Budget Manual for FY22 Cycle

Office of Budget Planning & Analysis
Ohio University

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1 Introduction

1.1 Introduction

The development of the FY21 forecast and FY22-27 budgets (FY22 budget cycle) represents the collective efforts of a campus-wide, multi-year planning effort with the goal of ensuring a sustainable financial future for Ohio University. The FY22 budget cycle began in October, as budget materials and planning assumptions were distributed to budget contacts across campus. After planning units submitted their fall budgets in November 2020, a compiled view of the University’s current-year forecast and future-year budgets was shared with Executive Leadership for their review and consideration.

Based on the recommendations from Executive Leadership, the Office of Budget Planning & Analysis has released a revised list of planning assumptions for use in the spring FY22 budget cycle. Similar to fall, the spring budgets will be compiled and reviewed with Executive Leadership. Final budget decisions about resource allocations and central planning assumptions, resulting from the Spring Budget reviews, will be communicated to planning units in April of 2021. Upon budget finalization, the Budget Office will coordinate the development of the annual Budget Book, which is distributed to both the Board of Trustees (for budget approval), as well as finance contacts across campus. To finalize the FY22 budget cycle, the Budget Office will work with budget contacts across campus to reconcile and upload cost-center level budgets for FY22 into Oracle Business Intelligence (OBI) for reporting purposes.

1.2 Budget Materials—Summary

The following provides a summary list of Budget Materials associated with the FY22 budget cycle. Please see Section 3 for detailed information related to the materials.

**Budget Submission Materials**

The materials listed below must be submitted by each unit for both the fall and spring budget cycles:

- Compensation Planning Tool
- Budget Packet
- Graduate Enrollment Template (Academic Units only; as applicable)
- UG eLearning Enrollment Template (Academic Units only; as applicable)

**Compensation & IDC Add-On Materials**

The following three materials are not required for submission, but may be used to assist units with certain subsets of compensation, particularly related to students.

- Graduate & Student Worker Add-On
- PACE & Federal Work Study Add-On
- IDC Add-On Template *(Updated for FY22 based on guidance provided by GAAP)*

**Informational Materials**

The materials listed below are informational in nature; however, the multi-year assumptions or guidance provided within each material should be incorporated into the Budget Submission Materials listed above to ensure consistency across the University.

- Central Planning Assumptions (compensation, enrollment, etc)
- Spending Authorizations—Academic Units (excluding HCOM) and Administrative Units
- Contribution Margins—CHSP, HCOM, Regional Campuses and Auxiliary Units
- Employee Fee Waiver Allocation
- Capital Cost Allocation Model
1.3 Budget Timelines

Planning Units: Spring Budget Development Timeline

**March 2021**
- BPA releases updated Budget Templates, FY22-27 CCAM & FY22-27 EEFW Models
- Preliminary Budget Manual Released

**April 2021**
- SEEC Enrollments and Scholarship Budget Planning Assumptions
- Executive Budget Decisions and Target Setting
- Final Release of Budget Manual

Board of Trustees: Annual Budget Timeline

**April 30, 2021**
FY22 College, Auxiliary, & Administrative Budget DUE

**May 15, 2021**
FY22 Non-Operating Budgets DUE

**June 2021 BOT**
- Approval of FY22 Budget
- BOT FY22 Rate Increases (as applicable)

**June 30, 2021**
- FY22-23 Biennial State Operating Budget approved and in effect, July 1, 2021 (Biennial Fee Caps and State Operating Support)
## Planning Assumptions

### FY21-27 Budget Planning Assumptions

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<td>FY22 vs FY21</td>
<td>FY23 vs FY22</td>
<td>FY24 vs FY23</td>
<td>FY25 vs FY24</td>
<td>FY26 vs FY25</td>
<td>FY27 vs FY26</td>
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<td>SECC, RHE and OHIO Online</td>
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<td>UG SSI - Total UG Enrollments</td>
<td>SECC &amp; PU Projections</td>
<td>SECC &amp; PU Projections</td>
<td>SECC &amp; PU Projections</td>
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<td>Graduate SSI Enrollments</td>
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<td>UG Gross Tuition</td>
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<td>UG Guarantee Rate Increases</td>
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<td>Athens UG Student Financial Aid</td>
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<td>Other Revenues</td>
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<td>($1,000,000)</td>
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</tr>
<tr>
<td>CCAM: Financial Impact</td>
<td>$</td>
<td>$</td>
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</tbody>
</table>

*Healthcare: Standard Benefit Rate Collection is set annually to offset the University’s total Healthcare Expense budget, managed by BAC.
3 Budget Materials

3.1 Budget Submission Materials

The Compensation Planning Tool and Budget Packets units submitted in the fall budget cycle can be updated for spring submissions—units do not need to start with a blank CPT or Budget Packet for spring, unless they prefer to do so.

Updated enrolment materials are available that contain Fall End-of-Term and Spring Census data to assist planning units in forecasting future enrollments.

3.1.1 Compensation Planning Tool

The Compensation Planning Tool (CPT) is used to forecast and budget for faculty and staff compensation expenses using planning unit specific PN-level expense details. The CPT incorporates annual expense increases based on the application of uniform Central Planning Assumptions.

The base data sets used in the CPT are as follows:
- OBI Report provided by University Compensation titled Reappointment Master Report with New CoA (updated 3/17/2021)
- Employee List with Base Salary Report from OBI (updated 3/17/2021)
- Grants Funds Available (updated 3/17/2021); used to crosswalk PTA strings to their GL counterparts

The CPT contains the following two input worksheets: 1) Employees and 2) Other Pay Elements

- Employees tab
  - Select your unit from the drop-down in cell C-2—be patient while the file populates, as it is combining a large volume of data
  - File will prepopulate with base salaries and split-costed FTEs for all active, filled faculty and staff positions as of March 17, 2021
  - Future-year salaries/wages are based on pre-furlough salaries and wages, adjusted for raise pool assumptions (contained within Planning Assumptions tab)
  - Please review the list of employees and make edits/overrides as necessary
  - Below the list of prepopulated employees, units can enter changes (new positions, eliminations, etc). Please note that only positions that have been approved by Executive Hiring Committee should be incorporated.
  - Please see the Instructions & Processing tab of the CPT or the FAQs section of the Budget Manual (Section 4.1) for additional information

- Other Pay Elements tab
  - To be used for special pay arrangements (e.g., longevity bonuses, overloads, etc)
  - Variable benefits are calculated on the amounts entered in this tab; however, the standard healthcare rate is not incorporated for compensation included on this tab.
  - Please see the Instructions & Processing tab of the CPT or the FAQs section of the Budget Manual (Section 4.1) for additional information
Once the two input worksheets noted above are completed, simply press the **Process** button on the **Instructions & Processing** tab of the CPT. The **Process** button does the following:

- **“Pastes as Values”** the base HR data (generated using an INDEX function) for the selected Planning Unit
- **New to FY22:** Only after the CPT has been processed, should the data in the Employees tab be sorted and rows inserted/deleted. Please see instructions for more details
- Calculates associated variable benefits
- Calculates associated healthcare standard rate charges
- Consolidates forecasts and budgets for each GL string (ENT-SRC-ORG-ACT-FN-OBJ) for salaries, wages, benefits, and healthcare standard rate as well as the optional **Budget Unit Notes/Code** field (formerly referred to as Initiative Code)
- Populates the tab titled **Enter into Budget Packet**. This tab contains consolidated cost-center data that can be copied/pasted into the Budget Packet. New to the FY22 CPT, this tab now includes an **Error Check** dashboard to identify missing or incorrect CPT data prior to integration into the Budget Packet.

### 3.1.2 Budget Packet

The Budget Packet for the FY22 budget cycle remains very similar to the FY21 redesigned Budget Packet that eliminated the need for the following standalone materials that were used in previous budget cycles:

- THE Budget Sheet
- Supplemental Materials
- Budget Packet Reconciliation Tool

Tabs named DEPT X (highlighted blue) are input tabs. The Budget Packet contains 73 DEPT tabs, in which revenues, transfers, and expenses can be entered. Units may use the DEPT input tabs to structure their budget submission as they see fit. Given the multiple input tabs, as well as the internal reconciliation process contained within the file, each Budget Unit must submit its forecast and budget using a **single Budget Packet**.

Outputs from the Compensation Planning Tool (CPT) should be reflected on the **Compensation tab** using a copy/paste special values from the CPT’s **Enter into Budget Packet** tab; this will help the budget office staff as they validate that the data ties out across budget materials from each campus unit. The FY22 Budget Packet also includes a new tab, titled **OneOHIO Comp Initiatives**, that can be used to incorporate compensation elements that will be transferred across units as part of the FY22 OneOHIO budget integration.

As units may not have specific cost-center budgets during the fall budget process, the only required segments in the fall submission are Source and Object Code. These segments are required for appropriate mapping to budget row and column. In the spring budget iteration, full cost-centers must be used. **To assist in balancing current year transfers across planning units, it is required that ALL budget packets indicate the counterparty unit to their Across-Unit Transfers in the packet’s Description field.**

Once current-year forecast and future-year budgets have been incorporated on DEPT tabs, units will use the **Processing** tab to populate the summary views. Selecting your unit from the drop-down in cell B-1 on the **Processing** tab will prepopulate the **FY18-27 by Source** tab with your unit’s historical actuals and current-year budget in a summarized view. To convert the data input on the DEPT tabs to the summarized view, units will use the Step 1 and Step 2 buttons on the **Processing** tab.
Upon completion of data input using the DEPT tabs, as well as processing, units should review their forecasts and budgets using the following four tabs:

- **FY18-27 by Source**—This is the standard Budget Sheet view. Use cell B-2 to toggle between different source views (UNR, DES, All Sources, etc)
- **Traditional Summary**—This tab contains current-year forecasts and future-year budgets for each source as separate columns
- **Summary Pivot**—This pivot view allows users to apply specific filters to see the Budget Rows and Columns based on various criteria (specific DEPT tab names, ORG or groups of ORGs, etc); Note: Click the + next to All Sources in the column headings to expand the source columns.
- **Error Checks**—Use this tab to validate inputs. The error check for fall only validates sources and object codes, while the final error check reviews all segment values. Note that *additional error checking functionality has been added to the FY22 BP to ensure that planning units are budgeting within their respective ORGs* and not inadvertently budgeting outside the BP’s unique campus planning unit.

### 3.1.3 Graduate Enrollment Template

The Graduate Enrollment Template is a tool for Planning Units to use to project future year graduate enrollment that is submitted by each academic unit for both the fall and spring budget cycles. Data is prepopulated for historical terms using OBI data. There are two template options available for planning units to use: (1) based on input credit hours (2) based on input headcount. An explanation of the tabs is as follows:

**Instructions and Guidance** tab
- An explanation of how to use the workbook and each of the fields is located in this tab.
- The OBI data source is documented in this sheet.

**Graduate Pivot – FOR ANALYSIS** tab
- A pivot table built using historical data from an OBI extract (data source is documented on the Instructions and Guidance tab).
- Users may manipulate the pivot tables in this tab to do analysis to help project graduate enrollment. This tab is independent from other tabs and will not impact any other data throughout the template.

If using the **FTE template**, there is a tab named **Graduate FTE’s**.
- For graduate students, FTE is calculated as the total credit hours divided by 15. One FTE = 15 credit hours.
- In cell B2, choose the applicable College.
- Historical FTE’s are populated based on OBI data which can be used to identify trends and help to provide the user data to project and enter future term FTE’s (green columns).
- If new programs are being added, the user will type the program name in Column B and enter the type of program (Traditional, Professional, or Online) in Column C, and FTE projections will be entered in future terms (green columns).
If using the Headcount template, there is a tab named Graduate Headcounts.

- In cell B2, choose the applicable College.
- Historical headcounts are populated based on OBI data which can be used to identify trends and help to provide the user data to project and enter future term headcounts (green columns).
- If new programs are being added, the user will type the program name in Column B and enter the type of program (Traditional, Professional, or Online) in Column C, and FTE projections will be entered in future terms (green columns).
- In columns AQ:BG, the credit hours are formulaically derived based on the input headcount data. The user does not need to make any adjustments to these columns– they are formula driven.
- In columns BH:BZ, FTE’s are derived based on a total credit hour calculation divided by 15. The user does not need to make any adjustments to these columns– they are formula driven.

3.1.4 Undergraduate eLearning Template

The Undergraduate eLearning Template is a tool for Planning Units to use to project future year undergraduate FTE eLearning enrollment that is submitted by each academic unit for both the fall and spring budget cycles. Data is prepopulated for historical terms using OBI data.

Instructions and Guidance tab

- An explanation of how to use the workbook and each of the fields is located in this tab.
- The OBI data source is documented in this sheet.

Credit Hour Enrollments tab

- In cell B2, choose the applicable College.
- Historical credit hours for undergraduate eLearning are populated based on OBI data which can be used to identify trends and help to provide the user data to project and enter future term credit hours (green columns).
- If new programs are being added, the user will type the program name in Column B and enter the type of program (Traditional, Professional, or Online) in Column C, and credit hour projections into future terms (green columns).

BSN tab

Since the Baccalaureate Nursing program is such a large segment of eLearning credit hours among the colleges, a separate tab was created to show the following data (pivot tables based on OBI data) to help users understand the impact of the BSN program on their eLearning credit hour production:

- Total Undergraduate eLearning Credit Hours- the total eLearning credit hours for each of the colleges. These historical totals tie to the credit hours listed for the colleges when selected on the Credit Hour Enrollments tab.
- Total Undergraduate eLearning Credit Hours: Baccalaureate Nursing- the total eLearning credit hours for the BSN program for each college.
- Baccalaureate Nursing % of eLearning- the percentage of BSN credit hours to the total eLearning credit hours for each college.

UG eLearn Pivot– For Analysis tab

A pivot table that was created off of the OBI data extract that populates all of the historical eLearning credit hour data throughout the workbook. Business units can manipulate this spreadsheet as needed for their own analysis purposes and it will not affect the functionality of the other worksheets in the tool.
3.2 Compensation Add-On Materials

Use of the following two materials is not required; they were requested to assist planning units with calculating benefits on Grad and Student wages, and with converting outputs into a Budget Packet view. Units may opt to directly input Graduate and/or Student Wages and their associated benefits directly into the Budget Packet without using these tools.

3.2.1 Graduate & Student Worker Add-On

This workbook was created to assist Planning Units in calculating the amount of Graduate Stipends and Waivers and hourly student wages to include in the budget. There is an instructions tab within the workbook that explains how to complete each worksheet, as needed. This workbook is an Optional add-on tool available for use and does not need to be submitted with budget materials.

1. Graduate Stipends and Waivers
This worksheet is used to list the Graduate appointments and associated costs. The Planning Unit needs to enter if retirement benefits should be calculated against the stipends based on historical actuals. Worker’s Compensation is calculated for stipends, however Medicare is not charged to Graduate Students.

2. Student Hourly Wages
This worksheet is used to list the hourly student wages and associated costs. The Planning Unit needs to enter if retirement benefits should be calculated against the wages based on historical actuals. Worker’s Compensation and Medicare benefits are calculated on the wages.

3.2.2 PACE & Federal Work Study Add-On

This workbook was created to help Planning Units with appropriately reflecting PACE and FWS Student Wages and their associated funding sources, as well as with calculating the amount of variable benefits to include in the budget for each program. There is an instructions tab within the workbook that explains how to complete each worksheet, as needed. Users will input the Student Wages and Retirement (if applicable), and this tool calculates the required variable benefits and provides a cost-center level table for users to copy and then paste directly into the Budget Packet.

3.3 Informational Materials

3.3.1 Planning Assumptions: Published as finalized by the Executive Budget Group (April 2021)

The Budget Office publishes central planning assumptions for use in FY22-27 budget preparation. Planning Assumptions are provided as a standalone informational document, and are also presented in Section 2 of the Budget Manual. Units should apply the published central planning assumptions throughout their budget materials to ensure consistency within the University’s budget.

3.3.2 Spending Authorizations

The Budget Office will publish multi-year Spending Authorizations for Administrative Units that formerly received control total documents. The files reflect beginning base funding, fiscal year spending authorizations, and ending year base funding. Similar to prior years, units should incorporate the fiscal year spending authorization field (highlighted in yellow) from the document in their budget submissions.

The Academic Budget Office will provide multi-year Spending Authorizations for Athens’ Colleges. In FY21 through FY23, Academic Units are still relying on bridge funding from the Athens’ College Operating Reserve. The multi-year spending authorizations include both base central support as well as the variable bridge funding from Reserves.
3.3.3 Contribution Margins

As part of the initial budget release, the College of Health Sciences Professions (CHSP), Regional Campuses, Auxiliary Units and the Heritage College of Osteopathic Medicine (HCOM) will continue to operate under a Contribution Margin methodology for FY22-27. The Budget Office will communicate contribution margins for Auxiliary Units; while the Academic Budget Office will determine the CHSP, Regional Campus and HCOM contribution margins.

3.3.4 Employee Fee Waiver Allocation (EEFW)

The University is centrally charged for the Employee Fee Waiver benefits. The cost of the benefits is recovered via an allocation to planning units based on each unit's relative share of the University's benefits-eligible employees. Please refer to the Employee Fee Waiver Allocation Model for FY22-27 unit allocations to be used in the budget submission. Please note that each unit’s FY21 forecasted allocation must tie to its FY21 budgeted allocation.

3.3.5 Capital Cost Allocation Model (CCAM)

Under the University's Internal Bank and Century Bond Bank models, a University Central account is charged for all debt service (annual principal and interest payments) associated with:

- Century Bond deferred maintenance loans
- Internal Bank loans not directly charged to planning units

In order to recover the cost of the annual Principal and Interest payments associated with the loans noted above, planning units are allocated charges based on each unit’s relative share of Athens campus annual depreciation costs (determined by annual building depreciation, as well as each unit’s space occupancy per building). **While building depreciation is the allocation factor in the model, the funds recovered from CCAM support the University’s debt service obligation.** Please refer to the Capital Cost Allocation Model for FY22-27 unit allocations to be used in the budget submissions. Please note that each unit’s FY21 forecasted allocation must tie to its FY21 budgeted allocation.
4 FAQ’s

4.1 FAQ’s—FY22 Compensation Planning Tool (CPT)

Instructions for using the tool are included within the CPT on a tab named Instructions & Processing.

FAQ’s:

1. Who is included in my unit’s employee listing (Spring CPT)?
   The employee listing of base salaries includes active, filled positions as of March 17th and reflect each PN’s current FY21 furlough rate of pay. As a result, positions and employees excluded from the data set include:
   - Early Retirees
   - Temporary Employees (including FKA Group III employees)
   - Student Employees
   - Graduate Student Employees
   - Employee changes after March 17, 2021

2. How do I reflect the expenses associated with the University-wide mandated furlough ending ahead of schedule in my budget materials?
   Since the mandatory University-wide furlough is ending at the end of March, units should recognize the additional compensation expense (salary/wages and associated variable benefits) for the last quarter of FY21 in the Budget Packet. Note: Units can use 25% of their FY21 Furlough Tool to estimate incremental expense.

3. If my unit is impacted by voluntary furloughs, will they also end at the end of March?
   Not necessarily; for questions regarding the termination of voluntary furloughs in advance of June 30, please contact your HR Liaison.

4. If my unit is impacted by voluntary furloughs ending ahead of schedule, how do I reflect the additional expense in my budget materials?
   Only include additional compensation expenses associated with voluntary furloughs into the FY21 forecast after confirming the furlough early termination date and details with UHR. Similar to the mandatory University-wide furloughs, you will simply add the additional salary/wage and applicable variable benefits expense associated with the early-termination of voluntary furloughs into the FY21 forecast in the budget packet.

5. How do I incorporate the possible refund of furlough-impacted employees’ 9-month mandatory furlough?
   Planning units should not forecast any potential refund of mandated furlough amounts in budget materials; this will be forecasted centrally as a hold, if applicable.

6. What if we have new employees working that are not included in my planning unit’s base data?
   Please add new and existing employees (who may have been excluded) to the base employee listing in the rows after the pre-populated data. Please see instructions for the list of data fields that should be completed (as highlighted in green). Reminder: Only new positions that have been approved by Executive Hiring Committee should be incorporated.

7. Will each employee’s base salary Object Code (OC) be pre-populated?
   Object codes are pre-populated for employees who are assigned an object code in the OBI Pay Details report. Please review and validate base OC’s for all employees, and enter an OC for those employees who have a blank OC.
8. **How are my split costed employees reflected in the employee data tab?**
   
   The employee base salaries reflect the costing ORG’s as of March 17. Therefore, split costed employees should appear with fractional FTEs, as applicable. Since split costing is dynamic, please review and revise the current and future year FTEs by cost center, as needed.

9. **If an employee is planning to retire in a future fiscal year, how should I update the future year data in the Compensation Planning Tool?** See two options below for employee retirements.

   **Option 1: Separate row for rehire base salary**
   
   Employees with a planned retirement date, should have their FTEs adjusted in the applicable fiscal year that aligns with their retirement. Please make sure the future year FTE adjustments are accurately reflected in the year of retirement and all future years. If the position will be rehired, please make sure to add a new FTE row to align with the proposed new hire date.

   **Option 2: Utilize existing row for rehire base salary**
   
   Alternatively, if the employee is retiring and the position will be rehired using the same PN, you can adjust the future year base salary for the position to align with any budgeted changes in compensation for the rehired position.

10. **My planning unit is assuming reduced FTEs from attrition, but I do not want to attribute those FTE reductions to my base of current employees. How can I reflect the budgeted FTE changes?**

    For those planning units with assumed changes in their future year base salaries, not yet attributable by specific PN, submit: (1) aggregate FTE changes as a negative FTE value; and (2) positive average salary change, per FTE; such that the resulting summary detail will reflect declining FTEs with reduced compensation.
    
    Example: I plan to reduce five position for a total impact of -$500,000.
    
    Submit: -5.0 FTEs based on the planned reduction from attrition
    
    Submit Average Salary: $100,000
    
    Impact in Compensation Summary: -5.0 FTEs with -$500,000 in total reductions is calculated

11. **Where can I report budgeted increases for base employees who may receive tenure/promotion increases beyond raise pool?**

    **Option 1: Override future year salaries for each impacted PN, as applicable.**
    
    **Option 2: Add a new line to the Base Employee listing with 0.0 FTEs and submit budget for all planned tenure and promotions in each applicable fiscal year.**

12. **Where should I report graduate and other student wages?**

    Please see instructions tab, detailing the request to budget for graduate and other student wages on the Other Pay Elements tab. The Budget Office also created an optional Graduate and Student Wages Add-On template that provides guidance when projecting future year graduate and student employee expense budgets.

13. **How can I use the summary tabs to help validate my planning unit’s budget assumptions?**

    Prior to finalizing your Compensation Planning Tool outputs, the summary tabs can be utilized to view multi-year FTE and cost center changes that should align with each respective units’ personnel and salary assumptions.

14. **Am I required to use the Budget Unit Notes/Code column(s) in the CPT?**

    The Budget Unit Notes/Code column replaces the Initiative Code field utilized in the FY21 materials. The new field is optional and incorporated throughout all budget materials for those units who wish to track activities or unique budget elements across their submission materials.
4.2 FAQ’s—FY22 Budget Packet

Instructions for using the tool are included within the Budget Packet on a tab named Processing.

FAQ’s:

1. Do I need to separate the data extracts from the Compensation Planning Tool into separate DEPT tabs to align with my non-compensation budgets by respective cost centers?
   No, the Budget Office recommends that you use the Compensation tab in the FY22 Budget Packet to incorporate the CPT extract from the planning tool. Note: When the compensation export from the CPT is incorporated into one tab of the BP, the data between the two files can be reviewed and reconciled easily!

2. How can I integrate data from multiple budget packets, if I have various staff across my planning unit budgeting their respective departmental expenses?
   The FY22 Budget Packet (BP) design allows planning units to integrate data from multiple packets into a final BP submission using the copy tab function in Excel. You do not need to copy and paste data across multiple BP workbooks. Contact the Budget Office with any questions or concerns about integrating data across multiple files.

3. Am I required to use the Budget Unit Notes/Code column(s) in the Budget Packet (BP)?
   The Budget Unit Notes/Code column replaces the Initiative Code field utilized in the FY21 materials. The new field is optional and incorporated throughout all budget materials for those units who wish to track activities or unique budget elements across their submission materials.