Fiscal Year 2023
Budget Instructions & Assumptions
for SOM Basic Science Departments & Centers

BUDGET DUE DATES & ADDITIONAL INFO

January 13
- Budget entry go-live for SOM Basic Science Departments & Centers
March 4
- ALL funds budgets due
March 21 - 25
- Budget meetings with leadership
- To be scheduled

• To be sent out on January 13:
  1. FY23 SOM Budget Template (in the form of an Excel spreadsheet)
  2. FY23 Budget Comments Template (in the form of a Word document). Please include any notes or comments necessary to reduce questions from those who will review your budget.
  3. Budget instructions/assumptions/FAQs (this document)
  4. Recorded training video. Please note, the Zoom training link is a recording from last year. The process will be very similar, but please disregard where we discuss FY’s.

• Please return the budget template and budget comments to Kristen Beattie (kristen_beattie@med.unc.edu).

OVERVIEW

Departments will need to update the revenue and expenditures for each fund type, which are broken out into separate tabs in the budget template. These fund types include (if applicable to your department):

1. Auxiliary/Recharge Core Facilities (295)
2. Contracts and Grants (252)
3. Residuals (241)
4. Endowment Income Unrestricted (281)
5. Endowment Income Restricted (282)
6. Gifts, Endowment Income, and Other – Unrestricted (291)
7. Gifts, Endowment Income, and Other – Restricted (292)
8. Overhead (271)
9. State – Academic Affairs (201)
10. State – Health Affairs (211)
11. State – AHEC (221)

Please note we are requesting that you project out the remainder of FY22 (January 2022 – June 2022).

General Fund Guidelines

1. **Auxiliary/Recharge Core Facilities** – anticipate the revenue you expect to bring in for FY23 only. It is recommended to use the Recharge/Cores Report in School Reports to see your current FY22 revenues and expenses.
2. **Contracts and Grants** – forecast based on existing funds and known awards for FY23. As a reminder, we force revenue to equal our expense.
3. **Endowment Income (Restricted & Unrestricted)** – endowment income (account code 433110) is distributed once a year and is calculated on the May balance. Please do not include carry-forward amounts in the FY23 budget.
4. **Gifts, Endowment Income, and Other** – please do not include carry-forward amounts in the FY23 budget.
5. **Overhead** – include any known commitments in the “One-time Temp. Funding” revenue line and formula allocation in the “Revenue by Fund Type” row. It is recommended to use the Indirect Direct
Cost report in School Reports to see your estimated FY22 Indirects (Dept 15.6% Less Tax column). It is highly recommended to plan for zero carry-forward. If your unit is planning for a small amount of carry-forward, please indicate this in the “Revenue – Carryforward” line within the budget template.

6. **State** – include any known commitments in the “One-time Temp. Funding” revenue line and permanent state budget amount in the “Revenue by Fund Type” row. Please include the benefit estimates in both your revenue and expenses. If you are within the limited number of departments who have state receipt-supported activity, please include carry-forward in the “Revenue – Carryforward” line within the budget template. As a reminder, these carry-forward amounts are subject to approval and are not guaranteed. If applicable, State allocation for LSI will be communicated when known.

**Historic Data**

A Tableau report was created for this budget process to view historic data (FY14 – December 31, 2021). This report can be accessed via TarHeel Reports ([https://tarheelreports.unc.edu/tableau/som/landing > Budget > SOM Budget Report](https://tarheelreports.unc.edu/tableau/som/landing > Budget > SOM Budget Report)). If you are having issues accessing and/or need access to TarHeel Reports, please contact Shane Alexander at shane_alexander@med.unc.edu.

**FY23 BUDGET ASSUMPTIONS**

Budgets should be constructed based on the following assumptions:

**Salary & Salary Increases**

In doing your 2022-2023 forecasts, follow the policies and procedures set forth in your department’s compensation plan for Faculty increases. Please budget a 2.5% LSI for your FY22 projections for SHRA and EHRA non-faculty, as well as budget a 2.5% LSI in FY23 for SHRA and EHRA non-faculty.

*To note: this year Faculty Roster Budget (FRB) was implemented for Basic Sciences and Centers to assist in the faculty budgeting process. This system will provide employee level detail by fund type to support your personnel budget. SOM may be required to provide this data as part of the University budget submission.*

**Service Center Rates**

The IT bill rates will be sent out in January 2022. Please budget using these rates for IT. For HR and Finance Service Center rates please budget similar to what you budgeted in FY21. If you have specific questions, please contact Tara Coble-Herring ([tara_coble-herring@med.unc.edu](mailto:tara_coble-herring@med.unc.edu)) for the HR service center, and Tamala Gray ([tamala_gray@med.unc.edu](mailto:tamala_gray@med.unc.edu)) for the Finance service center.

**Contracts and Grants**

Awards issued on/after January 3, 2021 are subject to the exec level II salary cap of $199,300. Should the cap change during the budget process please use the new salary cap.

**UNCFP Supplemental Benefits**

Remember that UNCFP supplemental benefits (employee portion) are automatically charged to all fund sources (except for State funds) based on payroll distribution.
As we are requesting you project the remainder of FY22 we have set the budget templates to “yes” to prorate your revenue and expenses.

**Overview**

Departments will need to update the revenue and expenses for each fund type that is applicable to your unit, which are broken out into separate tabs in the budget template. Once all applicable fund types/tabs are complete, the data entered will automatically roll up to the “Future” tab in the budget template.

- Input fields are indicated by grayed cells
- Please create one template per Department and Division (if applicable)
- Revenues should be entered as a positive number, and expenses should be entered as a negative number

**Steps**

2. Select 2019 - 2022 in the Fiscal Year filter so that these FY’s are selected.
3. Select your department.
4. Export the data by clicking Download > Crosstab >Excel.

5. Copy the exported data from the Tableau Report starting in cell B2 and paste in cell A2 on the “Data” tab within the FY23 Budget Template.
6. Input your Department/Division ID on the “Future” tab. This is the only input you will need to do on this tab, as all other numbers will feed from your input on the individual fund type tabs.

7. Complete all applicable fund types/tabs for your department/division.
**FY22 Projections/Prorates**

Prorating the revenue and expenses will double the revenue/expense based on the revenues/expenses incurred July 1, 2021 – December 31, 2021. This allows you to see what the potential budget would look like if you knew the budget would double exactly.

We realize that it is not likely that your budget will double exactly, so there is an adjustments section at the bottom of each fund type/tab to adjust the FY22 projected budget. Enter your FY22 adjustments here.

**Result:** this will adjust the “Forecast Jan – Jun 2022” and “Year End 2022” columns, so that your full year FY22 budget is more accurate.

Once the prorates and adjustments are made for FY22 you could potentially use the “Year End 2022” numbers as the baseline budget for your FY23 budget.

**Benefit Estimates**

There is a fringe benefit forecast calculation for each fund type/tab. Once your department data is downloaded from the “Export to Excel” tab in the Budget report and pasted into the “Data” tab in the FY23 Budget Template, the formula calculates the fringe percentages based on spend history. You could use these percentage estimates when calculating the benefits for your FY23 budget.

**Please note:** the cells in dark gray have been inflated by 3% to allow for potential benefit increases.
FAQ’s

Q: Should I include carry forward in any of my fund types?
A: No, please do not include carry forward in any of your fund types, unless where specified in the General Fund Guidelines above.

Q: Is CHMED data included in the FY23 SOM budget process?
A: No, we have not included any CHMED data in our historic data, and we are not requesting that you include it in your FY22 projections or your FY23 budget. However, if you have a source where funds were transferred from the CHMED business unit to the UNCCH business unit this information will be included in the historic data, and you will need to budget for this in FY22 projections and FY23 budget (if applicable).

Q: Should I include benefit amounts in my State budget?
A: Yes, please include your benefit estimates when completing your State budget. This applies to the revenue and expense lines.

Q: Do I need to complete a full-year projection for FY22?
A: Yes, we are requesting that you complete and return a projected full-year budget for FY22.