MOREHOUSE SCHOOL OF MEDICINE

BUDGET REQUEST INSTRUCTIONS

FISCAL YEAR 2010 – 2011

MOREHOUSE SCHOOL OF MEDICINE
BUDGET REQUEST
FISCAL YEAR 2010-2011

OVERVIEW INSTRUCTIONS

<u>Budgeting Expenditures</u>
The purpose of the budgeting process is to confirm revenue sources and amounts and to allocate <u>personnel</u> and <u>non-personnel</u> expenditures to all funding sources, including those listed below:

- Unrestricted – Current Fund
- State Capitation
- Title III
- Disproportionate Share (DSH)
- Hospital Affiliations (Faculty and Residents)
- Clinical Revenues, including PCBS, Grady Collections and Contracts
- Special Funds
- Grants and Contracts (personnel only)
- Endowment Income

These instructions provide guidance for developing your budget requests for FY11. The Budget Office will consolidate all budget requests to develop MSM's FY11 operating budget and submit it to the President for approval. Once approved, this budget will be loaded into our financial accounting system to establish spending targets at an account number /object code detail level.

BUDGET GUIDELINES

Outlined below are guidelines for completing your FY11 department budget. If new information becomes available that may require changes, the information will be passed on to you to adjust your budgets accordingly.

- *Current Budget Obligations* Current Budget Obligations are preloaded in the "eBUDDY" budget system for the State Operating Grant, Current Fund, Title III, DSH and Grady Services. Institutional Funds released from these sources as a result of new grants may not be allocated for other purposes.

- *Release Funds* Institutional funds (State Operating, Current Fund, DSH, and Title III) that have been released because of new grant funding will become part of the pool of funds made available to the president and dean to help support institutional priorities. These release funds may not be allocated in your department during budget preparation.

- *Expenditure Budget Development* We are asking that you prepare your FY11 expenditure budgets based on flat budget obligations when compared to FY10. Requests to address unfunded or new issues must be submitted as FAC or RAC requests, in accordance with the guidelines for those processes.

- *Positions* All positions should be fully allocated based on funds availability. If funds are not available for the full year, you must identify funding for July –September. If the position continues beyond September the remaining funds must be identified by September 15th. Please follow other position allocations as follows:
  - *Terminations* If the position will not continue in FY11 a termination PA must be submitted to Human Resources by June 30th, 2010
  - *PCBS adjustments* If the base salary is reduced due to adjustments in PCBS a PA must be submitted to Human Resources by June 30th, 2010
  - *Salary Reductions* If the salary is reduced due to FTE changes a PA must be submitted to Human Resources by June 30th, 2010.

- *Salary Increases and Promotions* Salary increases for promotions or retention efforts should NOT be included in your FY11 Budget. If a general pool for salary increases is established it will be captured in a sub unit of the Human Resources department. Once the budget has been approved by the Board of Trustees you will receive further instructions regarding increases from Human Resources and the Office of the Dean.

- *RAC The Research Advisory Committee* will validate and hear full disclosure of research bridge funding requests. Bridge funding for research related projects must be submitted to RAC. The guidelines for the RAC review process will be sent under a separate cover.

- *FAC* Following review and approval by each division head all Administrative & Academic departments will meet with the respective *Fiscal Advisory Committee* (FAC); if additional funding is requested. The guidelines for the FAC review process will be sent under a separate cover.

2010-2011 Budget Submission Calendar

Action Item	TIMELINE (FY10-11)	Apr 16'	May 14	May 17	May 21	May 27	Jun 2	Jun 3	Jun 8	Jun 30	Jul 1
Ebuddy Budget system open pre-budget clean-up activities	Apr 16- May 21	■	■	■							
Send out Budget Instruction Package	May 14		■								
Academic & Administrative departments finalize their FY11 Budgets	May 14-21		■	■							
Lock-out ALL E-Buddy users	May 21				■						
Conduct budget review meetings with Dean's Office, G & C, and Budget Office	May 17-27			■	■	■					
Conduct FAC & RAC review meetings	May 17-27			■	■	■					
Submit signed Form A & B personnel documents to the Budget Office	Jun 2						■				
Budget Committee reviews the consolidated MSM budget.	Jun 3							■			
Consolidated MSM budget presented to the President, CFO & Dean for Review	Jun 8								■		
Final Budgets available in Banner	Jun 30									■	
Fiscal year 2010/11 begins	Jul 1										■

PERSONNEL BUDGET PREPARATION GUIDELINES

To budget <u>personnel</u> expenditures, you are requested to provide information on both institutional funds and other available funding sources such as: Restricted Grants and Contracts and Special Funds. All <u>currently</u> approved vacant and filled positions are loaded into your budget database. There is a checklist of all positions in your home department.

General Information

A list of new personnel object codes with definitions will be posted on the Ebuddy website for FY11 budget development. Before you get started, print out the employee checklist and verify that each position is in your home department. Review position titles, FTE, home department and salaries due to position upgrades or downgrades. If you identify any errors contact the Budget Office immediately. Any of the above changes will need a Personnel Action Form included with your budget package.

- Each position, filled or vacant, should have a full annual salary allocation if funds are available. If funding is not available refer to the position guidelines outlined on page 3.

- All bridge funding requests for existing research faculty and non-faculty personnel should use the Request for Bridge Funding account number (1-4-4015-00103). These personnel and non personnel funding shortages will be reviewed by RAC.

- Chairs/Unit Heads must use all available funding sources, using grant funds first. Positions that can be charged to grants and contracts should be allocated to such accounts in accordance with the effort percentage and amount allowed by the sponsor taking into account the DHHS/NIH salary cap of $196,700 as the maximum annual salary basis that can be charged to such federal grants.

- Clinical department patient revenue projections for FY11 should be based on projections negotiated by MMA and the clinical department chairs. Current budget obligations for Grady Collections, Grady Contracts and Clinical Departmental Special Fund accounts will be derived from these income estimates.

- <u>When funding a salary from grant or contract sources, you must allocate the salaries based on the award budget period instead of the fiscal year of the school. For example, if the award budget period is from September 1, 2010 to August 31, 2010, the allocation should cover the entire grant period.</u>

- Account numbers for Grants & Contracts have been loaded into eBUDDY. It is understood that in some cases verification of funding from a granting agency can take up to several months. In this case the departments should contact the Office of Grants and Contracts for a <u>Provisional Account Number (PAN)</u> when it can be demonstrated with a high level of certainty that funding will be granted. Once your <u>PAN has been assigned, you may use it</u> to record the portion of the employee's salary to be funded from that grant.

- The budget process does not replace the need for a Personnel Action Form. All personnel actions and changes that will be effective in FY11 must be documented by a Personnel Action form submitted to Human Resources by June 30, 2010, with appropriate signatures up to an including the division head.

NON-PERSONNEL BUDGET PREPARATION GUIDELINES

To budget <u>non-personnel</u> expenditures, you are requested to provide information on institutional Funds.

General Information

- A list of new non-personnel objects codes with definitions will be posted on the Ebuddy website for FY11 budget development. Review all non-personnel object codes and align funding in accordance to FY11 planned expenditure activity. This alignment will help reduce the need for budget changes.
- In preparing your non-personnel budget requests you must allocate funds to cover contractual agreements and fixed costs. For example, sufficient funds must be allocated for all copier leases and maintenance agreements. If you are unsure of the cost of any lease agreement, please contac**t** Linwood Hilton at extension 1663.

- To help in determining sufficient funding for other non-personnel line items, use the year to date data for FY10 in the *eBUDDY* database . The year-to-date actual totals have been updated in *eBUDDY* .

Capital Expenditure Requests

Capital equipment is defined as **tangible personal property having a useful life of more than one year and an acquisition cost of $5,000 or more.** Requests for Capital Expenditures must be submitted during the FAC process. The requested amount must include all elements necessary to acquire, deliver, install and otherwise put the capital item into service. Improvements to existing assets meeting the criteria outlined above (i.e., significantly extending the life or increasing the utility of an existing asset) should be requested during the capital budget process.

Requests for other one-time expenditures that do not fit the Capital Expenditure guidelines above, must also be submitted during the FAC process.

HELPFUL TOOLS

Please go to the E-buddy Website at http://ebuddy.msm.edu for a list of the following tools that will help you complete your FY11 budget request.

- *eBUDDY* Instructions - Provides instructions on how to input your budget into the *eBUDDY* budget database.

- Grant Account Inventory – Provides the names of the principal investigators and a list of grants and contracts that will continue as well as expire in FY11. If your award expires in FY11 contact your Principal Investigator immediately to determine if it will be renewed beyond their current expiration dates.

- Object Code Listing – Provides a list of the authorized chart of accounts object code definitions.

- Department List - Provides a list of departments and their budget contacts.

- Budget Timeline- Provides a list of deadline dates for budget submission items.

SIGNATURES AND SUBMISSION OF BUDGETS

- The Chair/Unit Head and Division Head must sign the Personnel Form A.

- The Department Administrator will coordinate the signing of all Form B's for the PI's and Grants and Contracts. The Principal Investigators and the Director of Grants and Contracts must sign all Form B's. Form B's will be reviewed:

    (1) authorize the salary amount allocated for each position
    (2) verify the appropriateness for each position
    (3) verify that the salary allocation period falls within the budget period for the award

(4) verify that the total budget submission does not exceed the current budget obligation or remaining balance for that account.

- Please schedule a meeting with your respective budget analyst prior to the deadline date outlined in the above timeline.

QUESTIONS AND ASSISTANCE

For assistance and answers to questions regarding the completion of the FY 2011 budget package, please call your respective Budget Analyst. If you need more extensive assistance, you may contact Lois Wiggins (1960) for Administration related budget questions and Sandra Watson (1723) for Academic budget questions.

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BUDGET REQUEST
INSTRUCTIONS

FISCAL YEAR 2009 – 2010

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OVERVIEW INSTRUCTIONS

<u>Budgeting Expenditures</u>
The purpose of the budgeting process is to confirm revenue sources and amounts and allocate <u>personnel</u> and <u>non-personnel</u> expenditures to all funding sources, including those listed below:

- Unrestricted – Current Fund
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- Clinical Revenues, including Grady Collections and Contracts
- Special Funds
- Grants and Contracts (personnel only)
- Endowment Income

The budget process will consist of two phases. In order to better understand the budget needs of the institution, we are asking that everyone prepare Phase I budgets based on flat budget obligations when compared to FY09. Once institutional priorities are determined, Phase II will include the funding of approved critical needs.

The Budget Office will consolidate all budget requests to develop the MSM FY10 operating budget and submit it to the President for approval. Once approved, this budget will be loaded into our financial accounting system to establish spending targets on an account number /object code detail level.

BUDGET GUIDELINES

Outlined below are guidelines for Phase I and II of the 2009/2010 budget process.

> PHASE I
> - *Current Budget Obligations* Phase I of the budget process consists of allocating your baseline budget for personnel and non-personnel items. Current Budget Obligations have been established and preloaded in the "eBUDDY" budget system for the State Operating Grant, Current Fund, Title III, DSH and Grady Services. The current budget obligations represent required adjustments to your FY09 budget to meet your FY10 obligations. Requests for additional institutional funds to meet current obligations must be presented to the applicable FAC or RAC committee and discussed in a meeting with your budget analyst.
>
> - *Release Funds* Employees paid from State Operating, Current Fund, DSH, and Title III are expected to remain on the same source of funds as approved in FY09. Institutional funds that have been released because of new grant funding will become part of the pool of funds made available to the president and dean to help support institutional priorities.
>
> - *Merits, Promotions*   An initial pool of institutional funds has been set aside to support a 0-3% range for FY10 merits.   Employees funded 100% on grant funds may include their recommended merits in Phase I.   Once we have verified institutional commitments from Phase I, salary adjustments for retention efforts, merits and promotions for other employees will be included in Phase II.   You will be receiving additional information from Human Resources regarding FY10 merit guidelines.
>
> - *New Financial Reports* In addition to the budget forms and reports from the eBuddy system, you will receive a set of new financial management reports to assist you in closing out FY 09 and preparing your FY 10 budget. These reports are a few of a suite of financial management reports developed jointly by IT and Finance over the last several months.
>
>   We have had meetings with staff who have primary responsibility for budget and financial management of their respective units to introduce the reports and solicit their feedback. Those sessions have been valuable in making improvements to the reports you will see. We encourage you to examine the format and content of the reports carefully and to submit your questions and comments via email to your budget analyst during the budget process. Your analyst will assist you in correcting data issues and forward to IT those issues that have to do with data selection criteria, suggested format changes,etc.
>
>   Your review and feedback are essential to making these reports an effective management tool for you.

- *FAC/RAC* The Fiscal Advisory Committee (FAC) and Research Advisory Committee (RAC) will validate and hear full disclosure of critical needs and bridge funding requests. All departments will be contacted to set up their reviews by the Fiscal Advisory Committee (FAC). Please see the attached letters regarding FAC and RAC's involvement in the 2009/10 budget process.

- *Special Funds/Endowments* Based on FY09 data you will be provided with projected department FY10 Special Fund Balances. FY10 Special Fund balances should be budgeted based on expected expenditures for FY10. Priorities should be given to fund critical needs request before making a request for additional institutional funds through FAC. Applicable departments will also be given endowment draw down amounts and projections of their endowment account balances at June 30, 2009.

PHASE II
- Phase II – The President and Dean will review the results of Phase I and make decisions regarding funds for critical needs based on institutional priorities. FAC/RAC recommendations, academic merits and promotions will be allocated in Phase II of the budget process based on the approval of the President and Dean.

2009-2010 Budget Submission Calendar

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2				FY09-10									
3		Action Item		TIMELINE	May 29'	Jun1 &2'	Jun 8'	Jun 11,12	Jun15,16	Jun 18'	Jun 24	Jun 25-30	Jul 1
4	PHASE 1 - Allocate FLAT budget, personnel and non-personnel			May 29- Jun 12	■	■	■	■					
5	Begin preliminary Budget Review Meetings			May 29- Jun 12	■	■	■	■					
6	eBuddy New Users and Refresher Training Class			June 1 & 2		■							
7	Lock-out ALL E-Buddy users, PHASE 1			Jun 12				■					
8	FAC & RAC reports presented to the Dean			Jun 15					■				
9	PHASE 2 -Allocate Critical Needs & other Budget Adjustments			Jun 18 - Jun 24						■	■		
10	Lock-out ALL E-Buddy users , Close of Business (COB)			Jun 24							■		
11	Consolidated Budgeted presented to the President & Dean			Jun 25								■	
12	Final Budgets available in Colleague			Jun 30'								■	
13	Fiscal year 2009/10 begins			Jul 1'									■

PERSONNEL BUDGET PREPARATION GUIDELINES

To budget personnel expenditures, you are requested to provide information on both institutional funds and other available funding sources such as: Restricted Grants and Contracts and Special Funds. All currently approved vacant and filled positions are loaded into your budget database. There is a checklist of all positions in your home department.

General Information

- Before you get started, print out the employee checklist and verify that each position is in your home department. Review position titles, FTE, home department and salaries due to upgrades or downgrades. If you identify any errors contact the Budget Office immediately. Any of the above changes will need a Personnel Action Form included with your budget package.

- Each position, filled or vacant, should have a full annual salary allocation if funds are available. If funds are not available and the position is deemed to be critical, you may enter the position and funding amount needed using the Critical Needs account number (1-1-4010-00102), or the Request for Bridge Funding account number (1-4-4015-00103).

  Please note that all requests submitted using these account numbers are unfunded and need to go through the FAC and RAC approval processes. If you are requesting funding for core positions due to funding shortfalls use the Critical Needs Account Number (1-1-4010-00102). All bridge funding requests for existing research faculty and non-faculty personnel should use the Request for Bridge Funding account number (1-4-4015-00103). These personnel and non personnel funding shortages will be reviewed by FAC and RAC and recommendations will be made to the Budget Committee.

- If a position has been vacant for more than one year you will need to submit a justification statement to FAC/RAC. Funding from vacancies may not be utilized to create new positions.

- Chairs/Unit Heads must use every known funding source. Positions that can be charged to grants and contracts should be allocated to such accounts in accordance with the effort percentage and amount allowed by the sponsor taking into account the DHHS/NIH salary cap of $196,700 as the maximum annual salary basis that can be charged to such federal grants.

- Clinical departments patient revenue projections for FY10 will be included in Phase II. These income estimates should be based on projections negotiated by MMA and the clinical department chairs. Current budget obligations for Grady Collections, Grady Contracts and Clinical Departmental Special Fund accounts will be derived from these income estimates.

- <u>When funding a salary from grant or contract sources, you must allocate the salaries based on the award budget period instead of the fiscal year of the school. For example, if the award budget period is from September 1, 2009 to August 31, 2009, it is not necessary to end the allocation at June 30, 2009.</u>

- Account numbers for Grants & Contracts have been loaded into eBUDDY. It is understood that in some cases verification of funding from a granting agency can take up to several months. In this case the departments should contact the Office of Grants and Contracts for a <u>Provisional Account Number (PAN).</u> Once your request has been approved you will be provided with a <u>PAN Account Number</u> to record the portion of the employee's salary that is currently not funded. Use of this account number is limited to instances where it is demonstrated with a high level of certainty that funding will be granted.

- The budget process does not replace the need for a Personnel Action Form. If an employee is terminating on or before June 30, 2009 a termination Personnel Action Form must be submitted to Human Resources.

NON-PERSONNEL BUDGET PREPARATION GUIDELINES

To budget non-personnel expenditures, you are requested to provide information on institutional Funds.

General Information

- Review all non-personnel object codes and align funding in accordance to FY10 planned expenditure activity. This alignment will help reduce the need for budget changes.

- In preparing your non-personnel budget requests you must allocate funds to cover contractual agreements and fixed costs. For example, sufficient funds must be allocated for all copier leases and maintenance agreements. If you are unsure of the cost of any lease agreement, please contact Linwood Hilton at extension 1663.

- To help in determining sufficient funding for other non-personnel line items, use your new financial reports and the year to date data for FY09 in the *eBUDDY* database . The year-to-date actual totals have been updated in *eBUDDY* .

All departments must provide line item details to FAC for review of non-personnel requests for Consulting, Contract Services, Meetings,Conferences,Seminars and recruitment/Entertainment.

Capital Expenditure Requests

Capital equipment is defined as **tangible personal property having a useful life of more than one year and an acquisition cost of $5,000 or more.** Requests for Capital Expenditures will be captured during the FAC reviews. The cost should include all elements necessary to acquire, deliver, install and otherwise put the request into service. Improvements to existing assests meeting the criteria outlined above (i.e., significantly extending the life or increasing the utility of an existing asset) should be requested during the capital budget process. Form D is set up in the budget database for requests relating to computers, furniture, equipment, and critical office renovations and improvements. . You must justify these requests as critical to your operation. Allocation of funds to capital expenditure requests will occur in Phase II. Departments will be notified if capital expenditure requests are approved by the Budget Committee at the time final budgets are communicated.

HELPFUL TOOLS

Please go to the E-buddy Website at http://ebuddy.msm.edu for a list of the following tools that will help you complete your FY10 budget request.

- *eBUDDY* Instructions - Provides instructions on how to input your budget into the *eBUDDY* budget database.

5

- <u>Grant Account Inventory</u> – Provides the names of the principal investigators and a list of grants and contracts that will continue as well as expire in FY10. If your award expires in FY10 contact your Principal Investigator immediately to determine if it will be renewed beyond their current expiration dates.

- <u>Chart of Accounts</u> – Provides a list of the authorized chart of accounts object code definitions.

- <u>Department List</u> - Provides a list of departments and their budget contacts.

- <u>Budget Timeline-</u> Provides a list of deadline dates for budget submission items.

SIGNATURES AND SUBMISSION OF BUDGETS

- The Department Administrator will coordinate the signing of all Form B's for the PI's and Grants and Contracts. The Principal Investigators and the Director of Grants and Contracts must sign all Form B's. Form B's will be reviewed to :

    (1) authorize the salary amount allocated for each position
    (2) verify the appropriateness for each position
    (3) verify that the salary allocation period falls within the budget period for the award
    (4) verify that the total budget submission does not exceed the current budget obligation or remaining balance for that account.

- The Chair/Unit Head must sign Form A and C. Form A is needed to authorize the salaries for each employee and position and Form C will verify that the budget submission does not exceed the current budget obligation.

- The Chair/Unit Head must sign Form D to indicate the requests are crucial to the operation of the department.

- Please schedule a meeting with your respective budget analyst prior to the deadline date outlined in the above timeline.

QUESTIONS AND ASSISTANCE

For assistance and answers to questions regarding the completion of the FY 2010 budget package, please call your respective Budget Analyst. If you need more extensive assistance, you may contact Lois Wiggins (1960) for Administration related budget questions and Sandra Watson (1723) for Academic budget questions.