



# FY2023-24 UC BERKELEY BUDGET GUIDELINES AND ASSUMPTIONS

This document provides information specific to the FY2023-24 Budget Process. It provides guidance to divisions including key dates, planning assumptions, contextual information, and links to helpful tools and resources.

## Table of Contents

<b>I. Overview and Goals</b>	<b>2</b>
a. Streamlined Process	2
b. Changes and Refinements specific to the FY2023-24 Campus Budget Systems	2
<b>II. Timeline</b>	<b>3</b>
<b>III. Budget Process Deliverables</b>	<b>4</b>
<b>IV. Template Planning Assumptions and Table of Accounts</b>	<b>5</b>
a. General Assumptions	5
b. Revenue	7
c. Operating Transfers	9
d. Compensation Expenses	11
e. Non-Compensation Expenses	12
f. Changes in Fund Balance	14
g. Reserves and Ending Balances	15
<b>V. Strategic Use of Reserves Template Guidance</b>	<b>16</b>
<b>VI. Capital Budget Process Overview</b>	<b>16</b>
<b>Appendix I - Budget Assumptions at a Glance - for planning only</b>	<b>17</b>
<b>Appendix II - Budget Considerations</b>	<b>18</b>

# I. Overview and Goals

The purpose of this document is to provide guidance for the FY2023-24 budget process, including key dates, planning assumptions, contextual information, and links to useful tools and resources.

## a. Streamlined Process

The budget process has been streamlined to support a compressed timeline, facilitate timely decision-making, and minimize extra work. As part of the streamlined process, the EVCP will continue to hold budget meetings with the deans and vice chancellors to discuss each division's strategic priorities and financial position. To support these discussions, the FP&A team has created three brief templates for the divisions to complete. The guidelines that follow outline the high-level planning assumptions that divisions should apply when filling out these templates as well as entering information in CalPlan. They also provide guidance on how to fill out the templates.

## b. Changes and Refinements specific to the FY2023-24 Campus Budget Systems

- [CalPlanning September Release notes](#).
- Visit the [Common Chart of Accounts website](#) to learn more about changes to the accounts structure.
- The Multiyear Budget Template is now available in CalPlanning so you can do all of your budget planning in one system. The Excel format has been retired. The Multiyear Budget Template still focuses on the two outer years, but you can now plan at the L4/Departmental level if you wish to do so. We have also added the Use of Reserves to the CalPlan Multi-Year Budget Template. We will be offering training specifically on how to use this enhancement and have also developed a [job aid](#) to support you. Please note that when updating Forecast and Operating Budget data in CalPlan, the [normal push times](#) for data updates apply for updating the template.
- Visit the [CalPlanning website](#) for when the April Release notes become available.

## II. Timeline

Each division needs to complete their FY2023-24 Operating Budget in HCP and CalPlan, and submit the budget templates and strategic priorities as part of their budget submission. Divisions should build internal timelines based on the campus deadlines.

Time	Milestone	Level	Activity
March 17	Form A	Academic Divisions	The Form A template will be distributed to Academic Divisions
Week of April 3	Call Letter	Campus	EVCP communicates budget assumptions
Week of April 10	Strategic priorities narrative template and Guidelines provided to divisions	Campus	The strategic priorities narrative template along with detailed guidelines and planning assumptions will be provided to Divisional Finance Leaders (DFLs) to support the budget process.
April 10 to May 31	CalPlan Opens	Campus	Divisions complete budget templates and submit their budgets via CalPlanning
May 15 to May 25	Office Hours	Campus and Division	FP&A holds office hours to help address any questions for DFLs related to the budget process.
April 28	Form A deadline for submission	Academic Division	Academic Divisions provide FP&A with their completed Form A's to load into CalPlan
May 31	FY2022-23 Forecast and FY2023-24 Operating Budget Due in CalPlan	Division	Divisions will enter their FY2022-23 Forecast, FY2023-24 Operating Budget, and multi-year Budget Template in CalPlan for review and submission to the EVCP
May 31	Strategic priorities narrative template and Central Resource Request Form Due	Division	Divisions will provide FP&A their completed strategic priorities narrative template and central resource request form(s) in their respective google divisional folder. Note the central resource request form(s) is optional and not required.
June 7th to June 27th	Budget Meetings	Campus and Division	EVCP holds budget meetings with deans, and the EVCP and Chancellor hold budget meetings with the vice chancellors
July 6th to July 18th	Budget Decision Meetings	Campus	Finance Committee holds decision meetings
Week of July 31st	Budget Decisions	Campus	Distribute FY2023-24 Budget Allocation packets to campus

## III. Budget Process Deliverables

In preparation for the budget meetings with the EVCP, divisions will need to provide the following mandatory submissions.

- **Strategic Priorities Template**

- For the budget meetings this year, rather than focus on the financial performance of your division, the time will be used to discuss your key strategic priorities for the next three years. To that end, we ask that you complete the Strategic Priorities Template for each of your top one to three priorities. At a high level, the template will allow you to:
  - Communicate your priorities and how they support divisional and institutional goals;
  - Describe the financial needs and strategies through which the priorities will be accomplished; and
  - Identify any challenges to moving forward and potential risks to the division or campus of not doing so.

- **FY2022-23 Forecast and FY2023-24 Budget in CalPlan**

- Similar to prior years, we are asking you to update your FY2022-23 Forecast and build your FY2023-24 Operating Budget in CalPlan as a budget process deliverable prior to the Budget Hearings.

- **Multi-year Budget Template in CalPlan**

- FY2023-26 Budget Planning Template

This is a high-level summary of the division's budget plan. It includes actual results from FY2021-22 and projections from FY2022-23 through FY2025-26. Organized as a SRECNA, this template will serve as the primary means by which the overall financial performance of your division will be examined in relation to your strategies to fund critical priorities and manage other impacts to your budget.

- FY2024-26 Strategic Reserves Template

This will be used to summarize the ways in which divisions plan to use reserves to invest in strategic initiatives (e.g., capital projects, revenue generating activities).

- **FY2023-24 Requests for Central Resources**

- A \$10M Critical Priorities Fund has been established to make resource allocations during the budget process. This template should be used to make requests from this funding pool. Due to the amount of the fund, only the most compelling needs will be considered. The colleges and schools may use this template to request additional EVCP TAS funding, which has its own separate funding pool of \$3M. Allocations from these funding pools will only be available on a one-time basis.

## IV. Template Planning Assumptions and Table of Accounts

The tables below detail assumptions for general planning as well as each of the major account categories. Divisions should use these assumptions unless local knowledge would serve as a better basis for planning. If no general assumption is provided, divisions should plan using local knowledge and data trend analysis.

While there is reason to be optimistic given the second year of cohort tuition and planned higher State support, system-wide unfunded salary mandates along with inflation and utility costs outpace these revenue increases. Consequently, we should plan conservatively, even as we hope that conditions will improve. Doing so will allow us to anticipate and prepare for outcomes that prove less than ideal. With respect to planning for FY2024-25 and FY2025-26, we understand that your projections will be broader and more strategic given the high level of uncertainty in these out-years.

The account categories outlined below represent the account rollups included in the budget process template and may include combinations of accounts and account rollups from CalPlan. If you are uncertain of an account description, divisions may find it useful to refer to account long descriptions, which are located on the [Chart of Accounts Lists](#) page.

### a. General Assumptions

Category	Account Codes	Overview
Campus Scenario	All applicable accounts	Budget plans should be made with the assumption that we will be on-campus operations in Fall 2023.
Funds Covered	All applicable accounts	The updated templates reflect planning for <b>Current Funds Excluding Contracts and Grants.</b>
Administrative Full Costing	Plan net amount in Sales and Services Revenue	Assume 9% assessment rate for sales and services revenues.
Philanthropic Assessment	Plan net amount in Private Gifts for Current Use	Assume <b>7.5%</b> (increased from 5%) assessment rate for donor gifts received and <b>13%</b> (increased from 10.5%) for research gifts.
UCB Foundation Endowments and FFEs	Revenue: Private Gifts for Current Use	<p>For UCBF endowments and FFEs, DFLs can plan for a year-over-year modest increase of 2.0% in payout adjusting for any significant changes in the underlying principal during the three years ending March 2023.</p> <p>Please refer to the <a href="#">UCBF Investment Policy Statement</a> for more information.</p> <p>Remember that the UCB Foundation Endowment and FFE payouts will be distributed on a quarterly basis as listed below. Due to this change, no negative STIP will be charged to Foundation Funds moving forward.</p> <ul style="list-style-type: none"> <li>● August 30%</li> <li>● November 30%</li> <li>● February 20%</li> </ul>

		<ul style="list-style-type: none"> <li>• May 20%</li> </ul>
Regents Endowments and FFEs	Operating Transfers: Regents Endowment/FFE Payout 72210	<p>For Regents endowments and FFEs, DFLs can plan for a year-over-year modest increase of 2.0% in payout adjusting for any significant changes in the underlying principal during the three years ending March 2023.</p> <p>Regents endowment and FFE payouts are distributed once a year in August. Since Regents payout distribution remains unchanged, we will resume to charge negative STIP on Regents payout.</p>
Cost Recovery Assessment	Operating Transfers: Campus Support	There will not be a Cost Recovery Assessment this year.
Compensation Expenses	Academic/Staff Salaries and Wages	<p>Per the UC Office of the President, Divisions should plan for:</p> <ul style="list-style-type: none"> <li>• Faculty range adjustment increase of 4.6%.</li> <li>• Non-represented staff cost of living adjustment (COLA) increase of 4.6%.</li> <li>• Represented staff increase consistent with bargaining agreements, however, it is estimated to be between 5.5% to 6%.</li> </ul> <p>Leadership has decided to provide permanent funding sufficient to fund 3% of the non-represented and represented staff salary increases paid on core central funds. This is reflected in your FY24 CalPlan Budget as well as the Central Commitments in the Budget Template. It will be at the division’s discretion whether this funding (versus other divisional resources) is used to pay for the salary and benefits increase.</p>
General inflation assumption	Non-Compensation Expenses	No inflation assumptions have been centrally built into the FY2023-24 Operating Budget for non-compensation expenses. Local knowledge should inform changes in non-compensation expenses.
FY24 Budget Targets	Budget Targets and Goals	There will be no budget targets this year. Divisions should maintain a balanced budget and continue to rely on their own resources to move forward on their priorities. Details of how you plan to use your reserves should be provided in the Strategic Use of Reserves tab in the Budget Template.

## b. Revenue

Category	Account Codes	Overview
<b>Net Tuition and Fees</b>	<ul style="list-style-type: none"> <li>● 400XX - Non Res Tuition – Plan</li> <li>● 402XX - Student Services Fees – Plan</li> <li>● 403XX - Tuition - Plan</li> <li>● 404XX - SS &amp; Special Programs Rev - Plan</li> <li>● 4050X - Other Student Fees -Plan</li> <li>● 4053X - Professional Degree Fees - Plan</li> <li>● 4055X - Self-Supporting Degree Program – Plan</li> <li>● 4056X - Other Fees - Plan</li> <li>● 407XX - UNEX – Plan</li> <li>● 408XX - Contr Student Financial Aid - Plan</li> </ul>	<p>Divisions are responsible for Net Tuition and Fees that are directly received by the division net of any revenue share with campus.</p> <p>Revenue estimates should be based on target enrollments and approved fees for each eligible program. Planned increases should be in accordance with proposals submitted to the Budget and Financial Operations team.</p>
<b>Private Gifts for Current Use</b>	<ul style="list-style-type: none"> <li>● 440XX - Private Gifts for Current Use – Plan</li> </ul>	<p>Includes annual fund and other current use gifts, UC Berkeley Foundation (UCBF) endowment and Fund Functioning as an Endowment (FFE) annual payout. Divisions should plan for these based on trend analysis and/or local knowledge of anticipated gift payments (including outright gifts and pledge payments).</p> <p>Current use gifts should be net of the philanthropic assessment.</p> <p>Please see the General Assumptions section for more guidance on year-over-year payout increases.</p> <p><i>*Remember, starting in FY2021-22, Rotating Endowed Chairs are paid out directly to corresponding Divisions versus passing through the Central Ledger for allocation. Funding will now be transacted as revenue for Foundation Fund Rotating Chairs and as a Regents Endowment Transfer for Regents Fund Rotating Chairs. More information can be found on the <a href="#">Endowed chairs</a> page.</i></p>



<p><b>Sales and Services</b></p>	<p>Sales Services and Other Income:</p> <ul style="list-style-type: none"> <li>● 46XXX - Sales Services &amp; Other Income – Plan</li> </ul> <p>Sales and Services of Auxiliary:</p> <ul style="list-style-type: none"> <li>● 47XXX - Sales &amp; Services of Auxiliary - Plan</li> <li>● 47010 - Food Sales/Services</li> <li>● 47030 - Books/Merchandise Sales</li> <li>● 47040 - Ticket Sales-Auxiliary Activity</li> <li>● 47061 - Off-Site Game Rev (Guarantees)</li> <li>● 47090 - Other Marketing Revenues</li> <li>● 47110 - Parking Revenues-UCRelated</li> <li>● 47900 - Rental of RealProperty-Aux</li> <li>● 47999 - Misc Sls &amp; Svcs of Auxiliary</li> <li>● 47000 - Residence Fees</li> </ul> <p>Other Income:</p> <ul style="list-style-type: none"> <li>● 48XXX - Other Income – Plan</li> </ul>	<p>Local knowledge should inform growth in Sales &amp; Services of Auxiliary and Other Sales and Services revenues.</p> <p>Amounts should be planned net of the 9% AFC rate.</p>
<p><b>Other Revenues</b></p>	<p>Investment Income</p> <ul style="list-style-type: none"> <li>● 94XXX - Investment Income – Plan</li> </ul> <p>Non-Operating Revenue</p> <ul style="list-style-type: none"> <li>● 49080 - Federal Pell Grants</li> <li>● 493XX – Disposal of CapAssets NetofPro – Plan</li> <li>● 495XX – Nonoperating Rev/Exp-Other - Plan</li> </ul>	<p>Investment Income: Primarily made up of STIP income. Under current campus policy, almost all STIP earned on positive cash balances is income to the center. Therefore, most divisions will not enter budgets in these accounts. Divisions with deficit balances should plan for negative STIP income here. Additionally, divisions that have one or more funds that earn a material amount of STIP under an exception to the policy (e.g., certain Federal grants) should plan for it here.</p> <p>Non-Operating Revenue: In general, these accounts are used by central units only and are not relevant for divisions planning in Current Funds. One exception is Student Affairs, which plans for Federal Pell grants in this revenue category.</p>

## c. Operating Transfers

Operating Transfers reflect transfers from a variety of sources (i.e. campus, divisional, and departmental). For divisional planners, it is important to ensure the 73XXX, 74XXX, and 75XXX net to zero at the appropriate levels. More information may be found in the [Planning for Operating Transfer Accounts job aid](#) under "General CalPlanning References." Please note for Other Transfers (72XXX, 73XXX, 74XXX, 75XXX) the FY2023-24 Operating Budget amount (upon opening in January) was a direct copy of FY2022-23 Operating Budget Final for these accounts.

Category	Account Codes	Overview
<b>Campus Support</b>	<ul style="list-style-type: none"> <li>● 71110 General Allocation and 713XX Campus Support (Central Use Only)</li> </ul>	<p>71110 General Allocation funding for FY2023-24 is based on the February 2023 PermBudg, which consists of the FY2022-23 general allocation amount plus any FY2022-23 in-year adjustments in the PermBudg.</p> <p>713XX will also have adjustments based on Form A data provided. Form A is due April 28th and will be loaded in CalPlan by May 11th.</p> <p>Leadership has decided to provide permanent funding sufficient to fund 3% of the non-represented and represented staff salary increases paid on core central funds. This is reflected in your FY24 CalPlan Budget as well as the Central Commitments in the Budget Template. It will be at the division's discretion whether this funding (versus other divisional resources) is used to pay for the salary and benefits increase.</p>
<b>Campus Support cont.</b>	<ul style="list-style-type: none"> <li>● 712xx, 714xx Campus Support (Central Use Only)</li> </ul>	<p>Based on the OCFO's Commitments Database as of March 2023. Details can be found in the Campus Commitments tab in the Budget Template.</p>
<b>Other Transfers</b>	<p>External Transfers</p> <ul style="list-style-type: none"> <li>● A72110 - Inter-Location Xfr (Rev)</li> <li>● A72115 - Inter-LocationXfr (Fund Bal)</li> <li>● 72210 - RegentsEndow/FFE Payout</li> <li>● 72295 - Other Transfers</li> </ul>	<p><b>External Transfer</b> accounts are used to designate a flow of resources that originates from elsewhere in the UC System. See general guidance above for Regent Endowments and FFE payout.</p>

<p><b>Other Transfers cont.</b></p>	<p>To/From Other Divisions</p> <ul style="list-style-type: none"> <li>● 73110 - Summer Session/UNEX Rev Share</li> <li>● 73120 -Academic/Research Awards</li> <li>● 73130 - Personnel Awards &amp; Training</li> <li>● 73140 - Work-study Funding</li> <li>● 73150 -Gift FeeDistribution</li> <li>● 73201 - InterDiv - InitialTransfers</li> <li>● 73205 - InterDiv - Vice-Chanc Support</li> <li>● 73295 - InterDiv - Other Xfer Btwn Divs</li> </ul>	<p><b>Summer Sessions/UNEX Revenue Share:</b> Divisions should coordinate with Summer Sessions and UNEX for planning their revenue share portion and make adjustments to their budget as needed.</p> <p><b>Remember</b> transfers between divisions should net to zero at the campus level. Divisions should review and coordinate with other divisions to ensure both giving and receiving sides are recorded.</p> <p>For information on how to use and spend down your <b>Philanthropic Allocation</b> please visit the policy linked <a href="#">here</a>.</p>
<p><b>Other Transfers cont.</b></p>	<p>Internal DIVISION Transfers</p> <ul style="list-style-type: none"> <li>● 741XX</li> </ul> <p>Internal DEPARTMENT Transfers</p> <ul style="list-style-type: none"> <li>● 751XX</li> </ul>	<p><b>Internal Division and Department transfers</b> should net to zero at the Division level.</p>

## d. Compensation Expenses

Compensation is budgeted in HCP. In FY2023-24, the VCF will continue to allocate funding for salary and benefit adjustments for filled ladder rank faculty positions. Divisions will need to continue to absorb most adjustments to non-ladder rank faculty and staff salaries, as well as associated benefits costs. In FY2023-24 leadership has decided to provide permanent funding sufficient to fund 3% of the non-represented and represented staff salary increases paid on core central funds. For planning purposes this is reflected as a central commitment for FY2023-24 and built in your general allocation for FY2024-25 and FY2025-26.

Category	Account Codes	Overview
<b>Academic Salaries and Wages</b>	<ul style="list-style-type: none"> <li>50200 - Academic Salary &amp; Wages</li> </ul>	Per the UC Office of the President, plan faculty range adjustments at a 4.6% increase.
<b>Staff Salaries and Wages</b>	<ul style="list-style-type: none"> <li>51200 - Staff Salaries &amp; Wages</li> </ul>	Varies per individual employee, though the assumption is a 4.6% increase for non-represented staff per the UC Office of the President. Represented staff increases are set according to the bargaining unit and are assumed to be between 5.5% to 6%.
<b>Employee Benefits</b>	Other Employee Compensation <ul style="list-style-type: none"> <li>520XX - Other Employee Compensation - Plan</li> </ul>	No inflation assumptions have been built in centrally for Other Employee Compensation.
<b>Employee Benefits cont.</b>	Fringe Benefits <ul style="list-style-type: none"> <li>53060 - Benefit Assess-AcadRegular</li> <li>53070 - Benefit Assess-StaffRegular</li> <li>53080 - Benefit Assessment - Limited</li> <li>53085 - Benefit Assess- No Eligibility</li> <li>53086 - Benefit Assess - Student</li> <li>53XXX - Fringe Benefits -Plan</li> </ul>	Composite Benefit Rates have been updated to reflect the FY2023-24 proposed rates. FY2024-25 and FY2025-26 rates are projected to remain flat. We will notify you once the FY2023-24 rates have been approved by the Feds and uploaded into UCPath. You can find more information about CBRs on the <a href="#">Composite Benefit Rates</a> page.  FY2023-24 rates are as follows: <ul style="list-style-type: none"> <li>Academic: 34.4%</li> <li>Staff: 42.8%</li> <li>Limited: 12.2%</li> <li>Employees No Benefit Eligibility: 5.4%</li> <li>Student: 2.3%</li> </ul>
<b>Employee Benefits cont.</b>	<ul style="list-style-type: none"> <li>57310 - General &amp; Employee Liability Insurance</li> </ul>	For FY2023-24, the GAEL rate is assumed to increase to 2.05%. For FY2024-25 and FY2025-26 the rate will remain flat at 2.05%.

## e. Non-Compensation Expenses

Divisions should budget material expenditures in the appropriate non-compensation accounts and plan-accounts. No inflation assumptions have been centrally built into the FY2023-24 Operating Budget for non-compensation expenses. Local knowledge should inform changes. Additional context for some expense types is provided below.

	Account Codes	Overview
<b>Supplies, Materials and Equipment</b>	<ul style="list-style-type: none"> <li>● 550XX - General Supplies – Plan</li> <li>● 55049 - Dining Service Supplies</li> <li>● 5501X - Laboratory Supplies – Plan</li> <li>● 54XXX - Equipment &gt;\$5K - Plan</li> <li>● 55XXX - Equipment&lt;\$5K–Plan</li> </ul>	Divisions should budget material expenditures. Remember, no inflation assumptions have been centrally built into the FY2023-24 Operating Budget for these accounts. Local knowledge should inform planning assumptions.
<b>Scholarships and Fellowships</b>	<ul style="list-style-type: none"> <li>● 574XX - Undergraduate – Plan</li> <li>● 5741X - Grad Scholarships &amp; Fellowships - Plan</li> <li>● 5380X - Fee Remission - Plan</li> <li>● 5745X - Other Prizes &amp; Awards -Plan</li> </ul>	<p>Divisions should budget for spending on locally held donor scholarships, financial aid expenditures for professional programs, stipends or scholarship payments supported by endowed chairs or other funds (restricted or unrestricted) that are held in the Departments.</p> <p>Fee Remissions have been updated in CalPlan for FY2023-24. Please see the Appendix I for more information.</p>
<b>Recharge Billing Expense</b>	<ul style="list-style-type: none"> <li>● 59000 - Recharge Income</li> <li>● 59001 - 59013 - Recharge Expenses</li> </ul>	<p>Plan for recharge activities managed by recharge centers. The definition of what constitutes a recharge center can be found in the recharge policy on the <a href="#">recharge webpage</a>.</p> <p>Accounts 59001 to 59011 represent the bill/assessments units are being charged from a Recharge Unit. These are not the Recharge Unit’s expenses. The sum of accounts 59000 and 59013 should equal zero across campus. Visit the <a href="#">Common Chart of Accounts website</a> for more information.</p> <p>When allocating costs to capital projects (197xx accounts), please use account 57342 Misc Exp-Contra-Capitalized as the offset, instead of account 59000 - Internal Recharge Income.</p>
<b>Intercampus Recharge</b>	<ul style="list-style-type: none"> <li>● 98XXX - Intercampus Recharge Accounts</li> </ul>	Intercampus recharge transactions and funding transfers between UCB and other campuses/UCOP should be recorded to 98xxx intercampus recharge debit or credit accounts. When transferring costs to

<p><b>Intercampus Recharge cont.</b></p>		<p>another UC campus, you must use the Intercampus Recharge Cr. account for the corresponding campus. When transferring funding to another UC campus, you must use the Intercampus Recharge Dr. account for the corresponding campus. A list of all the accounts can be found <a href="#">here</a>.</p>
<p><b>Other Expenses</b></p>	<p>Indirect Cost Recovery</p> <ul style="list-style-type: none"> <li>● 579XX - Indirect Cost Recovery – Plan</li> </ul> <p>Services</p> <ul style="list-style-type: none"> <li>● 560XX - Comp Service &amp; Software – Plan</li> <li>● 561XX - Communications - Plan</li> <li>● 562XX - Maint Contract &amp; Services - Plan</li> <li>● 564XX - Publications &amp; Media - Plan</li> <li>● 565XX - Transportation - Plan</li> <li>● 566XX - Other Services - Non Computer – Plan</li> <li>● 56638 - Cleaning Services</li> <li>● 56610 - Advertising: Fed Chargeable</li> <li>● 56611 - Advertising - Fed Unchargeable</li> </ul> <p>Rents and Utilities</p> <ul style="list-style-type: none"> <li>● 5631X - Space Rental – Plan</li> <li>● 5632X - Equipment Rental -Plan</li> <li>● 5634X - Utilities - Plan</li> <li>● 5639X - Contra Rent &amp; Utilities – Plan</li> </ul> <p>Travel</p> <ul style="list-style-type: none"> <li>● 572XX - Travel – Plan</li> </ul> <p>Miscellaneous Expenses</p> <ul style="list-style-type: none"> <li>● 5671X - Participant Support – Plan</li> <li>● 5672X - Other Non-Employee - Plan</li> <li>● 56720 - Consultant Fees</li> <li>● 56723 - Student Accommodations</li> <li>● 56724 - Temporary Labor</li> <li>● 5700X - Conf - Mtgs - Training - Events - Plan</li> <li>● 570XX - Entertainment - Plan</li> <li>● 5731X - Insurance - Plan</li> <li>● 5733X - Other Fees &amp; Fines -</li> </ul>	<p>Divisions should budget material expenditures. Remember, no inflation assumptions have been centrally built into the FY2023-24 Operating Budget for these accounts. Local knowledge should inform planning assumptions.</p> <p>Two accounts may cause confusion (as neither are paid through UCB payroll) and examples of when to use which are as follows:</p> <p><b>56720 Consultant Fees</b> occur when a division pays a consulting firm for services, such as evaluating an existing IT system, implementing a new system, or evaluating organizational structure and giving recommendations for improvement. These are third party consultant fees.</p>

<p><b>Other Expenses cont.</b></p>	<p>Plan</p> <ul style="list-style-type: none"> <li>● 5734X - Non Compensation Payments - Plan</li> <li>● 5735X - Other - Plan</li> <li>● 5736X - Agency - Plan</li> <li>● 5737X - Cost of Goods Sold - Plan</li> <li>● 577XX - Non-op Misc Deductions – Plan</li> </ul> <p>Other Operating Expenses - UCOP</p> <ul style="list-style-type: none"> <li>● 95XXX</li> </ul>	<p><b>56724 Temporary Labor cost</b> occurs when a division hires a temporary employee (from a temporary agency) to fill in an existing position or to work on a project.</p> <p>Mostly used centrally to record specific UCOP system-wide assessments.</p>
------------------------------------	--	---

## f. Changes in Fund Balance

In our fund accounting environment, these transfers are unusual since they are made between the Current Fund group and other fund groups (e.g., Plant or Agency), or between UC Berkeley and other UC locations. Generally, they are used to record specific activities that are not properly part of a division's in-year operating results and are therefore considered "below the line." By excluding these items from a division's operating surplus or deficit, we have a better picture of whether the division is operating above or below their means, excluding certain unusual one-time activities.

Divisions are only required to plan for the Current Funds side of fund balance transfers. The FY2023-24 Operating Budget (upon opening) was a direct copy of FY2022-23 Operating Budget Final. Divisions should review and update budgeted fund balance transfers in accordance with the instructions below.

Category	Account Codes	Overview
<b>Regents Endowment Pool</b>	<ul style="list-style-type: none"> <li>● 83011 - (To)/Fr Regents Endow - FFE Principal – Plan</li> </ul>	<p>Planned contributions to/withdrawals from FFEs should be budgeted here. Though rare, reinvested payouts from true endowments to principal should also be planned here, if material.</p>
<b>Plant Funds</b>	<ul style="list-style-type: none"> <li>● 81601 - (To)/Fr Retire of Indebt - Exter Debt Srvc - Plan</li> <li>● 81602 - (To)/Fr Unexp Plant Fund - Cap Projects - Plan</li> <li>● 34039 - (To)/Fr Res for Renewal &amp; Replacement - Plan</li> <li>● 81603 - Other Plant Fund Transfers</li> </ul>	<p><i>81601</i> – Divisions should use this account to plan for the aggregate flow of money for debt service in FY2023-24.</p> <p><i>816202</i> – This account should be used to budget the outflow of equity contributions for capital projects in FY2023-24. Divisions should not include plans for new Capital Projects requiring central contributions until approved by Capital Projects.</p> <p><i>34039</i> – This account should be used to plan for contributions to, or withdrawals from, Reserves for Renewal and Replacement. The use of this account is primarily for recharge funds.</p> <p><i>81603</i> – This account should be used in the event a material change has occurred in an account not listed above. Divisions should seek guidance prior to account use.</p>
<b>All Other Fund Balance</b>	<ul style="list-style-type: none"> <li>● All Other Fund Balance Changes – Plan</li> </ul>	<p>In general, use of these plan-accounts is restricted to the VC of Finance.</p>



## g. Reserves and Ending Balances

Given our severe financial challenges, the use of reserves takes on special importance again this year. Many, if not all, divisions will want to use some amount of reserves to mitigate expenses, especially in FY2023-24. We also anticipate that some divisions, even in our current circumstances, will want to use reserves for strategic purposes. We are, therefore, asking you to provide this information for the next three years, with the understanding that your responses for FY2024-25 and FY2025-26 may be largely directional. In particular, your planned use of reserves will be examined relative to your change in net assets over the next three years. Strongly negative changes in net assets, for example, may warrant discussion about the extent to which reserves should be used to mitigate reduced funding or for strategic purposes.

Category	Account Codes	Overview
Beginning Balance	Calculated	The templates are set up to flow ending balances from the previous year into the beginning balance of the following year starting with FY2023-24. The beginning balance amount for FY2023-24 is equal to the ending balance amount included in CalRptg for FY2022-23 Q3 Forecast. FY2024-25 and FY2024-25 balances will be updated based on amounts included in the template.
Ending Balance	Calculated	The templates are set up to calculate the ending balance based on the beginning balances calculated above plus the change in net assets from the template.
Use of Reserves	Strategic Investments	Please specify the amount of reserves that are being used for strategic investments and/or as a funding loss mitigation. It is understood that responses for FY2024-25 and FY2025-26 are directional. The summary data for strategic reserve investments included in this template should reflect the sum of the specific reserve investments identified in the Use of Strategic Reserves Template (described below).
Unrestricted Ending Balance	<ul style="list-style-type: none"> <li>● Amount of Balance</li> <li>● Percent of Total Expenses</li> </ul>	<p>Divisions will enter an amount for unrestricted ending balance for FY2022-23, FY2023-24, FY2024-25 and FY2025-26. This amount is meant to be directional. Divisions may use historical trend data, for example, to estimate what percent of their ending balance comes from unrestricted funds.</p> <p>Unrestricted ending balance as a percentage of total expenses will be automatically calculated. This percentage is intended to serve as a measure of the extent to which ending balances will continue to be available to address financial exigencies in the future.</p>

## V. Strategic Use of Reserves Template Guidance

In this template, divisions should summarize the ways in which they plan to use reserves for strategic initiatives (e.g., capital projects, revenue generating activities). Each initiative should be reported separately. Three years of data is requested since multiple years of investment are often required to fund strategic initiatives. To the extent that this is not the case, however, you do not need to provide data for the out years. As is the case for other areas of this plan, directional data for FY2024-25 and FY2025-26 is to be expected. The reserve investment totals in this template should match the corresponding totals in the three-year budget planning template described above (“Strategic Investments” line). Also in the three-year template, the expenses for your planned strategic initiatives should be built into the expenses in the SRECNA so that their impact is reflected in your overall financial performance for the period.

## VI. Capital Budget Process Overview

There are no central resources available for divisions’ capital improvements in FY2023-24, as all central capital resources are being directed to support the annual campus Capital Renewal Program. The [Capital Renewal website](#) offers current information regarding the Capital Renewal strategic plan, and the revised [Asset Management website](#) provides information on how to find and contact your Regional Manager for renewal priorities, and how to submit deferred maintenance condition elements for consideration.

For information about how to plan for and initiate your division-funded Capital Projects, please refer to the [New Project Initiation](#) page. Please note that all capital projects require formal administrative approvals at the campus, Office of the President, or Regents level. For capital projects with a projected value over \$1 million, divisions are encouraged to consult with the Capital Strategies group for guidance on the approvals process.

## Appendix I - Budget Assumptions at a Glance - for planning only

		2022-23	2023-24	2024-25	2025-26
		Actual	Projection	Projection	Projection
<b>Note:</b> These budget assumptions are provided solely for the purpose of making financial projections of revenue and expenses for a multi-year period. These assumptions should be used for <b>budgeting purposes only and are subject to change</b> . Many of these assumptions are not final and are subject to change. If you have more specific information regarding impacts to your division, you should plan for those known items and trends.					
<b>REVENUE</b>					
Administrative Full Costing (AFC)		9%	9%	9%	9%
Philanthropic Assessment					
	Donor Gifts Received	5%	7.5%	7.5%	7.5%
	Research Gifts	10.5%	13%	13%	13%
Endowment Payouts					
	UCBF + Regents Endowments and FFEs *	2%	2%	2%	2%
Student Fees & Tuition - please visit:					
	<a href="https://registrar.berkeley.edu/tuition-fees-residency/tuition-fees">https://registrar.berkeley.edu/tuition-fees-residency/tuition-fees</a>	varies	varies	varies	varies
Return to Aid					
	Professional Degree Supplemental Tuition	33%	33%	33%	33%
<b>COMPENSATION EXPENSES</b>					
Salary Increases					
	Academic Faculty - Salary	4%	4.6%	3%	3%
	Represented (consult with your bargaining unit)	varies	5.5% - 6%	3%	3%
	Unrepresented Staff	4.5%	4.6%	3%	3%
Composite Benefit Rates (CBR)					
	Academic	35.4%	34.4%	34.4%	34.4%
	Staff	42.8%	42.8%	42.8%	42.8%
	Limited ( this includes Postdocs)	14.0%	12.2%	12.2%	12.2%
	Employees with No Benefit Eligibility	5.3%	5.4%	5.4%	5.4%
	Students	2.8%	2.3%	2.3%	2.3%
GAEL		1.75%	2.05%	2.05%	2.05%
University of California Retirement Plan (UCRP) Supplemental Allocation		0.30%	0.62%	0.62%	0.62%
<b>NON-COMPENSATION EXPENSES</b>					
Fee Remission					
	GSR - Resident	20,848	22,324	23,412	24,472
	GSR - Non - Resident	35,950	37,426	38,514	39,574
	GSI	19,524	22,324	23,412	24,472
	Reader / Tutor - Student	19,524	22,324	23,412	24,472
Recharge rate - please visit:					
	<a href="https://cfo.berkeley.edu/recharge">https://cfo.berkeley.edu/recharge</a>	varies	varies	varies	varies
*For UCBF endowments and FFEs, DFLs can plan for a year over year modest increase of 2.0% in payout adjusting for any significant changes in the underlying principal during these years					

## Appendix II - Budget Considerations

- All-Funds Budgeting – Budgets should capture planned spending for each of the five Current Fund types. In general, divisions should plan to use dollars generated from gifts, endowments, and other restricted funds (in accordance with fund restrictions) before using unrestricted funds. Budgeted expenditures and ending fund balances in unrestricted vs. restricted funds will be among the metrics evaluated by FP&A when reviewing divisions' Operating Budgets.
- Consider Materiality – Operating Budgets are plans used to inform strategic decisions and should not be used to recreate actual activity dollar-for-dollar. FY2023-24 Operating Budget entries should only be included for summarized spending and specific initiatives that may impact strategic decisions within the division or will impact the ability for the campus to meet its financial goals. A rule of thumb for materiality could be a +/- 5% change or \$500K depending on the size of your division.
- CalPlanning Plan-Account and Plan-Fund Mappings – An Excel mapping tool for Accounts and Fund numbers allows for easy translation of current BFS Accounts and Fund numbers to their corresponding CalPlan Accounts and Fund numbers. Accounts and Funds that have been recently created or updated in BFS may not be available for look-up in this tool for up to 30 days. If you have any questions, please contact the CalPlanning Help Desk at [calplanhelp@berkeley.edu](mailto:calplanhelp@berkeley.edu). Account and Fund Mapping Files can be found in the CalPlan Job Aids section of the [CalPlanning Job Aids](#) page.
- Adjusting for Seasonality for the Operating Budget – If material variances related to seasonality were identified in your Quarterly Key Control report, we expect each division to adjust their FY2023-24 Operating Budget to account for that seasonality by quarter, in the most efficient way possible. Historical seasonality should be reviewed for appropriateness based on proper accounting treatment.
- Accrual Based Accounting – Timing for the recognition of revenue and expenses should be based on when the revenue is earned and the expense is incurred (e.g., to the extent that tuition revenue is associated with a specific time period and/or crosses fiscal periods it should be accrued or deferred accordingly).