the Budget Office when they become available and imported into NUPlans at that time.</p>
Appropriation See also: allocation	<p>Appropriation refers to an amount that supports spending generally in an expense budget.</p> <p>For example, the McCormick School of Engineering receives spending authority from the Central Office. Allocated amounts from the Central Office appear on McCormick operational chart strings (within Fund 110) as an appropriation.</p> <p>Allocation and appropriation are often used together because they refer to different perspectives within the same process.</p>
Automatic Balancing	<p>Automatic balancing is a feature of NUPlans Fund views that systematically calculates and displays the out-of-balance (OOB) amounts associated with a base chart strings and pairs the OOB amounts with an account code so that carry forward can be managed systematically.</p> <ul style="list-style-type: none"> • Expenses budgeted without an equal revenue budget draw from a specific account, 88992 – Use of Reserves. • Similarly, revenue budgeted in excess of expenses contributes to account 88991 - Build-up of Reserves. • The amounts also flow to the <i>Carry Forward View</i>. <p>Automatic balancing is an option in Fund 171, Gift Funds, and Endowment Funds. Areas can opt out of automatic balancing in other funds. Opt in applies to the entire prep file, all child budget groupings and all funds.</p> <p>Areas that opt-out of automatic balancing cannot project Ending Carry Forward in the <i>Carry Forward</i> view in NUPlans. The number displayed is the same as Beginning Carry Forward.</p>
Budget Model	<p>The Budget Model is the financial framework within which the University operates during the budget preparation season.</p> <p>The Budget Office gathers financial data from various sources, creates the model, and uploads it into NUPlans where it supports budget preparation in the schools and units. The model includes:</p> <ul style="list-style-type: none"> • Central allocations

Term	Definition
	<ul style="list-style-type: none"> • Expense and revenue increase parameters • Utilities data • Endowment data • Benefit rates • Salary accounts <p>The model also includes alternate account hierarchy information (Budget Office account categorizations used for reporting account rollups, allocation account rollups, and funds flow accounts).</p>
Carry Forward	<p>Carry Forward refers to financial reserves or to the financial deficit associated with any given chart string.</p> <p>Reserves are like savings. They may be used, increased, or unaffected in the course of budget preparation.</p> <p>In NUPlans Contributor, <i>Carry Forward</i> is also the name of a view that displays an analysis of carry forward at the chart string and budget group levels, based on information imported from NUFFinancials and entered in NUPlans. You can see:</p> <ul style="list-style-type: none"> • Carry Forward amounts for the current year associated with account 79999 imported from NUFFinancials • Projected Beginning Carry Forward next year based on current year forecasts from NUPlans Web • Projected Ending Carry Forward (for Areas opting in to automatic balancing) based on budgeting in NUPlans <p>All figures are also summarized at the budget group level.</p>
Commitments	<p>Commitments, like allocations, are a way of supporting spending.</p> <p>Commitments typically begin as proposals from potential recipients and proceed through a dialog ending in the approved usage of funds for a specific purpose.</p> <p>Commitment agreements are usually time bound. They are considered “non-recurring” in that they normally support initiatives that are outside the scope of the recurring expense budget. On the recipient’s budget, approved commitment amounts appear on the budget as revenue.</p>
Spending Authority	<p>Within NUFFinancials, chart strings can purchase and pay if the chart string has an expense budget, even a zero-dollar (\$0.00) budget.</p> <p>Spending authority is more than ability of a chart string to purchase and pay, it is the source of funding support for the chart string.</p> <p>Within the University, spending authority may derive from several places, according to the purpose of the chart string and the budget structure for your area:</p> <ul style="list-style-type: none"> • The amount of a Central Allocation or area allocation on the chart string • Positive carry forward amounts (reserves) associated with the chart string • Revenues associated with the chart string and committed revenue • A parent or control chart string with a surplus greater than or equal to the expense activity on the chart string. <p>Budgeters should ensure that each chart string has an appropriate source of spending authority.</p>

Terms about NUPlans Data and Functionality

Term	Definition
Annualized Salary Data	<p>Annualized Salary Data is available in NUPlans Web for reference only in Reference > Salary Data Comparisons.</p> <p>Annualized salary represents the annual rate from job data in myHR as of March 31st. It is distributed onto funding chart strings based on the payroll distribution percent from March 31st payroll data. Annualized salary is a model of the employee's compensation.</p>
myHR Payroll Data	<p>myHR Payroll Data is the basis of compensation budgeting in NUPlans. It is shown per employee and funding source in the <i>Comp Input</i> view of NUPlans Contributor. Payroll data (including encumbrances) is sourced from myHR, as of March 31st.</p> <p>It also appears for reference next to Annualized Salary Data in NUPlans Web > Reference > Salary Data Comparisons. Comparisons are helpful in cases like mid-year new hires where annualized salary may provide more information than payroll.</p>
Salary Breakage	<p>Salary Breakage refers to the NUPlans view <i>Comp Budget by Chart String</i>. Breakage is a way to reduce compensation that flows into department or project budgets. Breakage is applied per account with a negative amount or percentage.</p>
Salary Placeholder	<p>Salary Placeholder refers to the NUPlans views <i>Add/Edit Placeholder Data</i>. Placeholders are a way to increase compensation that flows into department or project budgets. Some occasions to use placeholders are planned new hires or approved additions to the compensation budget.</p> <p>The <i>Add Placeholder Data</i> view contains empty rows for new employees who are not found in Comp Input (which only displays existing employees).</p> <p>Five empty rows have generic labels for five new employees (New Employee 01, New Employee 02, ... New Employee 05). You can add placeholders to the view using a form in NUPlans Web and provide a description.</p>
Versioning	<p>A version is a copy of the budget preparation file.</p> <p>Versions apply to the budget grouping, not to lower nodes (for example, department or project) and not to higher nodes (for example, a school or unit).</p> <p>NUPlans allows up to four versions of the budget:</p> <ol style="list-style-type: none"> 1. Version 1 is the only version that exists in the beginning of the budget preparation season. The system does not require additional versions. Rather, policy governs when to create versions. 2. Version 2 enables qualifying users to create a second budget scenario (for example, to reflect growth or restructuring). 3. Version 3 is reserved for the review process. Version 3 enables reviewers to create a distinct version that reflects a mid-level approval. Check with your Budget Analyst if you are not sure if you should create Version 3. 4. Version 4 is reserved for the Budget Office as it reflects final approval. <p>For areas using versioning and that have multiple budget groupings within their Prep File, only one version can be the source for the Budget Office to create the final version (version 4). Therefore, the user responsible for the prep file submission may need to consolidate budget groupings into a consistent version, prior to asking the Budget Office to create version 4.</p>