

University of California
HASTINGS COLLEGE OF THE LAW
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OFFICE OF THE CHIEF FINANCIAL OFFICER
MEMORANDUM

TO: Budget Managers
FROM: David Seward
DATE: April 13, 2009
SUBJECT: **2009-10 Budget Development Guidelines**

These budget development guidelines are intended to serve as the basis for your department's 2009-10 budget allocation. The State budget, as currently enacted, allows us to keep base funding constant; this is subject to change depending upon the outcome of related ballot measures in May and the newly designated "June" Revise process. Budget memos and supplemental forms are available on the Budget page of the Hastings web under "Budget Processes and Forms"
<http://www.uchastings.edu/budget/budget-process-forms.html>

- **Budget Development Worksheets (attached)** - This report displays 2008-09 budgeted amounts and actual expenditures through March 31, 2009. Please indicate your requested 2009-10 base budget for each object code/account but do not include amounts related to *Special Funding Requests*. Please complete the "2009-10 Base Budget Request" column for each object code, and a total for each department/program. Feel free to submit supplemental reports justifying your requests in lieu of completing that section on the *Worksheets*.

Please be aware of the following status of expenditures at the time *Worksheets* were printed when reviewing budget status and projecting future needs:

- Mail (object 5201) recharges are posted through March
- Telephone recharges (object 5203) are posted through January
- Copy machine (NewCal) printing recharges (object 5290) are posted through February
- Reprographic Department printing recharges (object 5290) are posted through March
- Purchasing warehouse supply recharges (object 5370) are posted through March
- Office Depot supply invoices (object 5370) are paid through March 15
- Procurement Card (P-Card) purchases are posted through March

For the most current account information, please refer to the online data presented in the *Fiscal Information Reporting System*.

- **Justification for Budget Requests (online)** - Please substantiate the make-up of base budgets in the following areas: Travel/Training (object code 5270) and Contract Temporary Help (object 5234). These categories are zero based and no funding will be provided without adequate justification. The *Justification for Budget Requests* form may be used for this purpose.
- **Special Funding Requests (online)** - Funding requests for programmatic changes – new projects/activities or expanding the scope of existing activities over-and-above that provided for in the base budget – should be documented as a separate proposal. This also includes all equipment requests. The optional *Special Funding Request* form can be used for this purpose. If you submitted a 2009-10 request during the 2008-09 midyear process there is no need to resubmit.

(over)

BASE BUDGET DEVELOPMENT

Computations for regular salary (objects 5101-5103 and 5121 only) and benefits (objects 5150-5180) will be centrally prepared with information provided by Human Resources. Your 2009-10 base budget is to be derived from your 2008-09 current budget adjusted as follows:

SUBTRACT

1. Any one-time costs that will not occur again in 2009-10 (e.g., 2008-09 Special Funding Requests, temporary help and equipment)
2. Any planned reductions in operations costs (e.g., anticipated savings, reductions in costs and/or reductions in workloads based on recent trends)

ADD

1. Any **known** cost increases over which you have no direct control, and that are not related to new services, increased workloads, etc. **These increases must be explained in the budget hearings.**
2. Any **known** contractual cost-of-living or inflationary increases (e.g., contracts requiring CPI-type increases or contracts for services that have built in annual increases). **These increases must be explained in the budget hearings.**

TOTAL

1. The total of your 2009-10 budget should be equal to the total of your current 2008-09 budget as reduced by one-time budget allocations (typically equipment and temporary help).
2. **Please indicate the total of your 2009-10 budget request at the bottom of your worksheet.**

BUDGET DEVELOPMENT SCHEDULE

To aid in your planning, here is the budget development schedule that was previously distributed.

2009-10 Internal Allocation Process	Date
Due date for budget managers to submit <i>Budget Development Worksheets</i> and supplemental forms (send THREE COPIES to Hazel) after receiving the approval of their division manager	June 1
Budget Hearings (general schedule; contact your Division Manager for specifics)	June 15-18
Finance Committee Meeting to review recommended budget allocations	Aug. 18
Board of Directors Meeting to finalize the 2009-10 budget	Sept. 4

Please contact Carol Cole (colec@uchastings.edu, ext. 4824) if you have any additional needs. Please remember that your division manager must approve your department's budget package. ***Budget worksheets and related forms, reviewed and approved by your division manager, must be submitted to Hazel Nakamura by Monday, June 1 (THREE COPIES).*** If you have any questions, please do not hesitate to contact me (sewardd@uchastings.edu, ext. 4710). Thank you for your cooperation.

cc: Chancellor and Dean Nell Newton
Controller Debbie Tran
Budget and Planning Analyst Carol Cole
Executive Secretary Hazel Nakamura

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**SUPPLEMENTAL BUDGET DEVELOPMENT INSTRUCTIONS
FOR ENDOWED PROGRAMS 2009-10**

The attached *Budget Development Worksheets* are for programs funded by one or more endowments. The Board of Directors approved a payout rate from endowed programs of 3.5% for 2009-10 (2008-09 was 4.75%). Investment markets have not been favorable; the value of our endowments has been substantially reduced.

If you have a program funded by an endowment, the budgeted payout amount is indicated on your worksheet in revenue object code 4410. This is the amount you have to spend in 2009-10; please allocate to appropriate expense object codes. If the endowment is in an underwater¹ position as of 12/31/08 the 2009-10 budget will reflect \$0 spending authority; in this case, please indicate those activities funded by endowment income in the past that are essential and thus may require an alternative funding source. In this volatile market all funding decisions are subject to change. If subsequent market activity changes the spending plans for next year you will be notified.

¹ An endowed program is considered underwater when its current market value is less than the principle, or historic dollar value. We are suspending spending from such funds in order to preserve the purchasing power of the fund.