



FY 2022 Budget Process and Guidelines

TABLE OF CONTENTS

1. OVERVIEW	1
2. TIMELINE / DELIVERABLES	2
3. BUDGET SYSTEM	2
4. CHANGES FOR FY 2022	3
5. FY 2022 BUDGETING	5
6. CONTACT INFORMATION	11

1. OVERVIEW

ASU's budgeting process is designed, in part, to support preparation of the Arizona Board of Regents (ABOR) required annual budget.

For consideration by ABOR at its June meeting, ASU submits the annual budget for approval. The annual budget includes the following information:

- All general purpose, designated, and restricted fund budgets with projected revenues and expenses, adjusted to comply with Governmental Accounting Standards Board (GASB) principles of external reporting, for the fiscal year.
- Projected expenses by natural classification, i.e., salaries and wages, benefits, operating, scholarships and fellowships, depreciation, and interest on indebtedness.
- A measure of the projected liquidity of the university (monthly days cash on hand) at June 30.
- Appropriated Funds Expenditure Authority, consisting of legislatively appropriated General Funds and Technology and Research Initiative Funds and appropriated Tuition Funds.
- A report of units with operating fund deficits over \$100,000, including a brief description of a plan to eliminate each of the deficits.

2. TIMELINE / DELIVERABLES

Date	Action
Monday, February 8	Adaptive Planning opens for FY 2022 transfer and revenue distribution budget entry
Monday, March 15	Preliminary FY 2022 Planned Commitments Reports and FY 2022 Budget Allocation and Balancing Reports available
Monday, March 15	Adaptive Planning opens for FY 2022 budgeting
Friday, April 23	Unit deadline for submission of FY 2022 program, college, class and mandatory fee revenue estimates to OPB
Friday, April 30	OPB/Colleges/VPs complete entry of all Tuition and Fee revenue estimates in Adaptive Planning
Monday, May 10	Final FY 2022 Planned Commitments Reports and Budget Allocation and Balancing Reports available in Adaptive Planning
Friday, May 28*	Unit deadline for completion of FY 2022 budget input
Friday, June 11	Unit deadline for submission of FY 2022 budget variance explanations
Monday, June 14	OPB begins FY 2022 budget review

*The budget completion deadline assumes College/School/VP Business Officers have reviewed and approved all budget input prior to the deadline. This deadline is subject to change based on the timing of legislative, ABOR, and internal university decisions.

3. BUDGET SYSTEM

The FY 2022 budget input process will be conducted in Adaptive Planning. The required budget input sheets and reports will be available in Adaptive Planning. All approved Adaptive Planning users will have data input access for FY 2022 budgeting purposes.

Training information and documentation for Adaptive Planning can be found in several places:

- Adaptive Planning: Learning and Tutorials
- Career EDGE: Training modules and registration links for Live Demo Q&A sessions
- Service Now: Knowledge Base articles – *coming soon*
- Workday: Work Instructions Worklet in the Adaptive Planning tab

For technical assistance during the budget input process, please call the Experience Center at 1-844-448-0029, or submit a Service Now Support form by searching for "[FMS and Budget System Support Request form](#)" in the Service Catalog.

Information regarding the implementation of Adaptive Planning may be found on the [budget system webpage](#). In addition to what is posted to the website, content may be accessed in the [Adaptive Planning tab of the Workday work instructions](#). System updates, important dates, quick access links, and training courses are posted in the Announcements tab within Adaptive Planning.

4. CHANGES FOR FY 2022

4.1 ERE Rates

Employee-related expenses (ERE) are ASU's cost for benefits provided to employees as part of their total compensation package at the university. These include workers' compensation insurance, unemployment insurance, the employer's portion of Social Security taxes, retirement plan contributions, health/dental insurance, and life/disability insurance. ERE is budgeted and charged based on rates established by ASU's Office of Planning and Budget, rather than the actual benefit cost associated with individual employees. Each employee class in PeopleSoft is assigned an ERE rate and the rates are applied to employee gross pay to determine ERE expense.

ASU has proposed the following ERE rates to the Department of Health and Human Services (DHHS) and anticipates approval by June 2021. The current rates are shown in parentheses:

- Faculty - **26.5%** (26.3%)
- Staff - **32.6%** (33.0%)
- Non-Benefits Eligible (includes limited duration category employees) - **10.1%** (9.4%)
- Student (non-work study) - **1.7%** (1.5%)
- Student (work study) - **5.7%** (5.0%)
- Research Assistant/Teaching Assistant (excludes tuition remission) - **10.2%** (10.0%)
- Post Doc - **22.1%** (21.0%)

Units that employ federal work study students must cover 100 percent of the ERE associated with the cost of federal work study student wages.

As a reminder, units are responsible for covering the impact of any changes in ERE rates for all funds.

Additional guidance on ERE can be found at <https://cfo.asu.edu/employee-related-expenses-ere-rates>.

4.2 Risk Management Rate

The Risk Management Insurance Assessment pays for costs associated with ASU's risk management coverage. These costs include the following: annual risk management premium set by and paid to the State of Arizona; annual premium cost for a cyber security rider; and annual expenses incurred by ASU in accordance with the \$2,500/incident self-insurance deductible requirement. Sponsored funds are exempt from paying the assessment. The risk management rate for FY 2022, which applies to both general operating and local programs, is 1.00% of personal services expenditures.

4.3 University Technology Assessment

The university technology assessment is set annually to cover network operating and maintenance costs, common software license costs, and system management costs. The rate is assessed as a set percentage of personal services charged to operating funds. Sponsored funds are exempt from the assessment. The university technology assessment for FY 2022 is 1.75% of personal services expenditures.

4.4 Administrative Services Charge (ASC) Rate

The administrative services charge (ASC) rate provides for local accounts to share in the cost of university administrative services that benefit local accounts. These services include accounting, information technology, budgeting, campus security, facilities planning, fiscal transactions processing, human resources, legal, payroll, and purchasing services. Certain funds and certain expenditures are exempt. Exclusions include the following:

- FUNDS - General Operating, Sponsored Projects, Student Loans/Financial Assistance, Plant Funds, Selected Custodial and Clearing Funds, Special Class Fee/Deposit Accounts, Eminent Scholars Accounts, Technology and Research Initiative Funds (TRIF) Accounts, Gift Accounts, and General Administrative Common Service Units (local accounts funded from ASC).
- EXPENDITURES - Payments for Student Financial Assistance, Cost of Sales, and other items as approved by OPB.

The current ASC rate of 8.5% of eligible expenditures is currently being evaluated. OPB anticipates a finalized rate by June 2021.

4.5 Research Assistant/Teaching Assistant (RA/TA) Tuition Remission

ASU develops an annual RA/TA tuition remission rate based on the weighted average rate increase for all research and teaching assistants due to ABOR approved differentiated tuition rates for non-resident domestic and non-resident international graduate students. The current academic year RA/TA tuition remission rate is \$17,272 (\$8,636/semester) and the summer rate is \$1,124. Once FY 2022 academic year tuition rates are approved, the FY 2022 remission rate will be determined and communicated as soon as possible thereafter. The new rates will become effective with the start of the fall semester.

4.6 Research Assistant (RA) and Teaching Assistant (TA) Stipends

The minimum TA stipend increases to \$19,172 for Academic Year 2021-22. The stipend amount corresponds to a 0.50 full-time equivalent (FTE) appointment for the full academic year. Lesser FTE and/or one semester appointments should be prorated based on this amount. New grant proposals should budget for RA positions at a minimum of the TA stipend rate.

4.7 Student Wages

There is a minimum wage increase to \$12 an hour for ASU student employees beginning in July 2021, independent of any state mandates. ASU made this adjustment to the hourly rate to remain competitive in the marketplace and to maintain its standing as a preferred employer for university students. No additional central funding will be allocated for this change.

4.8 Voluntary Transfers

Voluntary transfers are budgeted on the Transfer Input sheet for programs, gifts, and projects. Only the entity sending the funds should enter the transfer. To facilitate collaboration with the receiving entities, transfers out should be entered as early as possible in the budget process. Adaptive Planning is open for FY 2022 transfers budget entry.

For questions regarding unit-to-unit transfers (in/out), units should directly contact the corresponding unit. A list of budget unit Senior Fiscal Administrators can be found in Section 6.

4.9 Revenue Distributions

OPB, Provost and Knowledge Enterprise will enter revenue distributions for centrally allocated resources. Presently, within Adaptive Planning, only these areas have access to enter revenue distributions. Please contact your OPB Liaison if you have any questions about revenue distributions that have been entered in the system.

4.10 ASU/ASU Foundation Development Staff Cost Shares

Many ASU units have cost share agreements with the ASU Foundation (ASUF) to cover costs associated with their development officer staff members on the ASUF payroll. Coordination of cost shares occurs between ASUF and the Office of Planning and Budget (OPB). Based on the terms of the Memorandum of Understanding agreements, and based on information provided by ASUF, OPB will notify affected units of their FY 2022 budgetary responsibilities before the close of budget input and prompt them to enter transfers to CC0103 – DEV-Development Office / PG01090 – DEV-Operations-NLT or PG01091 – DEV-Operations-LCL. Please contact your OPB Liaison if you have any questions.

4.11 Living/Minimum Wage Assumptions

ASU's practice is to pay staff the **HIGHER** of the Arizona State Minimum Rate or the MIT Living Wage Rate calculated for Maricopa County, one adult, no children. This review is done on January 1 of every calendar year. As of January 1, 2021, the MIT Living Wage Rate was \$12.29 per hour while the Arizona State Minimum Rate was \$12.15 per hour. As of March 2021, the MIT Living Wage Rate increased to **\$15.76** per hour. This change is driven by many factors including housing/rent costs. Units/areas should budget accordingly for employees that will be on payroll in January of 2022 and paid less than this rate.

5. FY 2022 BUDGETING

5.1 All Funds Budgeting

OPB will continue its efforts to produce a comprehensive operating budget that accurately depicts projected revenues and expenditures. All planned activities in the following fund groups should be budgeted in Adaptive Planning:

- FDH005 - GOP-General Operating
- FDH018 - Auxiliary
- FDH015 - Designated Unrestricted
- FDH004 - Financial Aid (Restricted)
- FDH014 - TRIF
- FDH009 - Other Restricted

5.2 Revenue and Spend Categories

Similar to the FY 2021 budget input process, the FY 2022 budget input process will use the FMS structure in Workday. The Budget Input Sheets in Adaptive Planning list the revenue and spend categories numerically, and the Companion Reports summarize the revenue and spend category hierarchies that are derived from the "Fiscal Year Operating Budget" budget structure.

OPB will enter centrally managed tuition revenues and units are responsible for budgeting all other program fees, class fees, student-initiated fees, and student fees. As a reminder, units should not budget

summer session revenue as transfers; rather, summer session revenue will be entered by OPB as a revenue distribution.

OPB requests that units separately budget the following revenue and spend categories, if applicable:

- Endowment Income Total (RCH0358)
- Investment Income Total (RCH0168)
- ERE - Tuition Benefit - RA (SCH0058)
- ERE - Tuition Benefit - TA (SCH0060)
- Non-Capital Software (SCH0149)
- Noncapital Equipment (SCH0079)
- Materials and Supplies (SCH0076)
- Utilities (SCH0113)
- Capital (SCH0015)

If it is desired to budget Other Operating at a high level, please use SCH0077 - Miscellaneous Expenses. If users would like to compare actuals to budget for Other Operating expenses at the spend category hierarchy level, budgeted amounts should be entered at the spend category hierarchy level in Adaptive Planning. Amounts entered at the spend category hierarchy level in Adaptive Planning will be loaded to FMS at the same level.

A few final reminders:

- Budget ASU Foundation gift revenues in revenue category RCH0028 - ASU Foundation Gifts.
- Budget direct cost of sales and financial aid at the higher spend category hierarchy level.
- Personal Services and related ERE (except RA/TA employee tuition benefit) are entered on the Salary Input Sheet. ERE will remain automatically calculated from the Salary Input Sheet.

5.3 Budgeting Allocations

The FY 2021 base expenditure authority will be the starting point for calculating the new FY 2022 base. The calculation will take into account known changes, including additions such as Provost planned allocations to meet enrollment goals, approved changes for continuing initiatives, new initiatives for FY 2022, reductions from the base for initiatives that have ended, and all other known changes.

Allocations for the following items will be handled as they were for FY 2021:

- F&A revenue distributions
- Faculty start-up
- Summer sessions revenue distributions

As a reminder, units should not budget summer session revenue as transfers. Rather, summer session revenue will be budgeted by OPB as revenue distributions.

The following items will continue to be funded from centrally held resources:

- Tuition-based financial aid
- Central plant funds (major and minor capital project funding)

Colleges, schools and research centers will continue to receive facilities and administration (F&A) funding in the form of revenue distributions based on their sponsored project activity, as determined by Knowledge Enterprise.

Academic units will note on their Budget Allocation and Balancing Report separate tabs distinguishing General Fund Appropriation from Appropriated Tuition Funds. The workbook is designed to allow users to monitor their progress toward budgeting to each balancing figure for FY 2022.

5.4 Budgeting Commitments

Preliminary FY 2022 Planned Commitments Reports and FY 2022 Budget Allocation and Balancing Reports are available for review in the Adaptive Planning “Shared Reports/Management Reports” folder. To ensure that the reports accurately reflect their understanding of all known incremental changes to FY 2021 base budgets, senior fiscal administrators are asked to review these reports in a timely manner.

Planned Commitments Reports will be updated as decisions are made and ultimately will serve as the formal record of all incremental allocations for FY 2022. Final FY 2022 Budget Allocation and Balancing Reports are scheduled to be available in the Adaptive Planning “Shared Reports/Management Reports” folder by May 10.

Note that all President’s Strategic Initiative Funds (PSIF) that are not permanent base additions to a budget will be treated as temporary, even if that funding is continuing from FY 2021 to FY 2022.

5.5 Budgeting Transfers and Revenue Distributions

Revenue distributions will continue to be used in place of voluntary transfers for centrally funded allocations. No data input is required by the receiving entity; OPB, Provost, and Knowledge Enterprise input revenue distributions, which appear as revenue for the receiver. This effort greatly enhances the utility of management reports as these former transfers now appear as revenue for the following funding sources:

Revenue Category	Ref ID
Immersion Tuition Revenue Distribution	RC1187
Online Tuition Revenue Distribution	RC1188
Program Fee Revenue Distribution	RC1190
Immersion Undergraduate College Fee Revenue Distribution	RC1191
Online Undergraduate College Fee Revenue Distribution	RC1214
Immersion Graduate College Fee Revenue Distribution	RC1192
Immersion Summer Tuition Revenue Distribution	RC1193
Online Summer Tuition Revenue Distribution	RC1194
Graduate Student Support Fee Revenue Distribution	RC1195
Facilities and Administration Revenue Distribution	RC1196
ASC Revenue Distribution	RC1197

The ref IDs shown in the table will be used by units during the FY 2022 budget load process.

All other transfers remain as transfers and should be budgeted on the Transfer Input Sheet. Only the entity sending the funds should enter the transfer.

5.6 Budgeting Non-appropriated Tuition Funds

Non-appropriated tuition funds include the following:

- FD5002 - Local Tuition and Fees-NLT
- FD5009 - Class Fees-NLT
- FD5010 - Designated Financial Aid-NLT
- FD5011 - Biodesign Startup-NLT
- FD5013 - Program Fees-NLT
- FD5014 - Mandatory Student Fees-NLT (excluding AFAT Restricted Funds)
- FD5020 - Undergraduate College Fee Revenue-UCF
- FD5021 - Graduate Student Support Fee Revenue-GSSF
- FD4000 - Summer Session Immersion-NLT
- FD4001 - Summer Session Residual-NLT
- FD4100 - Summer Session Online-NLT
- Other local accounts containing tuition and fee revenues

The non-appropriated tuition and fees fund is a self-contained fund consisting of only non-appropriated tuition and fees. Non-appropriated tuition funds can be distributed only to other local programs associated with non-appropriated tuition funds. Transfers to debt service, reserves, and other non-operating funds are also allowed. Expense transfers outside the non-appropriated tuition fund to programs within the non-appropriated tuition fund are permitted.

Revenue from UCF and GSSF will continue to be budgeted centrally for FY 2022 as revenue distributions. All of these revenue distributions will tie to estimates that units will submit to OPB in April.

5.7 Budgeting General Operating Program Fees and College Fees

For FY 2022, general operating program fee and college fee revenues will continue to be maintained as general operating funds and allocated directly to units as expenditure authority. Revenue will be posted directly to general operating programs established for this purpose. The primary benefit of this approach is that revenue will show appropriately as program fees and college fees in financial and management reports for units.

5.8 Establishing and Budgeting Gifts in FMS

Gift revenues to ASU are subject to a 5% assessment of gift funds for university initiatives. Gift accounts are exempt from paying ASC and departments should continue to establish gift accounts in FMS as needed. **As a reminder, in order to be exempt from ASC, gift revenue is the only allowable revenue source for gifts.** Units are not to budget revenue category hierarchies in gifts other than RCH0028 - ASU Foundation Gifts or RCH0181 - Other Private Gifts. For more information please refer to the following documents:

http://www.asu.edu/fs/documents/ASU_Gift_Policy_Change.pdf

http://www.asu.edu/fs/documents/ASU_Gift_Matrix.pdf

5.9 Salary and ERE Budgeting

In Adaptive Planning, the Salary budget data will reflect FY 2021 ending forecasted salaries, assuming the dates on the forecasted positions carry through to FY 2022.

The “Salary Load – Daily Snapshot” input sheet reflects current PeopleSoft data, which can be copied and pasted into the Salary Input sheets to update Budget. To prepare for salary budgeting, units should enter changes in PeopleSoft to update the information that will be reflected in the Salary Load - Daily Snapshot. Please pay careful attention that all positions and employees are associated with the correct EmplClass, which is used for determining the applicable ERE rate.

The Adaptive Planning Salary Input Sheet is designed to calculate ERE. Total ERE by account is displayed on the Companion Report.

Date holds particular importance in Adaptive Planning Salary. Positions that have a date that makes them active in FY 2022 will be budgeted. This treatment can be changed by changing the date.

5.10 FTE Positions Budgeting

While the budgeting process for FTE positions is unchanged, it will include continued emphasis on maintaining the personal services/FTE relationship. **For Joint Legislative Budget Committee (JLBC) reporting purposes, an accurate budgeted FTE position count is critically important. All budgeted personal services should include associated FTE position count with two exceptions: student wages and Group Position SV99999 (Summary - Non ERE Supp. Pay Codes).**

5.11 RA/TA Employee Tuition Benefit Flat Rate and Expense Transfer - Spend Category Hierarchies SCH0048, SCH0058 and SCH0060

Non-appropriated tuition funds are allocated from central university to NLT programs in college and school dean's offices to pay for some research assistant (RA) and teaching assistant (TA) tuition benefits. The RA/TA tuition benefits are expensed in local fund (LCL) programs PG99994 and PG99997. Since fund transfers between non-appropriated tuition (NLT) funds and local (LCL) funds are not allowed, the dean's offices will fund the RA/TA tuition benefit programs through a manual journal entry using spend category “SC0612 - RA/TA NLT Expense Transfer.”

5.12 FY 2021 Tuition and Fee Restructure

Similar to the prior restructuring of immersion undergraduate and online fees, Summer 2021 online undergraduate fees will be restructured and impact FY 2022 budgeting.

For FY 2022, units should plan on continuing to receive revenue on the same basis as the previous structure.

5.13 Budgeting by Campus

Legislation passed during the 2017 session requires the university to report to legislative agencies any revenues or allocations made to each ASU campus. Consequently, the Budget Allocation and Balancing Report requires units to balance General Fund Appropriations and Appropriated Tuition Funds by campus.

If a unit wishes to reallocate general operating funds between campuses, a written request with appropriate financial information and justification can be prepared. **Requests from academic units should be submitted to Sheila Ainlay, Vice Provost for Academic Planning and Budget, and requests from VP units should be submitted to the assigned OPB liaison by April 15.** Justification should address how the reallocation of funds between campuses will improve reporting of financial information by campus. Approved requests will be reflected as planned commitments on the Budget Allocation and Balancing Report by May 10.

5.14 Budgeted Beginning Balances

The FY 2022 Budget Input Sheet is designed to retrieve 2022 Total Working Budget Beginning Balance from the FY 2021 Year End Forecast Ending Balance. As a starting point, forecasted ending balances for FY 2021 will be copied to budgeted beginning balances for FY 2022. To facilitate the process of updating forecasts in order to generate an updated 2022 Total Working Budget Beginning Balance, the FY 2021 forecast should be accurately updated on the relevant revenue, expense, and transfer sheets. Guidelines and instructions for inputting forecast changes are posted on the [OPB website](#).

5.15 Negative Operating Margins and Deficit Budgets

Emphasis continues to be placed on monitoring and developing plans for addressing negative operating margins and deficit budgets. At the budget unit level, for instances in which FY 2022 budgeted expenses, including net transfers, exceed FY 2022 budgeted revenues, i.e., a negative operating margin, budget units will be asked to develop written plans for addressing deficits and/or drawdowns of fund balances. **Plans are to be submitted for approval to the Executive Vice President and University Provost (for academic units) or to the Executive Vice President, Treasurer, and Chief Financial Officer (for non-academic units) by May 28, the scheduled close of FY 2022 budget input.**

5.16 Budget Reports

The Office of Planning and Budget (OPB) makes available two reports, a Budget Variance Explanation Report and a Financial Operating Statement (FOS) Report, that are intended to help inform users of the thoroughness of their budget entry. When comparing the Financial Operating Statement report to Workday, users should keep in mind that the FOS reflects Operating fund activity only (excluding Sponsored), whereas Workday reflects all funds activity including Non-Operating. Therefore, to achieve comparable results, users should filter on FDH001 Operating in the Workday reports and exclude Sponsored FDH3000.

The Financial Operating Statement Report displays a two-year history of actual results, the current year original budget and the current forecast. For FY 2022, the Budget Variance Explanation Report compares FY 2022 Total Working Budget (the recently inputted budget) to FY 2021 Total Original Budget and to FY 2021 Total Year End Forecast. The Financial Operating Statement Report can be accessed through the "Management Reports" section of Adaptive Planning.

Adaptive Planning users should utilize the Financial Operating Statement Report to compare line item results to the most recent forecast to validate the reasonableness of the FY 2022 budget. Doing so should either confirm that the budget line items are reasonable or identify line items that need further review.

The Budget Variance Explanation Report is used to explain reasons for changes in revenue and expense line items and to validate the FY 2022 budget input. Running the report and preparing variance explanations prior to the May 28 deadline for budget input will allow users the opportunity to make last

minute changes to the budget entry if warranted. **Budget variance explanations for colleges/schools/VP areas are due to OPB by June 11.**

6. CONTACT INFORMATION

Units should contact Budget Unit senior fiscal administrators with any questions regarding unit-to-unit transfers, and should contact their OPB liaison with any other questions or needs. OPB thanks units for their diligence in this important effort.

Budget Unit	Senior Fiscal Administrator	OPB Liaison
Business	Anne Nguyen	Valerie Wells
Business & Finance	Lily Tram	Gregory Cleveland
CISA	Lori Bello	Gregory Cleveland
Cultural Affairs	Neva Bochenek	Jim Sliwicki
EdPlus	Kim Chadourne	Gregory Cleveland
Engineering	Lynn Carpenter	Valerie Wells
Enrollment Services	Chris Crisci	Gregory Cleveland
Enterprise Marketing Hub	Dan Tyrrell	Jim Sliwicki
EOSS	Carmen D'Angelo	Allyson Atkinson
Executive Administration	Erin Yunt	Zakary Ghali
Global Futures	Meredith Simpson	Alison Siller
Global Management	Ann Marie Lawler	Gregory Cleveland
Graduate College	Katrina Roalson	Gregory Cleveland
Health Solutions	Lynne Davis	Zakary Ghali
HIDA	Carmine Davis	Alison Siller
Honors College	Erika Ladewig	Gregory Cleveland
Journalism	Sandy Mancilla	Allyson Atkinson
Knowledge Enterprise	Ryan Given	Alison Siller
Law	Katherine Howland O'Brien	Larry Pierson
Learning Enterprise	Erin Yunt	Zakary Ghali
New College	Erika Yoshimura	Zakary Ghali
Nursing	Kellen Horney	Zakary Ghali
Provost	Chelsea Tyrrell	Larry Pierson
Summer Sessions	Chelsea Tyrrell	Larry Pierson
Sun Devil Athletics	Chris Tudor	Jim Sliwicki
Teachers College	Raymond Basaldua	Allyson Atkinson
The College	Tricia Quitmeyer	Gregory Cleveland
University College	Sayma Khan	Gregory Cleveland
University Libraries	Lillie Johnson	Zakary Ghali
UTO	Gregory Holmes	Larry Pierson
Watts College	Barbara Dodd	Allyson Atkinson