2016/17 Budget Development Guidelines

Welcome to the start of the 2016/17 budget process. Enclosed are some useful tips and reminders for guidance as you prepare your budget.

What’s New?

Calculating Benefits (electronic spreadsheet)
In the past, benefits for the compensation accounts were estimated based on a percentage of the expense. We now budget the true expense for the benefits to get a more accurate assessment of the benefits cost. There are four compensation accounts in the Unrestricted budget for which benefits are calculated: 105, 122, 141, 143. To simplify this potentially complicated process, we created a formula to calculate the social security expense (account 166) and unemployment expenses (account 176). The benefits will calculate automatically at the bottom of the spreadsheet and the budget office will distribute the total to the proper accounts.

Calculating Benefits (yellow worksheet)
For budget managers who use the yellow paper sheets, you will manually calculate the benefits for accounts 105, 122, 141, 143 in the following amounts:
- 105 and 141: calculate 10% of the expense and enter it in account 192.
- 122 and 143: calculate 7.65% of the expense and enter it in account 192.

Zero-Based Budgets
A few accounts have been identified as “zero-based” for 2016/17. These accounts will have a budget amount of $0 in the 2016/17 base budget. Budget managers are asked to enter the amount they need for 2016/17 and justify (explain) why they need that amount. The zero-based accounts this year are: 202, 203, 310, 311, 338, 699.

Example: Account 202 – Major Equipment: $7,000
Justification: 2 Lab centrifuges @$3,500 each replacing old, out-of-warranty ones.

Student/Team Travel (account 380)
This account replaces account 378. Most of you should already have a budget set-up for this account. The two accounts (Student Travel and Team Travel) were combined into one account to streamline the budget process.

Office Supplies account (account 486)
New last year, the Office Supplies account allows Colgate to refine expense tracking. While Office Supplies have previously resided in General Operating (299), we can better track our expenses if we have a designated account for office supplies.

Teaching Supplies account (account 490)
The Teaching Supplies account was also new last year. Expenses related to teaching can vary widely as the number of majors, minors, and students taught changes. Academic chairs and directors have suggested that budgets for teaching supplies should be adjusted to accommodate such changes. A large proportion of the expenses for teaching supplies are buried in account 299, general operating. The Teaching Supplies account is set up so that we can get a good handle on this category of expense so that we can consider options for addressing the faculty
concerns. Academic department chairs/directors are asked to create this new budget account if they did not last year and transfer the appropriate amount of budget for this category of expense from account 299 to this new account.

**Commonly Used Accounts and Account Definitions**

We have attached a list of available accounts along with definitions and examples of what expenses should be charged to each account. If you have expenses that belong in one of these accounts, please add the account at the bottom of your worksheet with the amount you would like to budget. Remember to reduce by the same amount the account where you were previously charging these expenses.

**Key Dates**

**Academic Departments**
- October 5 – spreadsheets, guidelines and worksheets issued to Deans/VPs.
- November 4 – Academic Department budget requests due to Academic Division Directors
- November 11 – Budget request worksheets due to Trish St. Leger
- November 18 – Dean of Faculty budget spreadsheets due to John Collins in the Budget Office

**Administrative Departments**
- October 5 – spreadsheets, guidelines and request worksheets issued to Deans/VPs
- October 28 – Administrative budget requests due to Deans and Vice Presidents
- November 13 – Administrative budget spreadsheets due to John Collins in the Budget Office

**Getting Started**

**Budget Worksheets – Unrestricted (Yellow) Worksheets**

Please verify that all of the expense and revenue budgets you normally use are represented. If you are missing a specific revenue or expense organization worksheet, please contact Roy Langworthy, ext. 7455, immediately.

1. **Complete the Unrestricted (Yellow) Worksheets**
   a). **No change to the Base Budget**
   
   The Base Budget column for 2016/17 contains a budget amount based on the current year's budget. If this budget is acceptable you need take no action other than initialing the sheet and forwarding it to your Division Director (Academic Budgets) or your Dean or Vice-President (non-Academic budgets).
   
   *** If there is no change, please do not write “0” in the “REQUEST FY2017” column since this may create confusion.

   b). **Need to change the Base Budget**
   
   If you need to change any of the amounts, please cross out the printed figure, enter your request in the “REQUEST FY2017” column, and include a brief explanation in the justification column where appropriate. Requests for funding of any significant program initiatives that cannot be accommodated by the reallocation of the existing budget should be made using a separate memo to your Division Director (Academic and Athletic Budgets), or your Dean or Vice-President (non-Academic budgets).
   
   *** If there is no change, please do not write “0” in the “REQUEST FY2017” column.
since this may create confusion.

c). Zero based account
Enter the amount of your request in the REQUEST FY2017 column. In the Justification column, enter your explanation for the amount requested.

Example: Account 202 – Major Equipment. “Need to replace a conference room table: $6,000. Justification: Old conference room table was delaminated and cracked.

2. Restricted Budget Worksheets - Restricted (Peach-colored sheets)
In certain departments, budget managers are also responsible for completing restricted budget request worksheets, though many budget managers are not responsible for restricted funds. The peach-colored budget worksheets display the beginning and ending fund balances and the actual income and expense data for 2013/14 and 2014/15. Using this actual data, and taking into account what your year-end balance will likely be in 2015/16, please estimate expenses for 2016/17.

- Expenses in 2016/17 should not exceed the sum of your estimated 2015/16 ending balance and estimated new income for 2016/17.
- If your private gift fund has a high ending balance (roughly double the actual expenses), then you should explain why the balance is needed.
- If the fund balance is very low and you do not expect any new income in 2016/17, please decide whether the fund can be terminated. Please contact Tom O’Neill @ ext. 7865 if you have any questions regarding restricted funds.

The peach budget request worksheets must be completed and forwarded in accordance with the budget development schedule. If you have additional comments, rationale or supporting documentation please include it in a separate memorandum and attach it to the budget request worksheet.

3. Forward Completed Worksheets to Your Budget Contact
Academic areas: Division Director by November 4 and then to Trish St. Leger by November 11.
Administrative areas: John Collins by November 13.

Fine Tune Your Budget

1. Transferring Amounts (Budgets of “$1.00”)
When you see a one dollar budget, please provide your best estimate of future expenditures and reduce another account by the same amount. For example, if you are using account 486 – Office Supplies for the first time, you will have $1 for a budget. Most budget managers have been charging office supplies to account 299. When completing the FY2017 budget, please estimate your office supplies and add it to account 486 and reduce account 299 by the same amount.

Example: Account 299: -$1,000
Account 486: $1,000

2. Reallocations
As a reminder, listed below are some accounts that were added in recent years (and 486 and 490 new last year; 380 this year) that you should use if you anticipate expenses in these categories. Also, see the attached sheet for other common accounts you can add to your worksheet when appropriate.

Account 202 - Major Equipment > $5,000
Account 203 - Computer Equipment > $5,000
Account 310 - Minor Equipment < $5,000
Account 311 - Minor Computer Equipment < $5,000
Account 380 – Student/Team Travel
Account 386 - Air travel
Account 387 - Mileage
Account 486 - Office Supplies
Account 490 - Teaching Supplies

3. Student Wages/Casual Wages
The New York State minimum wage is slated to increase again in 2016. As a result, Colgate student wage rates will increase annually through the 2016/17 budget cycle. We recommend that if your hiring needs will remain fairly constant into 2016/17, your student wage budget should be increased to reflect the mandated wage increase. **For 2016, the minimum wage is $9.00/hr.** This also applies to the casual wage budget. Unless you currently pay your casual wage employees considerably more than the 2016 minimum wage of $9.00/hour, please adjust your budget accordingly.

4. Requesting Budget Support for Costs Not Included in Your Budget
ITS equipment and software is budgeted centrally rather than at the department or office level. Please refer to the attached “Information on Computer and Software Purchases” for documentation on how to request classroom computing, projection and multimedia equipment, office workstations or software.

5. Endowment Income Funds
Please remember to consider the availability of any endowed resources that will help your department or program achieve its goals. If you have immediate questions, please call Tom O’Neill, ext. 7865.

Questions?
The staff members listed below are available to assist you with preparing estimates or completing the worksheets.

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<th>Topic</th>
<th>Contact</th>
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<td>General information/assistance</td>
<td>Trish St. Leger, ext. 7224</td>
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<tr>
<td>Academic programs</td>
<td>John Collins, ext. 7714</td>
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<tr>
<td>Administrative programs</td>
<td>Roy Langworthy, ext. 7455</td>
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<td>Deadlines</td>
<td>Roy Langworthy, ext. 7455</td>
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<tr>
<td>Account Codes</td>
<td>See attached ITS guidelines</td>
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<tr>
<td>Computer equipment/software</td>
<td>Trish St. Leger, ext. 7224</td>
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<td>Classroom technology</td>
<td>Alan Leonard, ext. 7477</td>
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<td>Non-computer equipment</td>
<td>Mike Jasper, ext. 7143</td>
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<td>Building repairs and renovations</td>
<td>Kris Hopkins, ext. 7431</td>
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<td>Student employment</td>
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<td>Temporary employment (casual wages)</td>
<td>Jill Dinski, ext. 7411</td>
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<td>Overtime for continuing employees</td>
<td>Kip Manwarren, ext. 7487</td>
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<td>Postage &amp; Printing costs</td>
<td>Dan Gough, ext. 7994</td>
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<tr>
<td>Motor Vehicle Use</td>
<td>Tom O’Neill, ext. 7865</td>
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<tr>
<td>Budgeting for restricted funds</td>
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Budget Manager Drop-In Sessions

The Budget Office is providing two drop-in sessions to assist you with your budget preparation.

Session 1: Thursday, October 15, 10:00 am – 11:30 am in 515 Case-Geyer

Session 2: Wednesday, October 21, 2:00 pm – 3:30 pm in 438 Case-Geyer

Bring your budget questions or your budget materials and prepare your budget with the help of the budget office.