



FY2019-20

UC BERKELEY BUDGET GUIDELINES AND ASSUMPTIONS

This document provides information specific to the FY2019-20 Budget Process and should be used in conjunction with the Budget Call Letter. It provides guidance to divisions including key dates, planning assumptions, contextual information, and links to helpful tools and resources.

As we continue to strengthen our budget cycle, optimize our strategies, and enhance our financial planning systems and tools, the campus is optimistic we are on a path to financial sustainability and maintenance.

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I. Overview and Goals

The purpose of this document is to provide guidance for the FY2019-20 budget process, including key dates, planning assumptions, contextual information, and links to useful tools and resources. We hope it is helpful and welcome feedback and suggestions.

a. Ongoing Working Assumptions

- Each division will be able to accomplish a divisional budget process that engages with unit leaders to clarify plans and establish targets for the FY20 Operating Budget.
- Divisions will continue to improve the quality and accuracy of budgets and forecasts. Budgets are established at the DeptID level, and divisions will: adjust plans at the appropriate level; regularly monitor plans against actual performance; and signal that action should be taken if actual performance is not as expected.
- Budgets and Forecasts will account for seasonality, if material, and will be based on accrual based accounting principles and timing.

b. FY2019-20 Budget Process – Campus and Division Goals

- Fortify our financial strength
 - Monitor and grow our portfolio of revenue generating and cost containment initiatives to improve our financial position and prepare for potential exogenous shocks. Continue to emphasize a culture of philanthropy.
- Manage data-informed decisions
 - Focus on the holistic trends presented by our budgets and variance analysis in comparison to actuals. Understand the implication of these trends, take appropriate actions and adjust budgets and plans accordingly, reducing quarterly variances.
- Ensure our current resource allocations work harder
 - Strategy drives budget. Continue to focus on reallocation in this tight financial environment, so that our current assets work in the right places, and support strategic shifts and trade-offs.

These goals will be easily achievable for some divisions and more challenging for others. For divisions that already have well-defined budget processes, the goal will be to continue optimizing the alignment between strategy and resource allocation decisions.

The following illustrates the Office of the CFO's strategies for FY2019-20:

- Achieve financial strength
 - Align financial resources to campus strategy.
- Simplify processes
 - Standardize and simplify policies, business processes and internal controls for campus partner satisfaction, greater efficiency and compliance.
- Build a service oriented model of campus engagement
 - Engage campus partners through adoption, acceptance and satisfaction of applications, processes and tools.

- Leverage data for strategic decision making
 - Leverage and institutionalize financial, academic and human resources data sets for strategic decision making.
- Promote collaboration and professional development
 - Build and maintain a culture of collaboration and continuous professional development that supports accountability, engagement and opportunity.

c. Changes and Refinements specific to the FY2019-20 Campus Budget Process and Systems

We had major changes to the planning tool last year, with the actualized forecast and simplified HCP. Part of those changes were to encourage year-round updates by the divisions (where material), as we are no longer over-writing future-dated compensation rows with annual HCM refreshes. The refreshes are no longer required as actuals (new employees and distributions) are added monthly to HCP.

The CalPlanning FY19-20 Operating Budget was opened to planners on September 21, 2018 - a full five months earlier than the previous year.

We now refresh the commitments from the central commitment database quarterly, after the commitment queue has been transacted and is available in the planning tool as actuals (to make sure campus support continues to be planned accurately). Data from the permanent budget was updated for the general allocation account code 71110 on January 17, 2019, capturing data through the closed month of December for the FY2019-20 Operating Budget.

Please note that some changes will need to be made to the planning tool after the Q3 forecast and budget has been submitted to capture changes needed with the planned implementation of UC Path in March 2019 (such as new account codes). Timing of these changes and any potential effects these changes will have on the actualizing of the forecast for the months of March - May 2019 are TBD.

- Timeline
 - The FY19 Full Forecast Q3 Submission and FY20 Operating Budget Planner Submission are due in CalPlan on Friday, March 22, 2019. The Multi-year budget template, Revenue Generation template, and Narrative template are due to the Financial Planning & Analysis team at dfi_concierge@berkeley.edu on Wednesday, April 3, 2019.
- Recharge
 - The annual recharge rate certification process has been integrated with the budget process and the terms of approved rates have been aligned with the fiscal year. Divisions will be provided with planning recharge rates to incorporate in their FY2019-20 planning, as appropriate. FY2018-19 recharge rates approved as part of the FY2018-19 Operating Budget Process can be found at <http://cfo.berkeley.edu/recharge>.

II. Timeline

Each division needs to complete their FY19 Forecast and FY20 Operating Budget in HCP and CalPlan, and submit the Forms as part of their budget submission. Divisions should build internal timelines based on the campus deadlines.

	Time	Milestone	Level	Activity
General	1/11 and 1/17	Q2 in CalPlanning	Campus	1/11 December Actuals loaded to CalRptg, and HCPRptg. 1/17 December Actuals loaded to CalPlan and HCP
	2/2	Strategic plans due	Division	Divisional OGSPs due.
	2/4-2/28	Strategic plan discussions	Division	Divisional strategic plan discussions with EVCP.
	Nov	Provisional Division Targets Set	Campus	Division targets (set on agreed upon methodology) were released to the Council of Deans in November 2018.
	TBD	TAS allocations	Campus	EVCP-provided TAS allocations released to Deans.
	Ongoing - 3/22	Budget Preparation	Division	DFLs must review, synthesize, and present budgets to Dean/VC for approval. Dean/VC is ultimately responsible for ensuring the consolidated divisional budget in CalPlan and form submission is accurate, and links to their strategy and goals.
	4/26	Q3 Variance Analysis	Division	Q3 variance analysis due.
FY19 Forecast	Ongoing - 3/22	Review and Update	Division	Update FY19 Forecast Revenues, Operating Transfers, Compensation and Non- Compensation Expenses, and Changes in Fund Balance.
	9/21/18	FY20 Operating Budget Opens	Campus	Campus Support transfers are seeded. Compensation growth assumptions are built-in (see details on page 15).
	9/21-3/22	Review and Update	Division	Review Campus Support transfers for accuracy. Review Pooled Positions Plan Revenues, Operating Transfers, Compensation and Non- Compensation Expenses, and Changes in Fund Balance.

FY20 Operating Budget	2/1	Recharge self-certification due	Division	Proposal for FY20 recharge rates are due.
	2/22	Recharge	Campus	VCF posts FY20 recharge rates to use for budgeting purposes
	3/1	Form A due	Campus	DFLs return completed Form A.
	3/22	Budget Due in CalPlan	Division	FY19 Forecast Q3 Submission and FY20 Operating Budget Planner Submission due in CalPlan.
	4/3	Templates due	Division	Multi-year budget template, revenue generation template, narrative template, reserve analysis template, and Form B (if applicable) are due. Email to dfi_concierge@berkeley.edu.
	April	Financial Review	Campus and Division	
	5/7-5/24	Budget hearings	Campus and Division	
	June	Budget Decisions	Campus	Decisions will be entered into CalPlan and FY20 Operating Budgets will be finalized.

III. General Budgeting Guidelines

While UC Berkeley remains challenged by the changing economics of higher education, we believe that with rigorous budgeting and financial management the campus will continue to thrive. Berkeley’s process for determining resource allocations is evolving given the increased pressure on our resources. For the FY20 Operating Budget, divisions are expected to reallocate their own resources to help achieve their key strategic objectives and meet their budget reduction targets.

Divisions should bear the following principles in mind when budgeting:

- **DeptID** – A division’s Forecast and Operating Budget should be fully planned at the DeptID (L7) level.
- **Account** – Material anticipated revenues, operating transfers, and expenditures should be budgeted in the Forecast and Operating Budget in the appropriate account or plan-account.
- **Fund** – A division’s Forecast and Operating Budget should be budgeted at the plan-fund level. Divisions are only required to plan Current Funds in CalPlan.
- **Chartfield1** – Divisions have the ability to budget to any Chartfield1 (CF1) that is loaded in CalPlan. In general, the Forecast and Operating Budget should be budgeted at the C1 - Summary - Plan level unless planning to an individual CF1 will provide significant management value. Keep in mind those CF1s that are in CalPlan will have actual values posted to them that are in the ledger..

- **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' Forecast and Operating Budgets.
- **Consider Materiality** – The Forecast and Operating Budget are plans used to inform strategic decisions and should not be used to recreate actual activity dollar-for-dollar. FY20 Operating Budget entries and adjustments to your FY19 Forecast 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.
- **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: <http://calplanning.berkeley.edu/getting-started/job-aids>.
- **Level of Adjustments for Forecast** – As the FY19 Forecast will be used to inform strategic decisions, adjustments should be recorded at the appropriate level of the organization for which the decisions will need to be made or realized and where the fiscal responsibility lies (e.g. if fiscal responsibilities lies with the department manager who is located at the L4 or L5 level, then adjustments should be captured at that level).
- **Adjusting for Seasonality for Forecast** – If material variances related to seasonality were identified in your Quarterly variance analysis, we expect each division to adjust their FY19 Forecast 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).

IV. Planning Assumptions and Table of Accounts

The OCFO recommends certain budget assumptions be used when budgeting in CalPlanning, unless a division has more specific information regarding their individual situation.

Below are central planning assumptions by major account categories. If no assumption is given, divisions should plan for known items and trends. The table does not include accounts that are for Central Use Only, or those which are no longer in use. When not certain of an account description, divisions may find it useful to refer to account long descriptions which are located at: <http://baimanuals.berkeley.edu/treeReports/UCGLACCT.HTM>

Category	Account Codes	Discussion
General		
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.
Compensation Expenses	Academic/Staff Salaries and Wages	Assume 3% growth rate over FY2018-19 for faculty and staff salaries. In the recent past, no incremental funding for salaries or associated benefits have been provided for non-ladder-rank faculty or staff (although in FY19 and in FY20, \$5M will be provided to academic units to help defray this cost).
General inflation assumption	Non-Compensation Expenses	No inflation assumptions have been centrally built into the FY20 Operating Budget or Forecast for non-compensation expenses. Local knowledge should inform growth in non-compensation expenses.

a. Revenues

- Net Tuition and Fees
 - Divisions are responsible for budgeting Miscellaneous Student Fees, Course Materials Fees, Professional Degree Supplemental Tuition Fees, Self-Supporting Graduate Professional Degree Program Fees, and other fees that are received by the division.
- Contracts and Grants Revenue
 - Contracts and Grants Revenue should be budgeted to appropriately offset expenses on the C&G fund layer. **The goal here is to show a \$0 change in net assets for the C&G fund group in a division's plan submission.**
- Private Gifts for Current Use

440xx – Private Gifts for Current Use-Plan: This plan-account is used to plan private gifts, including UC Berkeley Foundation (UCBF) endowment and Fund Functioning as an Endowment (FFE) annual payout.

For revenue planned in Private Gifts, which includes annual fund and other current use gifts, divisions should base their budgets on trend analysis and/or specific knowledge of anticipated gift payments (including outright gifts and pledge payments). Private gifts received by divisions should typically be planned for in the "Restricted Gift" Fund Type.

With respect to UCBF endowments and FFEs, DFLs may project a flat amount or a modest increase (up to 1.0%) in payout for FY2019-20 compared to the FY2018-19 payout. OCFO will provide an updated estimate by late-March should this projection change.

	FY2019-20	FY2020-21	FY2021-22
YOY UCBF Endowment payout change	Flat or modest 1% increase	1% or 2% modest increase	1% or 2% modest increase

Growth assumptions for UCBF endowment and FFE funds assume that the divisions have not had any significant additions to, or invasions of, principal during the three years ending March 2019, and presumes no further market movement.

Divisions with funds that diverge from these assumptions in ways that will materially affect payout should adjust their projections in the FY20 Operating Budget accordingly.

UCBF's Investment Policy Statement can be found at

<http://www.berkeleyendowment.org/wp-content/uploads/Investment-Statement-Policy-revised-Feb-20151.pdf>.

- **Investment Income**

This revenue category primarily accounts for Short Term Investment Pool (STIP) earnings, which is analogous to interest earned on the campus' pooled cash balances. (STIP can likewise be a charge for deficit balances.) 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 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. Note that endowment income payout is not budgeted to the units here; instead either a transfer account 72210 (Regents) or gift revenue account 440xx (UCBF) is used.

- **Non-Operating Revenue**

In general, these accounts are used by central units only or they are not relevant for divisions' planning in Current Funds. One exception is Student Affairs, which may plan for Federal Pell grants in this revenue category. Other divisions should seek guidance from OCFO before planning in this area.

Subset of CalPlan Accounts:

Category	Account Codes	Discussion
Total Revenue		
Net Tuition and Fees	<ul style="list-style-type: none"> · 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 	<p>Revenue estimates should be based on target enrollments and approved fees for each eligible program.</p> <p>May plan for increase of PDST and SSDP according to the proposal submitted (or to be submitted) to Central Resource Management. Consider having a contingency plan for how any unapproved programs or fee increases will be addressed.</p>
Contracts and Grants	<ul style="list-style-type: none"> · 412XX - State Contracts & Grants - Plan · 42XXX - Federal Contracts & Grants - Direct - Plan · 441XX - Private Contract & Grants – Plan · 45XXX – Other Contracts & Grants Activity – Plan - 45000 - C&G Direct Cost Revenue 	
Private Gifts for Current Use	<ul style="list-style-type: none"> · 440XX - Private Gifts for Current Use – Plan 	<p>The amounts included here should be net of the philanthropic assessment (10.5% for research gifts, and 5% for all other gifts). UCBF Endowments/FFEs payout growth assumption: CalPlan FY20 mirrors FY19, but divisions may project a flat amount or a modest increase (up to a 1.0% increase) in payout</p>
Investment Income	<ul style="list-style-type: none"> · 49210 - STIP Investment Income · 492XX - Investment Income – Plan 	

<p>Sales and Services</p>	<ul style="list-style-type: none"> · 46XXX - Sales Services & Other Income – Plan · 47XXX - Sales & Services of Auxiliary - Plan · 47010 - Food Sales/Services · 47020 - Telecomm Svcs to Students · 47030 - Books/Merchandise Sales · 47040 - Ticket Sales-Auxiliary Activit · 47041 - ESP Benefit Revenue · 47060 - Revenue-Sharing Revenues · 47061 - Off-Site Game Rev (Guarantees) · 47070 - Media Revenues-Auxiliary Activ · 47090 - Other Marketing Revenues · 47100 - Camp Fees · 47110 - Parking Revenues-UC Related · 47900 - Rental of Real Property-Aux · 47980 - Sls/Svcs Auxil-Contra-Finl Aid · 47999 - Misc Sls & Svcs of Auxiliary 	<p>Local knowledge should inform growth in Sales & Services of Auxiliary and Other Sales and Services revenues. Amounts should be planned net of the 9% AFC rate.</p>
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	<ul style="list-style-type: none"> · 47000 - Residence Fees · 48XXX - Other 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>Division use may include Federal Pell Grants.</p>

b. Operating Transfers

Operating Transfers

Operating Transfers reflect transfers of a variety of resources (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, by yeartotal and by quarter. More information may be found in the Job Aid under "General CalPlanning References" (see [Job Aid](#)).

Campus Support 71XXX

Campus Support reflects estimated transfers of central campus resources. Planning for these accounts will be done by the OCFO. These amounts are for planning purposes only. Note that campus support commitments in CalPlan represent a plan for projected resource transfers and are not necessarily guaranteed commitments.

Permanently Budgeted Faculty Funding (Form A)

71110 General Allocation, 71304 Benefits Support, and 71314 Faculty Merits/Promotions

- **Hires and Separations** – This information will be provided to the OCFO via the Form A in the budget template. The Form A will need to be filled out by the DFL for all separations and hires.
- **Merits/Promotions/ Range Adjustment** – Divisions will need to fill out the changes of salaries and benefits related to FY2019-20 merits and promotions on the Form A as part of the budget template. The 3% range adjustment (including TDIs) and incremental benefits are calculated on the Form A.

Temporary Academic Support 71220

Divisions will soon be receiving their letters with decisions regarding EVCP provided TAS for FY2019-20.

Regents Endowment/FFE Payout 72210

	2019-20	2020-21	2021-22
YOY Regents Endowment payout change	1% or 2% modest increase	1% or 2% modest increase	1% or 2% modest increase

Category	Account Codes	Discussion
Operating Transfers	· Operating Transfers – Plan	

<p>Campus Support</p>	<p>· 71XXX (Central Use Only)</p>	<p>FY19 Forecast 71110 General Allocation – FY19 Actuals are loaded. 712xx and 714xx – FY19 Jul-Dec Actuals are loaded and further planned (but not yet transacted) commitments have been loaded from the Commitments Database. 713xx – FY19 Jul-Dec Actuals are loaded. Form A projections will update these Accounts upon return by the divisions and review from VCF .</p> <p>FY20 Operating Budget 71110 General Allocation</p> <ul style="list-style-type: none"> · Dec Permbudg of the centrally managed funds is loaded. Planners can run the <i>Permbudg Ledger Summary Report</i> for details. · The account will be updated based on Form A submissions and budget decisions, if applicable. <p>712xx, 714xx Campus Support – FY20 Commitments Database amounts are loaded.</p> <ul style="list-style-type: none"> · These accounts reflect commitments and assessments (e.g., start-up, block grant, temporary academic support, etc.). They are not all guaranteed for funding, and may require further review by the OCFO. The details can be found in the divisional folders on OCFO Google Drive.
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Category	Account Codes	Discussion
		<p>based on FY19 actuals and Permbudg 71290</p> <ul style="list-style-type: none"> · UCOP allocations in 71290 are based on December PermBudg <p>713xx</p> <ul style="list-style-type: none"> · Operating transfers in this series will reflect planning assumptions for salary and benefit adjustments from Form A upon return by the divisions and review from VCF. Until Form As are received and uploaded, FY19 Operating Budget Final was copied to the FY20 Operating Budget as a placeholder. These values may have been updated with commitments from the central database.

<p>External Transfers</p>	<ul style="list-style-type: none"> · A72110 - Inter-Location Xfr (Rev) · A72115 - Inter-Location Xfr (Fund Bal) · InterLocation Transfers - Plan · 72210 - Regents Endow/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, generally from UCOP or one of the other UC campuses. The FY20 Operating Budget (upon opening) was a direct copy of FY19 Operating Budget Final.</p> <p>72210 - Regents Endow/FFE Payout – The OCFO suggests divisions plan for up to a modest 1 to 2% increase in the FY20 payout compared to FY19 for most endowments.</p>
<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 Fee Distribution · 73201 - InterDiv - Initial Transfers · 73205 - InterDiv - Vice-Chanc Support · 73295 - InterDiv - Other Xfer Btwn Divs 	<p>Transfers in this series should net to zero by account at the campus level. The FY20 Operating Budget (upon opening) was a direct copy of FY19 Operating Budget Final.</p> <p>Divisions should review and coordinate with other divisions to ensure both giving and receiving sides are recorded.</p>
<p>Internal DIVISION Transfers</p>	<ul style="list-style-type: none"> · 74101 - Div - Initial Transfers · 74110 - Div - Block Grant · 74120 - Div - Temp Acad Support · 74130 - Div - Faculty Start-up · 74140 - Div - Faculty Retention · 74150 - Div - Salary Support · 74155 - Div - Benefits Support · 74160 - Div - Personnel Actions · 74180 - Div - Sweeps/Withdrawals · 74195 - Div - Other Dean/AVC Support · 74295 - Div - Other Internal Xfr 	<p>The FY20 Operating Budget (upon opening) was a direct copy of FY19 Operating Budget Final.</p> <p>Transfers in this series should net to zero by account and period at the division (L3) level.</p> <p>They are most often transfers of funding from the division (L3) leadership level (usually a VC or Dean) to units within their organization.</p>

<p>Internal DEPARTMENT Transfers</p>	<ul style="list-style-type: none"> · 75101 - Dept - Initial Transfers · 75195 - Dept - Other Internal Xfr 	<p>The FY20 Operating Budget for account 75195 (upon opening) was a direct copy of FY19 Operating Budget Final.</p> <p>Transfers in this series should net to zero by account and period at the Department (L4) level. A few exceptions may exist in some divisions. Please email DFL_concierge@berkeley.edu with any questions.</p> <p>Planners can use the Internal Operating Transfers Management Form to balance between receiving and giving DeptIDs.</p> <p><i>75101 –</i> OCFO loaded Dec Permbudg of non-centrally managed funds in the FY20 Operating Budget In the month of July. Planners can run the <i>Permbudg Ledger Summary Report</i> for details.</p>
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c. Compensation Expenses

Compensation is budgeted in HCP. In FY2019-20, the OCFO will continue to provide salary and benefit adjustments for filled ladder rank faculty positions and divisions will need to continue to absorb adjustments to non-ladder rank faculty and staff salaries, and associated benefits costs. As a one-time (really two-time) measure in FY19 and FY20, academic units— because they have the potential to generate revenue for our core academic mission — will receive an increase of \$5M proportional central funding to help offset non-represented staff salary increases.

- **Academic and Staff Salaries and Wages**

Divisional planners should review and update In HCP individual and pooled positions, including salary and chart string distributions. If divisions are funding new positions internally, they should add the To-Be-Hired Employees to HCP along with expected salary expenses. Based on the Form A information, divisions should plan the expense side for permanently budgeted faculty merits, promotions, hires and separations.

- **FY2019-20 Compensation Growth Assumptions**

Compensation expenses in the HCP FY20 Operating Budget reflect the following growth assumptions, which are high- level planning assumptions that represent predicted Cost-of-Living increases and/or Merit Programs.

Salary Adjustment Type	Growth Assumption
Salary Adjustment for Teaching Faculty	3%
Salary Adjustment for Non-Teaching Faculty	3%
Salary Adjustment for Staff	3%

- Fringe Benefits

UC Berkeley has set Composite Benefit Rates (CBRs) to cover employee benefits for all divisions. Starting in FY14, the CBR structure and content changed significantly. Details may be found at <http://cfo.berkeley.edu/composite-benefit-rates-facilitiesadministrative-costs>.

CBRs are calculated automatically in HCP based on the four CBR groups indicated below. The U.S. Department of Health and Human Services has approved the FY2018-19 rates. The rates in CalPlan for FY2018-19 and FY2019-20 were FY18 planning rates, which were loaded into HCP when we opened the Operating Budget in late September. We expect these rates to be updated to the newly approved rates in CalPlan the week of January 21, 2019. Due to the complexity of the programming, BELI codes are not included in the HCP calculation.

UC Berkeley Composite Benefit Rates						
	Prior Year	Approved	Projections for Planning Purposes ----->			
CBR Rate Group	FY18	FY19	FY20	FY21	FY22	FY23
Academic	40.0%	38.0%	38.0%	38.0%	38.0%	38.0%
Staff	48.0%	46.0%	46.0%	46.0%	46.0%	46.0%
Limited	16.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Students (Grad and Undergrad)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Category	Account Codes	Discussion
Total Expenses		
Total Compensation		

Academic Salaries and Wages	<ul style="list-style-type: none"> · 50240 - Acad Teach-Regular (Default) · 50242 - Acad Teach-Limited Benefits · 50241 - Acad Teach-Exempt from CBR · 50215 - Acad Nonteach-Regular (Default) · 50212 - Acad Nonteach-Limited Benefits · 50211 - Acad Nonteach-Exempt from CBR 	Academic salary data growth assumptions were loaded into HCP in September 2018. HCP assumes a 3% increase from FY19 OB in each month of FY20.
Staff Salaries and Wages	<ul style="list-style-type: none"> · 51029 - Work Study · 51210 - Staff-Non student 	Staff salary growth assumptions were loaded into HCP in September 2018. HCP assumed Jul-Sep flat with a 12% increase in the month of

	<ul style="list-style-type: none"> · 51231 - Staff-Exempt from CBR · 51232 - Staff-Limited Benefits 	October, to mimic actual prior experience. The following months were planned 3% higher than FY19.
Other Employee Compensation	<ul style="list-style-type: none"> · 520XX - Other Employee Compensation – Plan 	No inflation assumptions have been centrally built-in.
Fringe Benefits	<ul style="list-style-type: none"> · 53060 - Benefit Assess-Acad Regular · 53070 - Benefit Assess-Staff Regular · 53080 - Benefit Assessment - Limited · 53XXX - Fringe Benefits - Plan · 57310 - General & Empl Liability Insur 	<p>Composite Benefit Rates were loaded into HCP.</p> <p>For FY20, GAEL Is assumed at the same rate as FY19 = 1.55%.</p>

d. 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 FY20 Operating Budget for non-compensation expenses. Local knowledge should inform growth. Additional context for some expense types is provided below.

- **Scholarships and Fellowships**

Funding and responsibility for Berkeley's expenditures in support of financial aid and scholarships are broadly distributed throughout the campus. CalPlanning expense budgets for Scholarships and Fellowships should only reflect local plans for financial aid expenditures that will be recorded using each division's chart strings (L7 DeptIDs). Divisions should budget for spending on locally held donor scholarships, financial aid expenditures for many professional programs, stipends or scholarship payments supported by endowed chairs, or other funds (restricted or unrestricted)

that are held in the Departments, etc.

Divisions should not budget for financial aid expenditures that occur outside of their DeptIDs in CalPlanning. This includes financial aid provided for undergraduate students through Financial Aid and Scholarships Office – FASO and graduate students support from Block Grants or other funds held or managed by the Graduate Division.

- **Recharge Expenses**

Recharge units are required to submit proposed FY2019-20 rates by 2/1/2019. The OCFO will provide DFLs with a table of proposed FY2019-20 recharge rates by 2/22/2019. These rates should be used for planning purposes only. Final, approved rates (effective July 1, 2019) will be published on the OCFO website before 6/30/19.

DFLs are responsible for researching and identifying the extent to which their division pays for Recharge services.

More information about Recharge activity, including a list of Recharge Units, services provided and current rates, can be found on the OCFO website at <http://cfo.berkeley.edu/recharge>.

- **Depreciation**

Divisions do not record net depreciation expense and therefore should not plan for depreciation expense in CalPlan. Recharge units record both depreciation expense and an equal and offsetting depreciation expense credit in the Actuals ledger (Actuals accounts 54251 and 54252). Since these net to zero, there is no budget impact. Only the transfer of resources from the recharge fund to the Reserve for Renewal and Replacement should be planned in CalPlan, if material. (See Changes in Fund Balance: To/From Plant Funds, page 20)

Category	Account Codes	Discussion
Total Expenses		
Total Non-Compensation		
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 	
Scholarships and Fellowships	<ul style="list-style-type: none"> • 574XX - Undergraduate – Plan • 5741X - Grad Scholarships & Fellowships - Plan • 5380X - Fee Remission - Plan 	Fee remission is planned via HCP pooled positions for GSIs, GSRs and Readers/Tutors - Students.

Category	Account Codes	Discussion
	<ul style="list-style-type: none"> · 5745X - Other Prizes & Awards - Plan · 57490 - Scholarship Allowance Contra 	
Indirect Cost Recovery	579XX - Indirect Cost Recovery – Plan	
Recharge Income	<ul style="list-style-type: none"> · 59000 - Recharge Income 	
Contract and Grants Sub Awards	<ul style="list-style-type: none"> · 5780X - C&G Sub Awards – Plan · 5781X - Non UC Contracts - Plan · 5782X - C&G Intercampus Expenditures – Plan 	
Services	<ul style="list-style-type: none"> · 560XX - Comp Service & Software – Plan · 561XX - Communications - Plan · 562XX - Maint Contract & Services - Plan · 564XX - Publications & Media - Plan · 565XX - Transportation - Plan · 566XX - Other Services - Non Computer – Plan · 56638 - Cleaning Services · 56610 - Advertising: Fed Chargeable · 56611 - Advertising - Fed Unchargeable 	
Rents and Utilities	<ul style="list-style-type: none"> · 5631X - Space Rental – Plan · 5632X - Equipment Rental - Plan · 5634X - Utilities - Plan · 5639X - Contra Rent & Utilities – Plan 	
Travel	<ul style="list-style-type: none"> · 572XX - Travel – Plan 	

<p>Miscellaneous</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 · 5730X - Miscellaneous Expenses - 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 · 5739X - Expenditure ,Fiscal Cl, C+G Def Clr - Plan · 577XX - Nonoper Misc Deductions – Plan 	<p>Two accounts may cause confusion 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.</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>
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e. 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 “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 in CalPlan. The FY20 Operating Budget (upon opening) was a direct copy of FY19 Operating Budget Final. Divisions should review and update budgeted fund balance transfers in accordance with the instructions below.

Category	Account Codes	Discussion
Changes in Fund Balance		

Category	Account Codes	Discussion
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<p>To/Fr Regents Endowment Pool</p>	<ul style="list-style-type: none"> · 34231 - (To)/Fr Rgnts Endow - FFE Principal – Plan 	<p>Planned contributions to FFE from available current fund balances, as well as withdrawals from FFE principal, should be budgeted in this account and the appropriate plan-fund type. In rare occasions, units return a portion of the payout from true endowments to principal. If a division is anticipating a material transfer of this kind, the division would plan for it here in this account.</p> <p>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.</p>
<p>To/From Plant Funds</p>	<ul style="list-style-type: none"> · 33100 - (To)/Fr Retire of Indebt - Exter Debt Srvc – Plan · 34010 - (To)/Fr Unexp Plant Fund - Cap Projects - Plan · 34039 - (To)/Fr Res for Renewal & Replacement - Plan · 34XXX - Plant Other – Plan 	<p><i>33100</i> – Divisions should use this account to plan for the aggregate flow of money for debt service in FY20.</p> <p><i>34010</i> – This account should be used to budget the outflow of equity contributions for capital projects in FY20. 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>34XXX</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>
<p>To/From All Other Fund Balance</p>	<ul style="list-style-type: none"> · All Other Fund Balance Changes – Plan · Prior Year Adj - Plan 	<p>In general, use of these plan-accounts is restricted to the OCFO. Divisions should seek guidance before planning fund balance transfers in any of these accounts.</p>

V. Capital Budget Process Overview

There are no central resources available for divisions’ capital improvements in FY2019-20, 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, go to <https://capitalstrategies.berkeley.edu/campus-planning/project-initiation-request>. 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 of over \$1 million, divisions are encouraged to consult with the [Capital Strategies](#) group for guidance on the approvals process