

# Budget Management

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# BEFORE WE GET STARTED

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- This session will be recorded.
- The chat has been disabled, please use the Q&A function to submit questions.
- At the end of the session, time permitting, we will have a Q&A session.
- As a reminder, this preview session is not training. You will be introduced to new terms and concepts and see system sneak peeks!



# SESSION TOPICS

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Oracle  
Overview

Changes &  
Key Concepts

Oracle Budget  
Sneak Peeks

Budget  
Process

Transition  
Period

Preparation  
Period

# Oracle Budget Overview



# ORACLE ENVIRONMENT

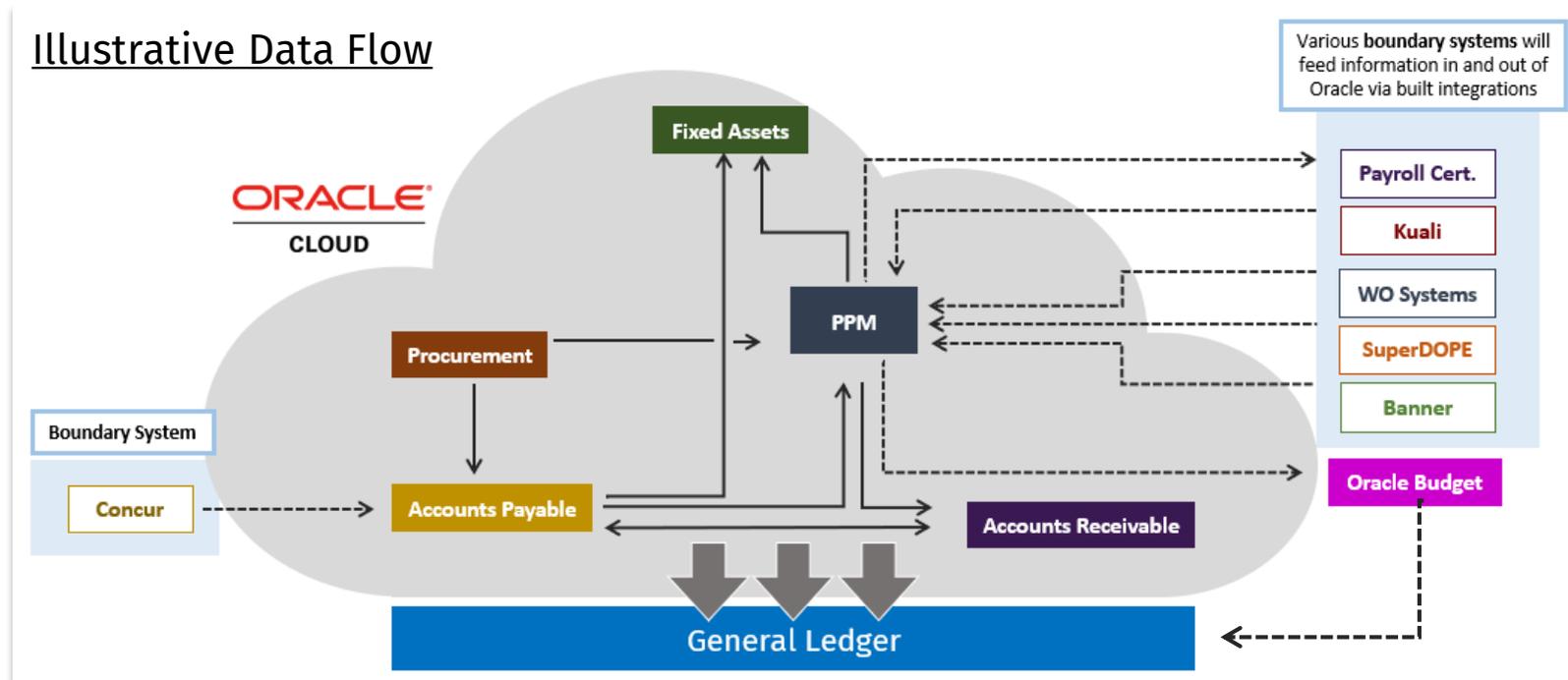
This is a high-level illustrative overview of the Oracle Environment and select boundary systems that feed into this new system.

**Oracle Financials** is a transactional system that is home to subledgers.

In this visual the items 'in the cloud' are those subledgers, sometimes referred to as modules, that are part of Oracle Financials

*The Project Portfolio Management (PPM) subledger is where budgeting for sponsored contracts and grants and capital projects occurs.*

**Oracle Budget** is a separate application where budget planning and forecasting occurs for all funds outside of contracts and grants and capital projects.





# ORACLE FINANCIALS PPM & ORACLE BUDGET

Let's take a closer look at the areas where budgeting will occur.

## Oracle Financials: PPM

- A subledger within Oracle Financials where **projects** are managed.
- **Project** is defined as a body of work that has a start and end date spanning fiscal years.
- To leverage this functionality UCR will be managing **sponsored contracts and grants and capital projects** in PPM.
- To accommodate the specialized nature of the work being managed in this subledger a modified version of the Chart of Accounts (COA) referred to as POETAF is used.

In short, budget management and execution for Sponsored Contracts & Grants and Capital Projects will happen within PPM

## Oracle Budget

- A stand-alone module that is part of the UCR suite of financial systems.
- Within Oracle Budget UCR will leverage the workforce planning functionality and revenue and expense budgeting functionality.
- This is NOT a transactional module. This is a planning and forecasting module.
- This module is home to:
  - Fiscal Year Budget Development and Planning
  - Budget Plan Approvals
  - Budget Execution

In short, budget planning and management for all non-project funds will happen in Oracle Budget.



# DATA MOVEMENT

Let's talk about how data moves within, and across, our systems

## Non-project based funding

*General funds, tuition distribution, student fees, auxiliary, gifts and endowments*



- The budget planning and approval process is completed using the features within the Oracle Budget module
- The working budget moves from Oracle Budget to the General Ledger (GL) budgetary controls
  - Any changes to the working budget occur in the Oracle Budget module and post to GL budgetary controls on a nightly basis

## Project based funding

*Sponsored contracts and grants, cost sharing, capital projects*



- Budgets for projects occurs within the PPM subledger using a specialized, and modified, version of the COA called the POETAF
- The project budgets will move from PPM to Oracle Budget as an informational/read only for reporting purposes
- PPM Budgets are inception to date (NOT FISCAL YEAR)



# DATA MOVEMENT – WORKFORCE | STAFFING

Let's talk about how data related to workforce planning and position budget execution moves within, and across, our systems

## Budget Process – Workforce Planning



UCPath  
Budget Distribution Page (BDP)



Oracle Budget  
Workforce Planning

Data feed is a snapshot in time  
• This is permanent positions, not payroll

Workforce Planning functionality within Oracle Budget allows individuals to create and modify positions to understand the budget impacts.  
• This is strictly for planning purposes  
• Position creation must still occur in UC Path

## Budget Execution – Salary/Benefit BCs



UCPath  
Budget Distribution Page (BDP)



Oracle Budget

Replacing the Staffing Application  
• Similar to PPS distribution lines  
• This is a monthly feed

Salary/benefit BC's will be automatically updated by the monthly feed

## Project based funding Sponsored Contracts & Grants Capital Projects

### Award Funded Positions

The commitment cost based on the position funding in UCPath is brought over to PPM



UCPath  
Position Funding



Project Portfolio  
Mgmt (PPM)

# CHANGES & KEY CONCEPTS



# BUDGET CHANGES: REVENUE

How revenue is viewed across Oracle Financials and Oracle Budget

Oracle Financials
$(\text{Revenue}) + \text{Expense} = (\text{Net})$
<i>net negative value is good</i>
Revenue: displayed as negative number
Data Warehouse, Financial Transaction Detail report

Oracle Budget
$\text{Revenue} - \text{Expense} = \text{Net}$
<i>net positive value is good</i>
Revenue: displayed as positive number
Deficit Analysis, 490 Fund Summary

- *Notice the differences in how revenue is viewed within the new systems*
- *Reports will reflect the data based on the system/module of origin*





# KEY CONCEPT: BUDGET TO ACTUALS

## Oracle Financials

(Budgeted Revenue) – (Actual Revenue) = Diff  
Budgeted Expense – Actual Expense = Diff

## Oracle Budget

Budgeted Revenue – Actual Revenue = Diff  
Budgeted Expense – Actual Expense = Diff

### Revenue

- If difference is a negative value, actual receipts exceeded expected revenue; expenditure budget can be increased.
- If difference is a positive value, actual receipts were less than anticipated; expenditure budget (and spending) should be reduced.

### Expenditures

- If difference is a positive value overall, the financial situation for the unit is favorable.
- If the difference is a negative value overall, the unit has a deficit that needs to be addressed

### Budget Control

- Budget Checking will ensure the COA chart string has a working budget but will not prevent deficits from occurring.
- Departments will need to review financial position and actively resolve deficits.



# KEY CONCEPT: BUDGET TRANSFERS

Budget Entry Adjustments (BEAs) become Budget Transfers. Let's discuss the associated impacts.

## CURRENT

- Changes are incremental
- Changes can be queried
- Budgets changed via BEAs
- Any budget can be changed by staff with access
- Balancing budget at the time the expense occurs or true up of the budget after the expense occurs.

## FUTURE

- Changes are replacement
- Budgets are changed via COA adjustment by individuals within their specific security level (within Dept/Org)
- To request funds from your own ORG's central unit or the CBO a budget request must be initiated. This request will flow through the system configured workflow approval.
- Process to request/transfer funds from ORG to ORG is still in refinement





# KEY CONCEPT: BUDGET EQUATION

**CURRENT**

**Perm Budget**

Appropriates and becomes  
7/1 TEMPORARY BUDGET



Surplus/Deficit carryforward  
increases/decreases

**Temp Budget**

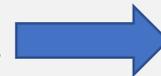
Temp Budget is a Ledger that  
aligns with the General Ledger  
for budgetary control

$$\text{Perm Budget} + \text{Temp Budget} + \text{Rollover} = \text{Working Budget}$$

**FUTURE**

**Working Budget**

Working Budget transfers to the General Ledger  
(in Oracle Financials) for budgetary control



**General Ledger**  
**Budgetary Controls**

- Boundary Systems requiring budget will query the GL for the Budgetary Control COA combination
- Budgets and Core Resource Allocations will now be separate. Units will need to manage their core budget to a Target Budget/Core Resource Allocation
- Temporary budgets may be negative, which is not necessarily bad when added to the Perm Budget





# KEY CONCEPT: BUDGETARY CONTROLS

In order for a chartstring to have a valid a budget for a budgetary controls check there must be a budget linked to entity, fund, activity, functn, program, project

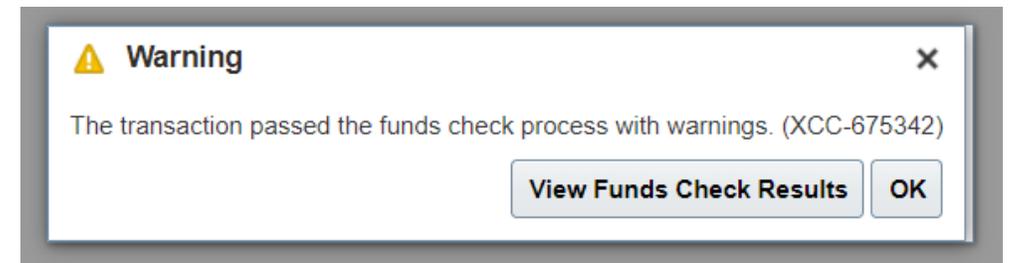
- Any adjustments/changes to the working budget occur in the Oracle Budget module and then move over to GL budgetary controls on a nightly basis
- Commitments will count against the budget



## Advisory Controls

If there is not enough budget to complete a Procurement related transaction a warning message will appear, but the transaction will be allowed to continue.

This warning should prompt the user to go back to Oracle Budget, or Oracle PPM, and make a budget adjustment to cover the expense.



*Please note, changes will be real time in Oracle Budget for reporting but require a nightly data flow to appear in Oracle Financials.*



# KEY CONCEPT: DIMENSIONS

Oracle Budget uses the term dimension to view and analyze financial data.

- You will note there is mapping between COA segments and Oracle Budget dimensions.

Dimension	Definition
<b>Fund</b>	The Fund chart field from the COA Identifies the source of funding, tracks spending restrictions and designations. Fund is consistent across all systems
<b>Activity</b>	The Activity chart field from the COA Identifies the academic unit or operating unit responsible for the resources and related financial transactions
<b>Function-Program</b>	This is a merged field of the Function chart field segment and the Program chart field segment from the COA Program is being defined by UCOP and the Function portion classifies the purpose of the transaction for reports
<b>Project</b>	The project chart field from Oracle Financials COA. An informational field being imported for reporting purposes only
<b>Flex1</b>	Reserved for and established by departments for use in financial management/oversight not achieved by other segments/dimensions
<b>Flex2</b>	A Faculty identifier to track non-C&G expenses/revenue at the department level and for future combined faculty portfolio reporting

Oracle Financials General Ledger uses the term COA segment, or chartfield segment..

<b>Entity</b>	<b>Fund</b>	<b>Activity</b>	<b>Account</b>	<b>Functn</b>	<b>Program</b>	<b>Project</b>	<b>Flex1</b>	<b>Flex2</b>
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# **ORACLE BUDGET**

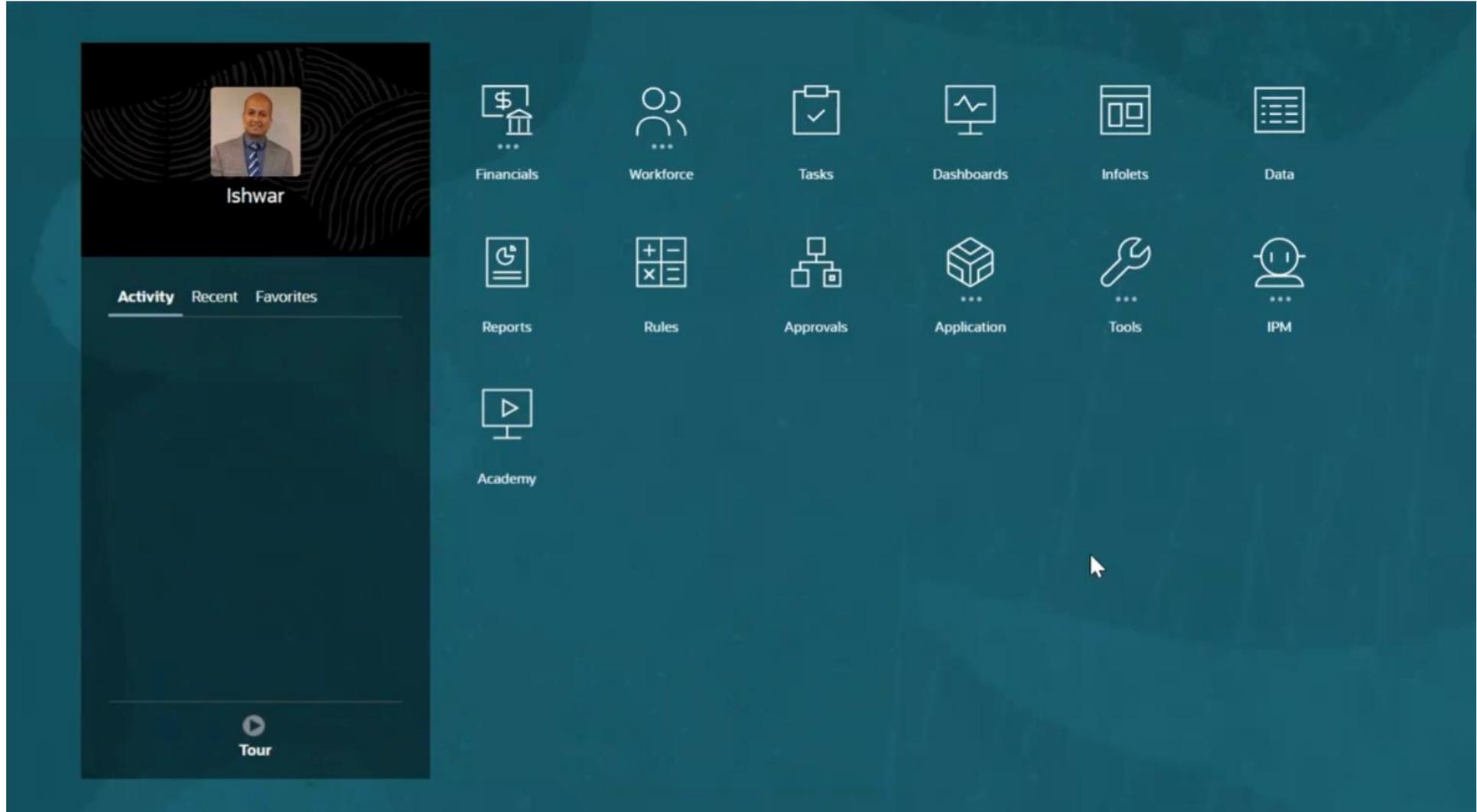
## **Sneak Peeks**



# ORACLE BUDGET SNEAK PEEK

Here we are showing the **homepage for Oracle Budget**.

- The tiles, or icons, that you are seeing here will depend on your security level

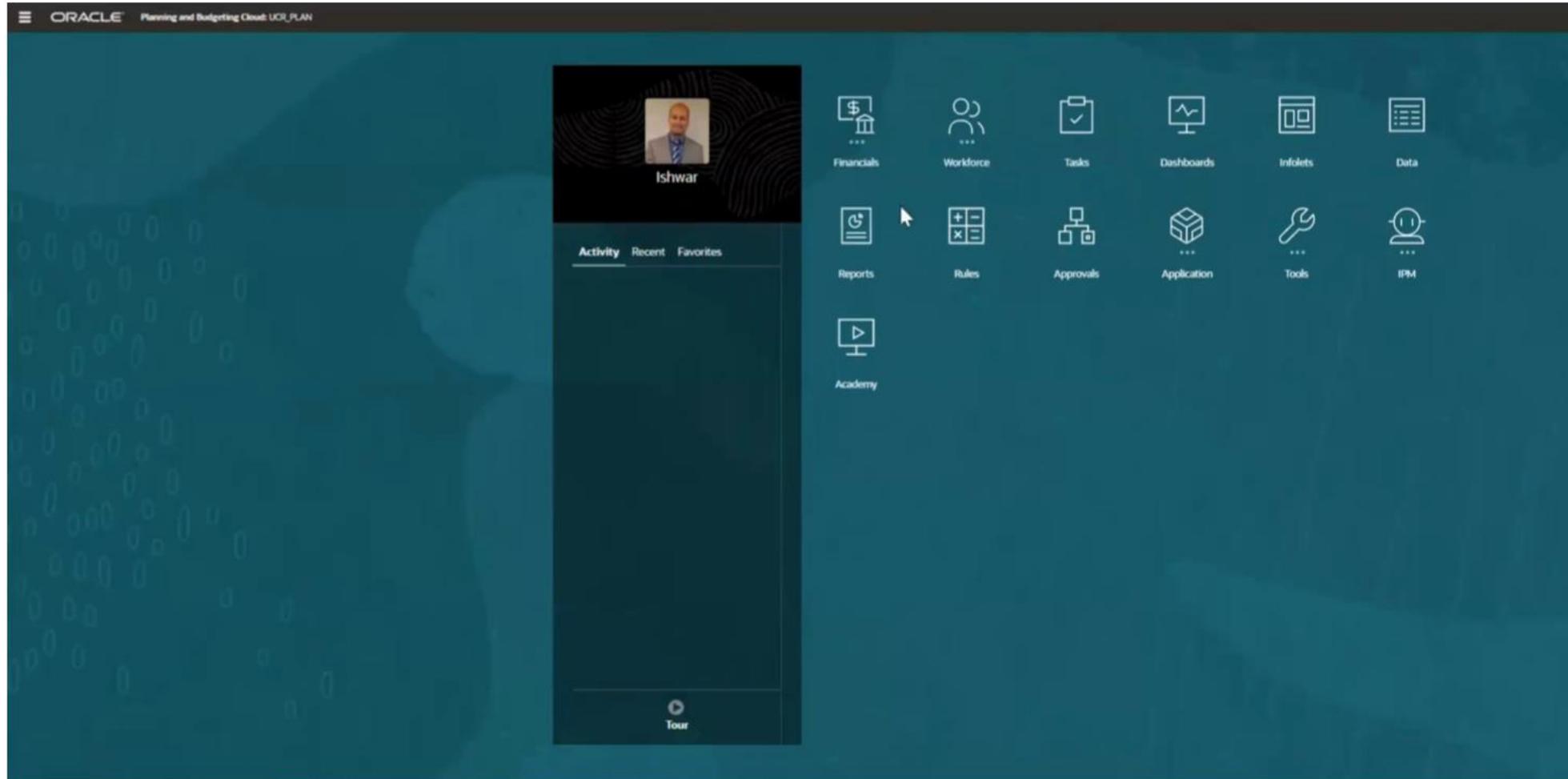




# ORACLE BUDGET SNEAK PEEK

Here we are showing the process of **submitting a Budget Request**.

- As the number of users testing the system grows we continue to incorporate feedback.





# ORACLE BUDGET SNEAK PEEK

Oracle Budget comes with a range of reporting functionality.

This is a screen shot of the financial reports available.

The screenshot shows the Oracle Planning and Budgeting Cloud interface. The top navigation bar includes icons for Tasks, Dashboards, Infolets, Data, Reports, Rules, Approvals, and Academy. The main content area is titled "Financial Reports" and includes a "Show POV Options" checkbox which is checked. Below this is a table listing various reports with columns for Type, Name, Description, Actions, and Migrate. The reports listed include summary level budgets, carry forward reports, and variance reports.

Type	Name	Description	Actions	Migrate
	077_EPM_PERM_ORG_SUMMARY_LEVEL_BUDGET			
	078_EPM_PERM_ORG_SUMMARY_BUDGET			
	3-Year Carry Forward Reports for FY 2023_previous			
	3-Year Carry Forward Reports for Plan Year			
	3-Year Carry Forward Reports for Plan Year_1			
	Actual Vs Budget Variance Report by Financial Unit	This report allows users to view Scenario Variance Analysis		
	All Employees Data - Workforce			
	by Fund Group			

# BUDGET PROCESS



# BUDGET PROCESS & EXECUTION

In the current state the budget process is a high-level overview, whereas in the future state this process will have increased importance, details and require executive approval.

## CURRENT

- Budget Process: High level overview
- Does not greatly impact GL
- BEAs more accurately reflected finances

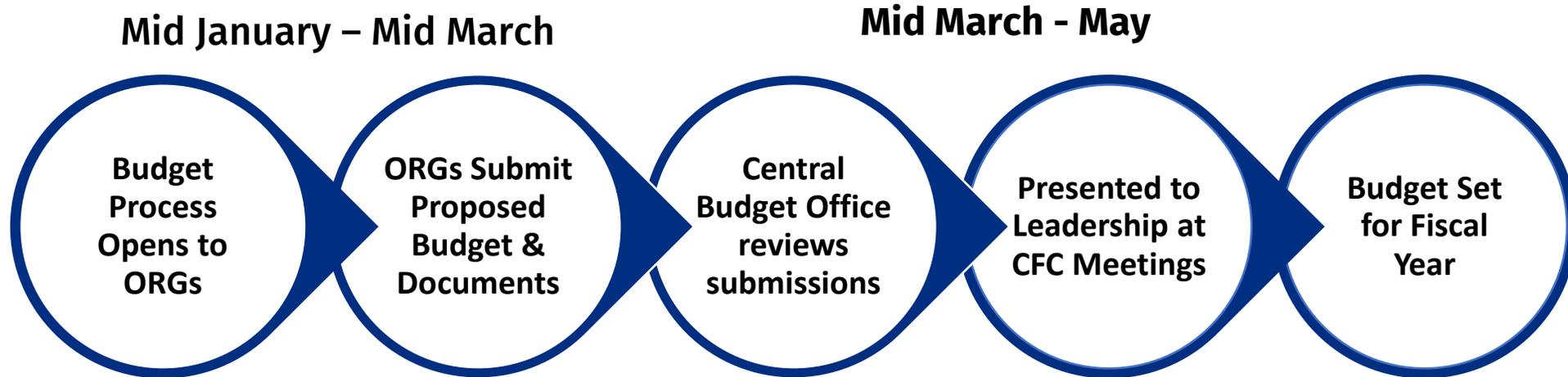
## FUTURE

- Budget Process: More important
- Executive leadership approves budget
- Approved budget becomes the 7/1 budget





# BUDGET PROCESS



Org Budgets are built from each individual COA level in the departments.

- Units will build budgets for FY24-25 in Oracle Budget in Spring 2024.
- The budget will flow through the ORG/Department approval process, then move to the Central Budget Office (CBO) for approval.
- The CBO takes it to the Campus Finance Committee, led by the Provost, for approval.
- This is the budget that the unit will start with on 7/1.

# TRANSITION



# BUDGET BUILDING

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- FY23 -24 Budget will be transferred from the current system to Oracle Budget during the cutover period.
  - Perm Budgets as of 5/31/2023 will be transitioned over as the 7/1 Perm Budget for permanent funds.
  - The net balance as of 5/31/2023 for non-Perm funds (ie. gifts) will be transitioned over as the 7/1 Temp Budget.
  - Any transactions that happen during the month of June will be loaded in as secondary budget adjustments in once the 6/30/2023 balances are final in the current system.
  - Roll over/carry forward will come in once FY 22-23 is closed out in UCRFS, which is estimated to be in late August
  
- On 7/1 departments must be ready to transfer budget to Flex1 and Flex2 fields in Oracle Budget and ensure the expenses are coded with these chartfields as well
  - Reports will not be of value if these segments are not coded



# PREPARATION



# Take Action

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- Finalize your Perm Budgets by May 31
- Translate your current FAU string to the new COA string using the Golden Tree Viewer
  - *Tip: Use an excel sheet to keep track of your new COA segment values, this will allow for more efficient Flex1 and Flex2 coding at Go Live*
- Clean up existing FAU strings
  - No deficits
  - Spend funds with small balances so this doesn't need to be transitioned over
  - Review cost center and current state project codes and have appropriate Flex1 fields ready at go-live
- The first Oracle module will be deployed to the campus in May - Oracle COA Management
  - You can request new Flex1 values or modify the Flex1 values submitted this past Aug/Sept
  - You will also be able to request new values on the Activity Hierarchy for Go Live
  - Please note, these changes will not be made in UCRFS

**THANK YOU!**

IMPACT23: Modernizing UC Riverside's Financial Systems

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