NDSU | BUDGET OFFICE
DIVISION OF FINANCE AND ADMINISTRATION

Local Fund Annual Budgeting Guidelines

Per North Dakota University System guidelines, **ALL LOCAL FUNDS** are required to have budgets; agency funds (80000 to 85999) are the only exceptions. Please refer to the ***Budgeting Module Departmental User Manual*** *(User Manual)* on our Resources and Job Aids page for specific instructions on how to utilize the budgeting module.

Budgeting module screens are set up to only present budget information. Therefore, if you feel that current-year actual activity in the various funds would be a valid tool to assist in budgeting for the next year, you may want to have the current year Budget Overview screen, Budget Overview, Trial Balance, Budget Status, or Biennial Summary reports available or accessible while planning and entering your budgets.

Prepare Balanced Budgets for Each Fund

1. **Revenue:**
   - Revenue budgets in specific revenue accounts are necessary so that transactions processed by Customer Account Services or the Accounting Office will post without budget errors.
   - Enter budget for revenue in the various specific accounts based upon where the actual revenue/deposits will be directed. For example, a given fund may have the majority of its revenue go to *462000 Charges for Services/Sales*, but if that fund also anticipates sales to other campus departments, that revenue will post to *479000 Interdepartmental Revenue*. Therefore, a budget should be set up in that account as well, even if only a small amount is estimated.
   - **Budget all revenues/revenue types that you reasonably expect to receive in the next fiscal year**. Note: Various revenue accounts are presented for budgeting in your local funds; after you have budgeted dollar amounts in the accounts as appropriate, change the remaining revenue accounts to be opened up with zero budgets.
   - If no revenue is anticipated in a given fund, leave the revenue accounts to open with zero budget amounts.
   - *If utilizing **carryover cash** to help cover budgeted expenses, **budget that amount in account 400000***. Only budget the amount of carryover cash that you plan to utilize to cover expenses.

2. **Expenses:**
   - A fund must have an expense budget set up so that transactions (vouchers, journals, cost transfers, IDBs, etc.) will post without budget errors.
   - Enter budgets for overtime, other taxable compensation, fringe, operating, and capital equipment (691000 & 693000) as appropriate. The entire operating portion of the budget may be entered to account 535000, but you are welcome to budget in greater detail if you choose.
   - **Fringe benefit** percentages vary greatly based upon salary levels. When estimating your fringe expense to budget in account 516000, it may be helpful to reference the *benefits cost estimator* found on the Payroll Services / Manager Resources web page. Also, if you expect your salary levels in a given fund to remain relatively stable for the next fiscal year, looking at the current year-to-date fringe expense as a percentage of year-to-date payroll expense might be a good indicator of the fringe percentage that should be budgeted for the next year.
   - **All salary budgets except overtime and other taxable compensation will come from position budgets**, so be sure to budget for all anticipated salary expenses, including time slip, grad, and PTA, in positions as necessary during the salary exercise. Overtime 514000 and taxable compensation 518000 are the only payroll accounts you will be able to add and edit during Budget Module entry.

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Budget Personnel Contact Information:

Cynthia Rott 1-7458
Aubrey Ketterling 1-8204
Carol Haukebo 1-8571
ndsu.budget@ndsu.edu

- If budgeted expenses and transfers-out in a fund exceed the budgeted revenues and transfers-in:
  - Review and verify all revenue, transfer-in, expense, and transfer-out budgets; adjust as appropriate.
  - If cash in the fund is identified and will be available to cover the deficit, budget that amount in account **400000** to balance the fund. You may need to add this account; see page 8 of the _User Manual_. Only budget the amount of carryover cash that you plan to utilize.
- If no expenses are anticipated in a given fund, change the proposed budget to open as zero and add narrative in the comment areas. *If closing a fund, see the guidance below*.

3. **Transfers In & Out:**
   - Budget all planned transfers in and out; keeping in mind that generally, every transfer-in should have a corresponding transfer-out in a different fund, and vice versa.
   - If only one side of the transfer is in your department/division, please coordinate with personnel in the related department/division so that both sides of the transfer will be appropriately budgeted.
   - In the comment section, add narrative describing the transfers, including the fund and department number the transfer is coming from or going to.
   - **Use account 722001 to budget transfers-out, and account 490000 to budget transfers-in.**
     - If a fund has transfers-out to several other funds, you may add more 722001 rows so that you can budget each individual transfer-out on its own row with a corresponding comment of the fund/dept it is going to. Similarly, more transfer-in 490000 rows can be added if a fund has transfers coming in from more than one fund.

4. **Comments:**
   - Please add any additional comments that will clarify the submitted budget requests; see page 5 of the _User Manual_.

5. **Verify Entry:**
   - Use the *'HE Annual Budget Summary'* function to review and verify your data entry in the Budget Module prior to the cutoff for local budget entry; see page 11 of the _User Manual._

6. **Notify:**
   - When you have completed entering and verifying your local fund entry, please submit and utilize the 'Notify' function within the Budget Module to email the Budget Office so we may begin the review process; see page 14 of the _User Manual_. Your Dean/Dept Head or respective division Vice President and/or Provost may have separate directions as to when/who should submit and notify for your department.

Recharge Funds 22000 - 22999
If your area has recharge funds, note that those carry extra responsibilities as they are subject to numerous regulations such as proper rate setting and surplus balance restrictions. Recharge funds are monitored by the Grant and Contract Accounting Office; as you work on your recharge budgets, please reach out to them with questions about setting rates, allowable costs, etc.

Challenge Grant Funds 79101 – 79110
The Grant and Contract Accounting Offices manages the FIN budgets for these funds; any payroll budgets for these funds should be set up during the salary exercise.

Closing Existing Funds
Throughout the year, funds can be closed and inactivated by submitting the Fund Number Request Form to Accounting. If there is a fund in the budgeting module that should be inactivated, please select the **Not Budgeted** checkbox on the corresponding rows in the module, and add comments to explain that the fund should be inactivated; the Budget Office will forward this information to Accounting.

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New or Missing Funds and Incorrect Fund/Dept combinations

If you find you will have a need for a new local fund in the next fiscal year, please submit the Fund Number Request Form to Accounting. Upon receiving the new fund number from Accounting, Budget personnel will set the new fund up in the budgeting module to make it available for budgeting.

If you find that an existing fund is missing in the Budget Module and you are unable to add it please email the Budget Office. If an incorrect fund/department combination is presented, please select the **Not Budgeted** checkbox and add comments.

Changes after the Local Budget Entry Cut-off

Please contact the Budget Office if changes to local fund budgets need to be made after the local fund entry deadline; whether or not the change can still be made will be determined at that time.

Contact the Budget Office with questions at ndsu.budget@ndsu.edu

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