



FY2021-22 UC BERKELEY BUDGET TEMPLATE GUIDELINES AND ASSUMPTIONS

This document provides information specific to the FY2021-22 Budget Process templates. It provides guidance to divisions including key dates, planning assumptions, contextual information, and links to helpful tools and resources.

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I. Overview and Goals

The purpose of this document is to provide guidance for the FY2021-22 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 assess each division's financial plan. To support these discussions, the FP&A team has created four 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 FY2021-22 Campus Budget Systems

- [CalPlanning February Release notes](#)
- [CalPlanning March Release notes](#)
- [CalPlanning June Release notes](#)

II. Timeline

Each division needs to complete their FY2021-22 Operating Budget in HCP and CalPlan, and submit the budget templates and narrative as part of their budget submission. Divisions should build internal timelines based on the campus deadlines.

Time	Milestone	Level	Activity
Week of 06/21/2021	Call Letter	Campus	EVCP communicates revised budget assumptions
Week of 06/21/2021	Templates and guidelines provided to divisions	Campus	Templates along with detailed guidelines and planning assumptions will be provided to Divisional Finance Leaders (DFLs) to support the budget process. Units will be required to enter their FY2021-22 Operating Budget in CalPlan
07/07/2021 – 07/27/2021	Office Hours	Campus and Division	FP&A will hold office hours at various times each week through July to help address any questions for DFLs related to the budget process. When you sign up to attend , you will receive a bCal invite with the link to the Zoom session.
08/20/2021	FY2021-22 Operating Budget Due in CalPlan	Division	Divisions will enter their FY2021-22 Operating Budgets in CalPlan and submit their Templates and Narrative to FP&A for review and submission to the EVCP
09/09/2021 – 09/24/2021	Budget Meetings	Campus and Division	EVCP holds budget meetings with deans and vice chancellors
10/7/2021 – 10/18/2021	Budget Decision Meetings	Campus	Finance Committee holds decision meetings
Week of 10/25/2021	Budget Decisions	Campus	Budget decisions communicated to campus via email
Week of 11/08/2021	Budget Decisions	Campus	Distribute FY2021-22 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.

- **FY2021-22 Budget in CalPlan**
 - In a change from last year, we will be asking you to build your FY2021-22 Operating Budget in CalPlan as a budget process deliverable prior to the Budget Hearings. The FY2021-22 Operating Budget built in CalPlan should be refreshed in the FY2021-24 Budget Planning Template.
- **FY2021-24 Budget Template**
 - FY2021-24 Budget Planning Template
This tab is a high-level summary of the division's budget plan. It includes actual results from FY2019-20 and projections from FY2020-21 through FY2023-24. 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 address your budget reduction (e.g., expense reductions, use of reserves), fund critical priorities, and manage other COVID- and non-COVID-related impacts to your budget.
 - FY2021-22 Expense Reductions Template
This tab will be used to summarize the specific cost reduction strategies divisions will implement to address the FY2021-22 budget reduction in comparison to FY2020-21 Q3 Forecast expenses.
 - FY2022-24 Strategic Reserves Template
This tab 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).
- **FY2021-22 Budget Process Narrative**
 - This template will be used to provide context to the financial schedules.
 - Use this template to briefly describe the impact of COVID-19 and other factors on the division's projected FY2021-22 revenue and expenses, the plan for how the budget reduction will be addressed, and any plans to fund critical priorities. There is also space to make a funding request from the \$15M Extraordinary Relief Pool, as described in the budget call letter.

Divisions will need to make all changes in CalPlan and refresh the templates using Smartview for the FY2021-22 Operating Budget. Divisions can make the changes directly into the templates for FY2022-23 and FY2023-24. When updating the template with CalPlan data, normal push times apply.

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.

COVID-19 continues to generate a great deal of planning uncertainty. While Berkeley will return to on-campus operations in FY2021-22, we also expect that full financial recovery will be a multi-year process. Consequently, we should plan conservatively, even as we hope that conditions will improve sooner rather than later. Doing so will allow us to anticipate and prepare for outcomes that prove less than ideal. With respect to planning for FY2022-23 and FY2023-24, 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 return to on-campus operations in Fall 2021.
Funds Covered	All applicable accounts	The updated templates reflect planning for Current Funds Excluding Contracts and Grants .
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 5% assessment rate for donor gifts received and 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 2021.</p> <p>Please refer to the UCBF Investment Policy Statement 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"> • August 30% • November 30% • February 20%

		<ul style="list-style-type: none"> May 20%
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 2021.</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>
Central Rotating Endowed Chairs	Revenue: Private Gifts for Current Use Operating Transfers: Regents Endowment/FFE Payout 72210	<p>Starting in FY2021-22, Rotating Endowed Chairs will pay out directly to corresponding divisions if there is an appointed chairholder 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 Endowed chairs page.</p>
Compensation Expenses	Academic/Staff Salaries and Wages	<p>Divisions should plan for:</p> <ul style="list-style-type: none"> Faculty range adjustment increase at 3%. Non-represented staff cost of living adjustment (COLA) increase at 3%. Represented staff increase consistent with bargaining agreements (typically 3%). Furthermore, the Campus Salary and Time Reduction program will not be implemented. Please refer to the Campus Salary and Time Reduction Program page for more information. In previous years, \$5M was provided to both academic and administrative units to help defray the cost of compensation increases for staff. This too will be reinstated and is reflected in your Central Commitments tab in the Budget Template. The staff hiring and equity freeze will continue.
Non-Compensation Expenses	Travel	<p>In order to keep expenses down, non-mandatory travel is discouraged. If travel is necessary, please use other means rather than core central funds (e.g. #19900 and #68600).</p>
General inflation assumption	Non-Compensation Expenses	<p>No inflation assumptions have been centrally built into the FY2021-22 Operating Budget for non-compensation expenses. Local knowledge should inform changes in non-compensation expenses.</p>

FY22 Budget Targets	Budget Targets and Goals	There will be no budget targets this year. You may use reserves as needed towards recovering from the financial impact of COVID-19. Details of how you plan to use your reserves should be provided in the Strategic Use of Reserves tab in the Budget Template.
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b. Revenue

Category	Account Codes	Overview
Net Tuition and Fees	<ul style="list-style-type: none"> ● 400XX - Non Res Tuition – Plan ● 402XX - Student Services Fees – Plan ● 403XX - Tuition - Plan ● 404XX - SS & Special Programs Rev - Plan ● 4050X - Other Student Fees -Plan ● 4053X - Professional Degree Fees - Plan ● 4055X - Self-Supporting Degree Program – Plan ● 4056X - Other Fees - Plan ● 407XX - UNEX – Plan ● 408XX - Contr Student Financial Aid - Plan 	<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>
Private Gifts for Current Use	<ul style="list-style-type: none"> ● 440XX - Private Gifts for Current Use – Plan 	<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 will pay 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.</i></p>

Sales and Services	<p>Sales Services and Other Income:</p> <ul style="list-style-type: none"> • 46XXX - Sales Services & Other Income – Plan <p>Sales and Services of Auxiliary:</p> <ul style="list-style-type: none"> • 47XXX - Sales & Services of Auxiliary - Plan • 47010 - Food Sales/Services • 47030 - Books/Merchandise Sales • 47040 - Ticket Sales-Auxiliary Activity • 47061 - Off-Site Game Rev (Guarantees) • 47090 - Other Marketing Revenues • 47110 - Parking Revenues-UCRelated • 47900 - Rental of RealProperty-Aux • 47999 - Misc Sls & Svcs of Auxiliary • 47000 - Residence Fees <p>Other Income:</p> <ul style="list-style-type: none"> • 48XXX - Other Income – Plan 	<p>Local knowledge should inform growth in Sales & Services of Auxiliary and Other Sales and Services revenues.</p> <p>Amounts should be planned net of the 9% AFC rate.</p>
Other Revenues	<p>Investment Income</p> <ul style="list-style-type: none"> • 492XX - Investment Income – Plan <p>Non-Operating Revenue</p> <ul style="list-style-type: none"> • 49080 - Federal Pell Grants • 493XX – Disposal of CapAssets NetofPro – Plan • 495XX – Nonoperating Rev/Exp-Other - Plan 	<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 FY2021-22 Operating Budget (upon opening) was a direct copy of FY2020-21 Operating Budget Final for these accounts.

Category	Account Codes	Overview
Campus Support	<ul style="list-style-type: none"> 71110 General Allocation and 713XX Campus Support (Central Use Only) 	<p>71110 General Allocation funding for FY2021-22 is based on the April 2021 PermBudg, which consists of the FY2020-21 general allocation amount plus any FY2020-21 in-year adjustments in the PermBudg.</p> <p>713XX will also have adjustments based on Form A data provided. Form A is due July 9th and will be loaded in CalPlan July 21st.</p> <p>For FY2022-23 and FY2023-24 we have included the return of the \$5M Cost of Living Adjustment (COLA) for staff in both Academic Units and Administrative Units.</p>
Campus Support cont.	<ul style="list-style-type: none"> 712xx, 714xx Campus Support (Central Use Only) 	Based on the OCFO's Commitments Database as of June 2021. Details can be found in the Campus Commitments tab in the Budget Template.
Campus Support cont.	<ul style="list-style-type: none"> 71420 Annual Cost Recovery Assessment (Central Use Only) 	<p>This amount has already been included in CalPlan as part of campus support. In the template this line item is pulled out separately for easy identification. The amount has been added back to the Campus Support line item to prevent double counting of the reduction.</p> <p>The amount used for the FY2021-22 Cost Recovery Assessment will differ from last year's as we will be using the Working Group's recommended methodology. More information about the Working Group's methodology can be found on the Expense-Based Methodology spreadsheet.</p>

Other Transfers	<p>External Transfers</p> <ul style="list-style-type: none"> • A72110 - Inter-Location Xfr (Rev) • A72115 -Inter-LocationXfr (Fund Bal) • 72210 - RegentsEndow/FFE Payout • 72295 - Other Transfers 	<p>External Transfer 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>
Other Transfers cont.	<p>To/From Other Divisions</p> <ul style="list-style-type: none"> • 73110 - Summer Session/UNEX Rev Share • 73120 -Academic/Research Awards • 73130 - Personnel Awards & Training • 73140 - Work-study Funding • 73150 -Gift FeeDistribution • 73201 - InterDiv - InitialTransfers • 73205 - InterDiv - Vice-Chanc Support • 73295 - InterDiv - Other Xfer Btwn Divs 	<p>Summer Sessions/UNEX Revenue Share: Divisions should coordinate with Summer Sessions and UNEX for planning their revenue share portion and make adjustments to their budget as needed.</p> <p>Remember 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>
Other Transfers cont.	<p>Internal DIVISION Transfers</p> <ul style="list-style-type: none"> • 741XX <p>Internal DEPARTMENT Transfers</p> <ul style="list-style-type: none"> • 751XX 	<p>Internal Division and Department transfers should net to zero at the Division level.</p>

d. Compensation Expenses

Compensation is budgeted in HCP. In FY2021-22, 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 adjustments to non-ladder rank faculty and staff salaries, as well as associated benefits costs. In previous years, \$5M was provided to both academic and administrative units to help defray the cost of compensation increases for staff. This benefit for academic and administrative units will resume in FY2021-22. For planning purposes, the \$5M benefit for both staff in academic units and administrative units has been reinstated for FY2022-23 and FY2023-24 as well.

Furthermore, the Campus Salary and Time Reduction program will **not** be implemented. Please visit the [Campus Salary and Time Reduction Program](#) page for more information.

Category	Account Codes	Overview
Academic Salaries and Wages	<ul style="list-style-type: none"> 50200 - Academic Salary & Wages 	Faculty range adjustments 3% increase.
Staff Salaries and Wages	<ul style="list-style-type: none"> 51200 - Staff Salaries & Wages 	Varies per individual employee, though assumption is 3% increase for non-represented staff and represented staff. Remember, represented staff increases are set according to the bargaining unit.
Employee Benefits	Other Employee Compensation <ul style="list-style-type: none"> 520XX - Other Employee Compensation - Plan 	No inflation assumptions have been built in centrally for Other Employee Compensation.
Employee Benefits cont.	Fringe Benefits <ul style="list-style-type: none"> 53060 - Benefit Assess-AcadRegular 53070 - Benefit Assess-StaffRegular 53080 - Benefit Assessment - Limited 53085 - Benefit Assess- No Eligibility 53086 - Benefit Assess - Student 53XXX - Fringe Benefits -Plan 	<p>Composite Benefit Rates have been updated to reflect the FY2021-22 proposed rates. FY2022-23 and FY2023-24 rates are projected to remain flat. We will notify you once the FY2021-22 rates have been approved by the Feds and uploaded into UCPATH. You can find more information about CBRs on the Composite Benefit Rates page.</p> <p>FY2021-22 rates are as follows:</p> <ul style="list-style-type: none"> Academic: 35.9% Staff: 43.8% Limited: 14.4% Employees No Benefit Eligibility: 4.2% Student: 2.6% <p>When planning please remember that the campus agreement to cover benefit costs for PostDocs and Academic Stipends ends 6/30/2021 and will not be extended.</p>

Employee Benefits cont.	<ul style="list-style-type: none"> 57310 - General & Employee Liability Insurance 	For FY2021-22, GAEL is assumed to go up to 1.75% (from 1.55%). We will not have the final rate until UCOP provides us more information on new liability expenses for FY2021-22. We should have a final rate by the end of the fiscal year. FY2022-23 and FY2023-24 should assume the same rate.
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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 FY2021-22 Operating Budget for non-compensation expenses. Local knowledge should inform changes. Additional context for some expense types is provided below.

	Account Codes	Overview
Supplies, Materials and Equipment	<ul style="list-style-type: none"> 550XX - General Supplies – Plan 55049 - Dining Service Supplies 5501X - Laboratory Supplies – Plan 54XXX - Equipment >\$5K - Plan 55XXX - Equipment<\$5K–Plan 	Divisions should budget material expenditures. Remember, no inflation assumptions have been centrally built into the FY2021-22 Operating Budget for these accounts. Local knowledge should inform planning assumptions.
Scholarships and Fellowships	<ul style="list-style-type: none"> 574XX - Undergraduate – Plan 5741X - Grad Scholarships & Fellowships - Plan 5380X - Fee Remission - Plan 5745X - Other Prizes & Awards -Plan 	<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 FY2021-22. Please refer to the March release notes for more information.</p>
Recharge Income	<ul style="list-style-type: none"> 59000 - Recharge Income 	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 recharge webpage .
Other Expenses	<p>Indirect Cost Recovery</p> <ul style="list-style-type: none"> 579XX - Indirect Cost Recovery – Plan <p>Services</p> <ul style="list-style-type: none"> 560XX - Comp Service & Software – Plan 561XX - Communications - Plan 562XX - Maint Contract & Services - Plan 564XX - Publications & Media - 	Divisions should budget material expenditures. Remember, no inflation assumptions have been centrally built into the FY2021-22 Operating Budget for these accounts. Local knowledge should inform planning assumptions.

	<p>Plan</p> <ul style="list-style-type: none"> • 565XX - Transportation - Plan • 566XX - Other Services - Non Computer – Plan • 56638 - Cleaning Services • 56610 - Advertising: Fed Chargeable • 56611 - Advertising - Fed Unchargeable <p>Rents and Utilities</p> <ul style="list-style-type: none"> • 5631X - Space Rental – Plan • 5632X - Equipment Rental -Plan • 5634X - Utilities - Plan • 5639X - Contra Rent & Utilities – Plan <p>Travel</p> <ul style="list-style-type: none"> • 572XX - Travel – Plan 	
Other Expenses cont.	<p>Miscellaneous Expenses</p> <ul style="list-style-type: none"> • 5671X - Participant Support – Plan • 5672X - Other Non-Employee - Plan • 56720 - Consultant Fees • 56723 - Student Accommodations • 56724 - Temporary Labor • 5700X - Conf - Mtgs - Training - Events - Plan • 570XX - Entertainment - Plan • 5731X - Insurance - Plan • 5733X - Other Fees & Fines - Plan • 5734X - Non Compensation Payments - Plan • 5735X - Other - Plan • 5736X - Agency - Plan • 5737X - Cost of Goods Sold - Plan • 577XX - Non-op Misc Deductions – Plan 	<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>56720 Consultant Fees 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>56724 Temporary Labor cost 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>

f. Changes in Fund Balance

In our fund accounting environment, 3XXXX series 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 FY2021-22 Operating Budget (upon opening) was a direct copy of FY2020-21 Forecast. Divisions should review and update budgeted fund balance transfers in accordance with the instructions below.

Category	Account Codes	Overview
Regents Endowment Pool	<ul style="list-style-type: none"> 34231 - (To)/Fr Regents Endow - FFE Principal – Plan 	<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> <p><i>Note that new gifts to endowed funds are booked directly with the Regents or UCBF and are therefore not planned for by divisions in CalPlan.</i></p>
Plant Funds	<ul style="list-style-type: none"> 33100 - (To)/Fr Retire of Indebt - Exter Debt Svc - Plan 34010 - (To)/Fr Unexp Plant Fund - Cap Projects - Plan 34039 - (To)/Fr Res for Renewal & Replacement - Plan 34XXX - Plant Other – Plan 	<p>33100 – Divisions should use this account to plan for the aggregate flow of money for debt service in FY2021-22.</p> <p>34010 – This account should be used to budget the outflow of equity contributions for capital projects in FY2021-22. Divisions should not include plans for new Capital Projects requiring central contributions until approved by Capital Projects.</p> <p>34039 – 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>34XXX – 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>
All Other Fund Balance	<ul style="list-style-type: none"> All Other Fund Balance Changes – Plan 	<p>In general, use of these plan-accounts is restricted to the VCF.</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 the need for expense reductions, especially in FY2021-22. 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 FY2022-23 and FY2023-24 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 (rather than expense reductions) 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 FY2021-22. The beginning balance amount for FY2021-22 is equal to the ending balance amount included in CalRptg for FY2020-21 Q3 Forecast. FY2022-23 and FY2023-24 balances will be updated based on amounts included in the templates.
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 FY2022-23 and FY2023-24 may be largely 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"> Amount of Balance Percent of Total Expenses 	<p>Divisions will enter an amount for unrestricted ending balance for FY2020-21, FY2021-22, FY2022-23 and FY2023-24. 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. Expense Reductions Template Guidance

Divisions should summarize the specific cost reduction strategies they will implement to address potential budget reductions in FY2021-22. The template has been divided into two sections: compensation and non-compensation expense reductions. Divisions are not expected to identify each specific reduction but report them in general categories relevant to your operations. HR mitigations, for example, could be grouped into categories such as voluntary separations, voluntary salary reductions, temporary lay-offs, temporary work reassignments, elimination of vacant positions, permanent layoffs, etc. For non-compensation expense reductions, you could follow existing non-compensation account categories such as supplies, equipment, services, communications, travel, etc. to describe your reductions. This template is intended to facilitate a high-level discussion between a dean or vice chancellor and the EVCP. Please consider this in determining the appropriate level of detail to provide. While information about expense reductions is not requested for FY2022-23 and FY2023-24 in this template, completion of the three-year budget template requires that the divisions broadly plan for such reductions beyond FY2021-22 if needed.

VI. 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, funding loss mitigation). 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 FY2022-23 and FY2023-24 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. Finally, a section of the narrative template is devoted to the strategic use of reserves to provide additional space for you to describe these investments.

VII. Capital Budget Process Overview

There are no central resources available for divisions' capital improvements in FY2021-22, 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

Budget Assumptions at a glance - for planning only University of California, Berkeley

	2020-21	2021-22	2022-23	2023-24
	Actual	Projection	Projection	Projection
Note: 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 budgeting purposes only and are subject to change . 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.				
REVENUE				
Administrative Full Costing (AFC)	9%	9%	9%	9%
Philanthropic Assessment				
Donor Gifts Received	5%	5%	5%	5%
Research Gifts	10.5%	10.5%	10.5%	10.5%
Endowment Payouts				
UCBF + Regents Endowments and FFEs *	2%	2%	2%	2%
Student Fees & Tuition				
Please refer to the Tuition and Fees page for more information.	varies	varies	varies	varies
Return to Aid				
Undergraduate & Professional School	33%	33%	33%	33%
Graduate Academic	50%	50%	50%	50%
COMPENSATION EXPENSES				
Salary Increases				
Academic Faculty - Salary	0%	3%	3%	3%
Academic Faculty - Merit	0%	TBD	TBD	TBD
Academic - Add'l Ladder Rank & Equivalent Scale Adj.	0%	TBD	TBD	TBD
Represented (consult with your bargaining unit)	varies	varies	varies	varies
Unrepresented Staff	0%	3%	3%	3%
Composite Benefit Rates (CBR)				
Academic	35.9%	35.9%	35.9%	35.9%
Staff	45.9%	43.8%	43.8%	43.8%
Limited (this includes Postdocs)	16.4%	14.4%	14.4%	14.4%
Employees with No Benefit Eligibility	5.5%	4.2%	4.2%	4.2%
Students	2.4%	2.6%	2.6%	2.6%
GAEL	1.55%	1.75%	1.75%	1.75%
University of California Retirement Plan (UCRP) Supplemental Allocation	0.30%	0.30%	0.30%	0.59%
NON-COMPENSATION EXPENSES				
Fee Remission				
GSR - Resident	19,927.50	20,406.00	20,916.00	21,439.00
GSR - Non - Resident	35,029.50	35,508.00	36,041.00	36,582.00
GSI	18,552.00	19,006.00	19,481.00	19,968.00
Reader / Tutor - Student	18,552.00	19,006.00	19,481.00	19,968.00
Recharge rate				
Please refer to the Recharge webpage for more information.	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. FY2021-22 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. 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 FY2021-22 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).