



Adjusted Budget Process Change

Beginning in FY18, the Adjusted Budget process will transition to a simpler and more efficient approach.

We arrived at this decision based on campus feedback and consultation in working sessions with approximately 20 budget administrators. We would like to thank those who gave their time and input to inform this decision and improve upon this process.

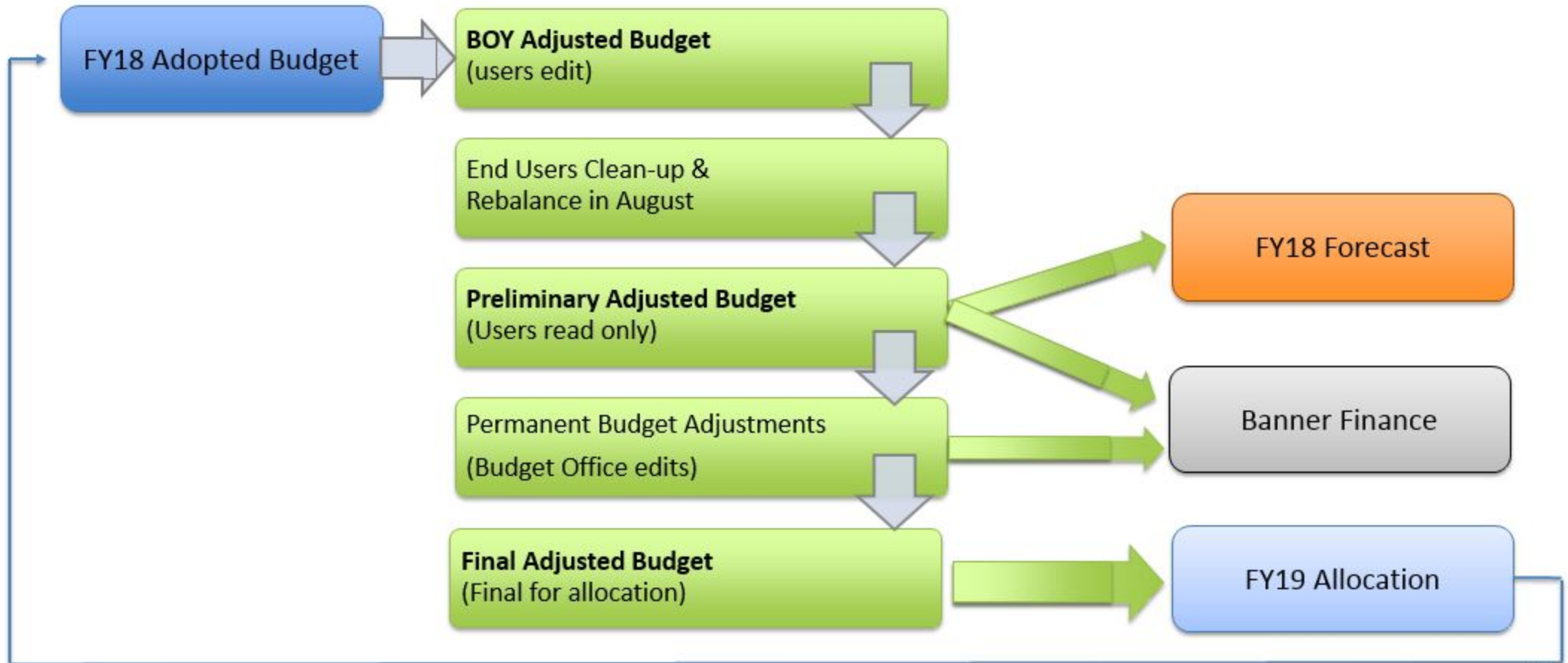
The new process will include the following steps:

1. A one-time clean-up to re-balance Unrestricted Funds and ensure Restricted Funds have a \$0 or positive balance by campus users at the beginning of each fiscal year.
 - a. **NOTE: the Adjusted Budget is currently open and available for changes through August 28th.**
 - b. This provides an opportunity to make any changes, including those as a result of encumbrance roll-overs, updated beginning fund balances, and labor changes that occurred after the faculty and staff planning were closed during the Adopted Budgeting process.
2. After the clean-up deadline, access will be switched to read-only for campus users.
3. The data in the Adjusted Budget will be:
 - a. Uploaded to Banner
 - b. Used to seed the FY18 Forecast
4. In partnership with campus units, the Budget Office will make selected, permanent budget adjustments in ARP. These changes will be fed to Banner for the remainder of the fiscal year.
5. In December/January, the amounts in the Adjusted Budget will be used for next year's allocation process.

FY18 Adjusted Budget

The new process flow is illustrated in the diagram below:

Future State: FY18 Adjusted Budget



Adjusted Budget Feedback and Analysis

Feedback on the Adjusted Budget was gathered from campus through multiple channels over the course of the past year. These included one-on-one conversations, business partner meetings, training evaluations, budget surveys and vendor meetings. The overall feedback strongly supported the users' desire for us to step back and re-evaluate what's working and what's not with both the tool and the related processes. As a result, this year's priorities for ARP focus on the following:

- Stabilize
- Re-evaluate and simplify existing planning tools
- Enrich and improve the end-user experience
- Enhance University and college/division-level decision making
- Enable a focus on planning

These were communicated to campus by Chris Maziar and Linda Kroll at the May Business Manager's meeting.

With regards to feedback specific to the Adjusted Budget, there was a consistent message from a majority of users that the current process was too time consuming, not value-added, and resulted in the budget constantly changing. Refreshing Workforce Planning data every two weeks triggered an unbalanced budget for many unrestricted budget entities in ARP, requiring users to repeatedly modify their budgets and causing confusion.

Taking these comments and information into consideration, the revised process for the Adjusted Budget (detailed above) was developed. The success of this new process is centered on three foundational changes to how things have been done historically:

1. Letting the Adjusted Budget be a Budget (and moving away from constantly changing the budget to mirror actuals),
2. Using the Adjusted Budget for its intended purpose (to capture permanent budget adjustments and as a base for the next year's allocation), and
3. Shifting the Focus (from looking back and constantly reconciling the adjusted budget to looking forward and focusing more on the Forecast and eventually, multi-year planning).

This process change affords users with a new focus on planning, as well as, several other improvements over the current process:

- Removes a large time constraint
- Allows more time for forward-looking initiatives
- Maintains a balanced Unrestricted Budget throughout the year
- Provides a meaningful Budget-to-Actual analysis
- Reduces the required workload at year end

New Reports, Training and Support

To assist campus with monitoring labor changes and contingency resources, Workforce Planning changes will be pulled from Banner HR every two weeks, beginning in September, and captured in new reports that will be available in Host. This report is nearly identical to what campus users received from the Budget Office this past year as part of the bi-weekly, refresh process. Consistent with the prior year, these same Workforce Planning changes will also feed into your Forecast scenario every two weeks.

We are targeting to provide training on the new reports and overall process in September.

As additional support during this transition, the ARP Team will be coordinating hands-on, working sessions with individuals and/or units to review the reports and analyze the data for their respective budget entities.

We are here to assist and support you through this process change! So, if you have questions, please don't hesitate to contact your business partner in the Budget Office or send an email to arp@nd.edu.