

BUDGET BUILDING GUIDELINES FOR INCOME/EXPENSE ACTIVITIES

Rate Calculations

Only those income/expense activities *that charge grants or have annual budgets greater than \$100k* must submit a rate calculation electronically (Excel with formulas included) to FAB no later than **Friday, April 20th**.

Activity managers are encouraged to submit rate calculations as soon as complete. This will allow time for review, addressing issues, and approval prior to submitting the activity's FY 2019 budget through Axiom.

Certification

All finance managers with Income/Expense activities must sign and return the *Certification* attesting to accuracy of the existing MOU and rate calculation.

Line Item Budgeting

Each income/expense activity must budget projected annual revenue equal to projected annual expenses in Axiom. Budget in whole dollars only--**no cents**.

Revenue Function Codes

Auxiliaries (103) Used when recording revenues generated in connection with the University's auxiliary enterprises, including Res Life, etc.

Sales & Services of Educational Activities (107) Used for revenue associated with Sales and Service of educational activities. Examples include revenue generated through sponsorship of conferences, sales of Conference & Event services, etc.

Other Revenue (109) Used when recording all operating revenue not identified as tuition and fees, auxiliary, government grants and contracts, athletics fees, or sales and service.

Revenue Account Codes

General University I/E Support (E4890) – A portion of the revenue generated may be budgeted as a subsidy *from a specific General University budget*, not by the Dept/Dean/VP level. If you have been notified that a portion of your activity revenue will be subsidized in this fashion, the agreed upon amount is to be budgeted in this account.

Unit/Department Support (E4870) – A portion of the revenue generated may be budgeted as a subsidy *from a specific unit*.

Use of Prior Year Fund Balance (E4649) – If a positive fund balance from the prior year(s) exists, one may budget a portion of the balance as a source of revenue thus reducing the amount charged to users or subsidy required.

Expense Account Codes

Salaries and Wages (Multiple) - Budget and charge to the appropriate E-level.

Benefits on salaries/wages (Multiple) - UVM Regular (5991); UVM Medical (E5996); UVM Civil Service (E5992); Grad Students (E5998); Taxable Students (E5995); Temp (E5994)

Operating (Multiple) - Budget and charge to the appropriate E-level.

Equipment Cost Transfer (E8100) – Budget using this e-level for transfers to an equipment reserve. An equipment schedule must be included with the budget materials submitted with the rate calculation. Transfers are processed using the 81900.

Support Center Indirect (E8090) –*For non-Responsibility Centers*. Budget the indirect (4%, 20%, space) using this e-level.

Responsibility Center Indirect (E8095) – *For Responsibility Centers*. Budget the indirect (4%, 20%, space) using this e-level. External activities within RC's may elect to charge an indirect greater than the 20% minimum at this e-level.

Addition to Fund Balance (E8649) – To add to your net asset, utilize this E-level. Adding to a net asset should be done if the net asset is currently negative or if the reserve needs to be built up to 60 days.

Expense Source Values

Equipment (139xx or 149xxx) - Equipment purchases are made using the activity's reserve chartstring using a source value of **139xxx or 149xxx**. **The last three digits are the same as the activity's operation source value**. Note this source value indicates reserve. The purchase will occur to this source value and the cost will be amortized over the useful life of the equipment. Equipment cost is recognized each year as an expense in the rate calculation equal to a portion of the useful life and acts as a payback against the negative fund balance in the chartstring.