FY 2022 Budget
Formulation Guidance
User Guide
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Overview

Budget Formulation Process

How budgets are established and managed is crucial to furthering any organization’s mission and strategy. Effective budget formulation leads to better administration of an organization’s resources and can also promote transparency, trust, and effective performance.

One of our budget formulation objectives is to better align budget decisions with strategic objectives. Last year, Pitt began undertaking a multi-year initiative to enhance the budget formulation process. For the FY 2021 budget, Pitt incorporated the use of an all-funds budget, formalized a resource request process, utilized standard pillars to prioritize resource allocations, and introduced annual Strategic Resource Reviews. Unfortunately, given the COVID-19 pandemic our FY 2021 process was cut short to pivot to scenario planning and a constrained services budget.

For FY 2022, an abbreviated budget formulation process is being used to allow the University to focus on existing issues and initiatives, including the ongoing pandemic and finalization of the University’s new strategic plan. As the University finalizes the Plan for Pitt 2025, and hopefully emerges from the pandemic, we plan to implement a more robust budget formulation process for FY 2023.

The following is an overview of the budget formulation timeline for FY 2022:

<table>
<thead>
<tr>
<th>Process Timing</th>
<th>Develop Responsibility Center Resource Proposals</th>
<th>Hold Strategic Resource Review Meetings</th>
<th>Finalize Funding Recommendations</th>
<th>Manage Budget Throughout Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>December - January</td>
<td>late January - mid-March</td>
<td>April - June</td>
<td>July 1st - June 30th</td>
<td></td>
</tr>
<tr>
<td>Primary Objective</td>
<td>Update RCRP requests and prioritize top 1-3 requests</td>
<td>Meet with deans and RC heads to review requests; senior officers prioritize top requests</td>
<td>Review senior officers’ top funding requests and make recommendation to Chancellor; set University budget through shared governance engagement</td>
<td>Board of Trustees approve budget in July and manage budget based on approved allocations</td>
</tr>
</tbody>
</table>
Overview

Oracle’s Planning & Budgeting Cloud Solution

Oracle’s Planning and Budgeting Cloud Solution (PBCS) module is a flexible planning application that supports enterprise-wide planning, budgeting, and forecasting in a cloud-based deployment model. PBCS provides responsibility centers a tool for budgeting and analysis on multiple data sets using near real-time data. Phase I of the implementation (June 2018) focused on standard reporting and manual encumbrance tracking forms. Then, enhanced reporting, automated encumbrances and budget spreads were introduced. Phase II (August 2019) provided the new on-line budget submission process for the FY 2020 budget.

Phase III (FY 2021) introduced the Budget Formulation Process which will continue to be followed for the FY 2022 budget process in an abbreviated manner. Most of the FY 2021 reports are used again in FY 2022 except for Historical Guidance, Employee Full Time Equivalent, and the Budget Reallocation Exercise. RCs will continue to use various input forms within PBCS to create Funding Requests for the upcoming fiscal year.
Navigation

Initial Access

To gain access to PBCS, please complete the PRISM User Access Information Form found on the PRISM website at https://prism.pitt.edu/access/. Note that all RC Business Managers already have access to PBCS and can login as described below.

Oracle automatically sends an email from Oracle Cloud oraclecloudadmin_ww@oracle.com when your user account has been established in PBCS. However, security roles need to be assigned by Budget & Financial Reporting (BFR) before access is complete. Please wait until BFR sends a confirmation that your access is available before attempting login. When confirmation is received, use the Log into PBCS button found on the PBCS Information website at https://prism.pitt.edu/applications/planning-and-budgeting-cloud-service-pbcs/

Logging into PBCS

PBCS is single sign-on enabled with the Pitt Passport service. Select the Company Sign In button. If you are already logged into Pitt Passport, PBCS will automatically open or you will be directed to the Pitt Passport login.

NOTE: If using the link from the Oracle Cloud email, you will be directed to the My Cloud Home page. From there, click the planning service, and you will see the above screen.

BROWSER NOTE: Firefox and Chrome are the supported browsers, if issues occur, please try both browsers before submitting a help request.

Adding a Favorite or Bookmark

Once you have logged in to the Planning and Budgeting Cloud: PittPlan home page, you can create a favorite or bookmark within your browser to save the link. By adding the favorite at this point, you will be logged into the home page directly rather than going through the My Cloud Home page. The favorite will appear with “EPM Cloud,” however, you can edit the name.

The following link can also be used to create a bookmark that will redirect to the PBCS home page.

https://planning-a536919.pbcs.us2.oraclecloud.com/HyperionPlanning
Navigation

PBCS Home Page

- **Navigator** - Use the Navigator menu to access functions, applications settings and preferences. Under the Preferences link, you can manage several personal preferences such as email options, display options and printing options. For example, in display options you can change the number formatting such as negative number display and thousand separator.

- **Home** - Use the Home button to quickly return to the home screen from any window.

- **Accessibility Settings** - Use the Accessibility Settings button to apply the screen reader mode or high contrast.

- **Settings/Actions** - Use the Settings and Actions drop down link to sign out, view the Oracle-provided help documentation and access the Oracle Cloud Customer community.

- **Function Icons** - Use the various function icons to access functions assigned to your role in PBCS.

- **Announcements** - Announcement regarding the overall system will be posted in the Activity/Recent/Favorites section.

Selecting Report Output Types

Reports can be available in three outputs: HTML, PDF and XLS.

- **HTML** – This will create an on-line HTML version of the report that supports the drilldown functionality.

- **PDF** – This will create a PDF version of the report and is best for printing reports.

- **XLS** – This will create an Excel version of the report.
Navigation

Reporting Hierarchy

In PBCS, a reporting hierarchy has been established for department values, which is called *Total Department*. Total Department is the complete listing of all University departments with financial activity since FY16. Total Department has a hierarchy of Senior Officer (SO), Responsibility Center (RC), Reporting Group and department, with department being the lowest level. Reporting Groups have been created based on feedback from each RC but do not apply to all RCs.

When using the hierarchy to select values, you will see all levels regardless of your assigned security. If you select a value that you do not have security access to, no data will be returned, and you may receive an error message if all accounts selected are outside of your security access.

![Select a Member](image)

Entering Report and Form Parameters

Reports and forms can require selection of *Member* segment values. Many have default parameters based on the associated security groups assigned. For example, Entity may default to 02 – Operating and Department to 01 (typically the first numeric department available). In order to select new values, click on the desired segment to open the Select a Member window.
**Navigation**

When selecting a member from the hierarchy list, verify the blue checkmark is displayed at the beginning of the desired value and then click OK. You may also search for the value in the Search Department field rather than using the hierarchy navigation.

When searching or entering the direct values in reports, the following prefixes must be used. The Resource Proposal Input for does not use the prefixes for the various segments.

<table>
<thead>
<tr>
<th>E – Entity</th>
<th>D-Department</th>
<th>P – Purpose</th>
<th>G – Project</th>
<th>RC</th>
<th>FY – Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>E02</td>
<td>D01010</td>
<td>P24987</td>
<td>G704857</td>
<td>RC23</td>
<td>FY20</td>
</tr>
</tbody>
</table>

**Using Drilldown Feature**

When running reports using the HTML option, drilldown functions are available. Drillable amounts will appear with an underline indicating a drilldown is available (for Entities 04, 05, and 06). Remember to work from left to right to expand subcode and department details.

Below is an example of a report showing the lowest level and the values that are drillable. The lowest level will not have the drilldown (triangle) symbol to the left of the value. Click on the underlined value to initiate the drilldown.
Navigation

Logging out of PBCS

Log out of PBCS by selecting the drop-down arrow next to your name in the upper right corner of the window, then select Sign Out. A second Sign Out window will appear, click Cancel to remain logged in to PBCS. Click OK to continue logging out.

You will then be returned to a SIGN OUT ORACLE CLOUD window, click Ok. You must complete this to completely log out of PBCS.
**RC Resource Proposal Process**

The RC Resource Proposal (RCRP) process is an opportunity for RCs to communicate resource requests that further their strategic priorities and advance the Plan for Pitt.

The RCRP module includes multiple components: FY19 Actual Results, FY20 Actual Results, FY21 Loaded Budget, Fall of 2020 Tuition Reports, FY22 RCRP Submission Narrative, Operating Budget Requests and Capital Budget Requests.

The FY19 & FY20 Actual Results include a prior year actual summary of an RC’s total funds (entities 02 unrestricted educational and general, 03 auxiliary and cost centers, 04 discretionary, 05 sponsored projects, and 06 plant) including an entity 02 comparison to the prior year ending budget.

Fall of 2020 Tuition Reports provide actual tuition for the fall semester as of November 30th compared to budget and to prior year actual increased by the FY 2021 tuition rate increase (we kept tuition flat in FY 2021 at 0.0% increase).

For the FY22 RCRP Submission Narrative, RCs are required to provide two narratives:

- FY22 planned strategic initiatives
- How initiatives would impact RC’s existing budget

Project/Capital Intake forms in PBCS will be used to submit new operating permanent and one-time requests, and capital requests exceeding $50,000.

Once all components are completed, the FY22 Resource Proposal Report will inform Senior Officers of proposed FY 2022 new operating and capital requests. This report will be used for Strategic Resource Review meetings occurring between January through March as described in the FY 2022 Budget Formulation Guidance located on the SVC/CFO Partners site.
RC Resource Proposal Steps

Supplemental Forms and Reports to Build the RCRP

To begin an RCRP, select the work area icon entitled Resource Proposal Steps on the PBCS homepage. This will display the tasks available in the work area, select Resource Proposal Steps.

Resource Proposal Steps will open to various forms and reports, listed sequentially in tabs running across the top of the page. When clicking on the icon, you will be prompted for the RC member parameter to begin the first process of viewing the FY19 or FY20 actual.
**RC Resource Proposal Steps**

**FY 2022 Resource Proposal Steps Highlights**

The FY 2022 budget formulation process will be an abbreviated version of what RCs are accustomed to following from the prior fiscal year. Several schedules are omitted in FY 2022, such as: Employee FTE / Input, FY20 Budget Historical Educated Guidance, and FY21 Resource Proposal Report. RCs will only need to complete and FY22 RCRP Submission Narrative. After the Plan for 2025 is finalized, and we hopefully emerge from the pandemic, we plan to implement a more robust budget formulation process for FY 2023.

**FY22 RCRP Submission Narrative**

This form is new for FY 2022. RCs will need to provide two narratives to inform the SVC/CFO and their Senior Officer and/or SVC and Provost of their resource requests which should be limited to 1-3 requests. RCs are required to two provide two narratives:

1. FY 2022 planned strategic initiatives.
2. How initiatives would impact RC existing budget.

The narrative boxes are limited to 2,000 characters each. RCs may attach supporting documents to provide additional context.

**FY19 and FY20 Actual Results**

1. When opening the Resource Proposal Steps, the RC prompt will automatically appear for FY19 Actual Results. If you would like FY20, select cancel and then select the FY20 Actual Results tab at the top of the window. The Source field in the prompt with indicate the FY results as well.
2. Select or enter RC## and click OK.
3. This will load a report of FY19 or FY20 Actual Results, depending on which tab you choose. Once the RC is selected the RC selection will carry through to the sequential tabs across the top of the page.
**RC Resource Proposal Steps**

4. FY20 Results by RC for Entities 02-06 may load with the PDF view. Please change to HTML to allow expansion and drilldown.
   a. Information on FY 2020 actual is shown in highly summarized subcodes running down the left-hand side, which are drillable to the department total for entities 02 and 03.
   b. For entities 04, 05, and 06, expenses are drillable to the purpose or project summary total and may be obtained by selecting the underlined link total. This will provide a sense of which purposes or projects are driving the main part of the expense.
   c. 02 unrestricted educational and general includes the ending budget for FY 2020 as well as a variance column. The budgets and variances are also drillable to department level.

- [Image: FY20 Results by RC for Entities 02-06]

**FY22 Tuition Budget vs Actual and FY21 Actual Tuition vs Prior Year**

1. Select the tab for the Tuition report that is desired.

2. The first time these reports are submitted Period, Years and Term member criteria should default to Fall Term as of November 2020. An error may display when members are not selected. (Fall term is = 1, Spring = 4, and Summer = 7)

3. PDF is the default, preferred version of both reports. The reports can be exported to Excel.

4. The FY21 Tuition Budget vs Actual report includes all schools and the results agree to the monthly reports the Tuition Accounting and Budgeting department distributes via email to Deans and Financial Administrators.
5. The FY21 Actual Tuition vs Prior Year report provides a comparison of current year actual tuition to the same point-in-time prior year. The prior year amount is adjusted, however, for the current year tuition rate increase to make the amounts comparable. This point-in-time comparison as of November coincides with the timeframe that will be used for the tuition incentive calculations for the fall term.
Operating and Capital Requests

RC Request Summary

For both operating and capital requests, PBCS is prepopulated with prior year requests. Each RC may update, delete, or add new one-time and/or permanent operating budget, or one-time capital requests to those that have been pre-populated from last year’s process. Each RC must complete the RC Request Summary tab in the Operating or Capital module by indicating 1 - 3 of the RC’s highest priority requests to advance to their senior officer / senior management. Within the justification narrative for the request on this required tab, RCs should explain:

- How, if approved, will the new funding advance the RC’s strategic priorities?
- What is the impact if this funding is not approved?

For only the 1 - 3 requests RCs are advancing to their Senior Officer, they must indicate if the request is either Strategic or Operational, and if it is High, Medium, or Low priority. Also, a justification narrative is required which is limited to 2,000 characters. RCs have the option to attach additional supporting documents to support their request.

The one-time and permanent request process is intended to capture all needs simultaneously to reduce the need for ad-hoc funding requests (for both operating and capital). Consequently, RCs will need to internally fund any requests or needs that arise during the fiscal year.

Capital Request Questions Tied to Existing Capital Budget Processes

The capital request process includes additional narrative questions this year to tie to existing university processes.

Within the New Budget Request – Capital tab, RCs are required to answer the following questions with a narrative:

- How was the project value determined?
- Was there a study done through the Planning Office?
- If request includes a change of space, was it approved by the Planning Committee?
Operating Request

Creating an Operating Request

1. Click the Navigator icon in the upper left of the window.

2. Under My Connections, open the Project/Capital Intake module by selecting the Open in New Window icon to the right of the link. This will open the requests module in a new window, allowing you to easily return to the RCPR forms for review and entry. If you click on the hyperlink, the module will open over the existing RCPR module and you will need to log out to return to RCPR.

3. In the new browser window, select the Operating function icon.
Operating Request

4. The New Budget Request – Operating form will open. The department field will default to your assigned RC security. If you have more than one, click the link to update and then click the process arrow to refresh the form with the new RC.

5. All existing Operating requests for the selected RC will be displayed, if any.

6. To add a new request, click the Actions drop down menu on the right-hand side (or right-click on the form), and select Add Request Operating.

7. In the pop-up window, enter the Permanent Cost amount if a one-time request, enter $0). Here you can also review and modify the RC if needed. When ready, click the Launch button.
Operating Request

8. A message will be displayed noting that the new request creation was successful.

9. PBCS will provide a unique pre-number to your project which begins “O” for Operating Request. To add a name to your project, right click on the first cell in the row (will be populated with an Ox default value), then select Change Alias from the menu list. This option is also found in the Actions menu.
Operating Request

10. Enter the request name in the new Alias field, then click Launch.

11. Complete each field on the New Budget Request tab. Click in each cell and enter the values. Notice, that some cells are already populated.

12. Save your work by clicking the Save button in the top right corner.

13. A pop-up message will appear confirming the save. Click OK.

14. Click on the Funding Assumptions – Permanent tab (for permanent funding requests only).

15. Fill out the Funding Assumptions options related to the project. Notice that each project has its own column.
Operating Request

16. Save your work by clicking the Save button in the top right corner, then click OK in the confirmation window.

17. Click on the Funding Assumptions - One-Time tab (for one-time funding requests only).

18. Enter all One-time Costs related to the project:

19. Save your work by clicking the Save button in the top right corner, then click OK in the confirmation window.

20. Click on the Revenue/Cost Savings tab.
Operating Request

21. Review the Revenue/Cost Savings for your project and enter the estimated amounts for the future fiscal years. Note that savings for each fiscal year are cumulative.

22. Save your work by clicking the Save button in the top right corner, then click OK in the confirmation window.

23. Click on the RC Request Summary tab.

24. For 1-3 requests you plan to advance for your RC, mark if your request is Strategic or Operational, whether it is High, Medium, or Low priority, whether it is one of your highest priority requests, and include a Justification Narrative.
Capital Request

Creating a Capital Request

1. Click the Navigator icon in the upper left of the window.

2. Under My Connections, open the Project/Capital Intake module by selecting the Open in New Window icon to the right of the link. This will open the requests module in a new window, allowing you to easily return to the RCPR forms for review and entry. If you click on the hyperlink, the module will open over the existing RCPR module and you will need to log out to return to RCPR.

3. In the new browser window, select the Capital function icon.

4. The New Budget Request – Capital form will open. The department field will default to your assigned RC security. If you have more than one, click the link to update and then click the process arrow to refresh the form with the new RC.
**Capital Request**

5. All existing Capital Requests for the selected RC will be displayed, if any.

6. To add a new request, click *Actions* on the right-hand side (or right-click on the form), and select *Add Request Capital*. Each capital request must meet the University capitalization threshold of being at least $50,000.

![Add Request Capital](image)

7. In the pop-up window, enter the *One-Time Cost amount*. Here you can also review and modify the RC if needed. When ready, click the *Launch* button.

![WF_Add_Request_Capital](image)

8. A message will be displayed inciting that the new request creation was successful.
**Capital Request**

9. Rename your project. Right click on the first cell in the row (will be populated with a Cx (for Capital) default value), then select *Change Alias* from the menu list. This option is also found in the Actions menu. For all Capital Requests, please make note of the Cx default numbers your projects are assigned. You will need to know those numbers when toggling from request to request to complete the multi-year funding assumptions.

![Image of the Change Alias option]

10. Enter the project name in the new Alias field, then click Launch.

![Image of WF_Change_Alias]

11. Enter the details of your project.

![Image of New Budget Request - Capital]

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**FY 2022 Budget Formulation Guidance**

December 10, 2020
Capital Request

12. Save your work by clicking the Save button in the top right corner, then click OK in the confirmation window.

13. Click on the Funding Assumptions tab.

14. Complete the Funding Assumptions related to the project.

15. Save your work by clicking the Save button in the top right corner, then click OK in the confirmation window.

16. Click on the Revenue/Cost Savings tab.

17. Review the Revenue/Cost Savings for your project, and enter the estimated amounts for the future fiscal years.

18. Save your work by clicking the Save button in the top right corner, then click OK in the confirmation window.

19. Save your work, then click OK in the confirmation window.
Reports

Resource Proposal Steps Reports

The following reports may be printed from PBCS to help units in their discussions at Strategic Resource Review meetings. The Resource Proposal Steps has two separate tabs for the available reports: FY22 Printable Book, and FY22 Printable Tuition Book. When selected the reports open on the screen in PDF format which can be downloaded or sent to a printer.

FY22 Reporting Book

FY22 Printable Tuition Book
Reports

Operating Reports

Operating reports are obtained by selecting the Operating icon, selecting the hanging tab icon in the left outside margin for reports, and typing in the Member segment values which will be your RCXX.

The first tab, Operating Reports, provides the full set of reports. The other tabs may alternatively be selected if only a specific report is needed. The reports open onto the screen in PDF format which can be downloaded or sent to a printer.
**Reports**

**Capital Reports**

Operating reports are obtained by selecting the *Capital* icon, selecting the hanging tab icon in the left outside margin for reports, and typing in the *Member* segment values which will be your RCXX.

The first tab, *Capital Reports*, provides the full set of reports. The other tabs may alternatively be selected if only a specific report is needed. The reports open onto the screen in PDF format which can be downloaded or sent to a printer.
Next Steps & Information

Strategic Resource Reviews

In an effort to gain a holistic understanding of each RC’s resource needs, each RC will be invited to a Strategic Resource Review meeting with the SVC/CFO between January through March. These meetings will inform University leadership resource decision making.

Similar to last year, in an effort to gain a holistic understanding of each RC’s resource needs, each RC will be invited to a Strategic Resource Review meeting between late January and mid-March. These meetings will inform University leadership resource decision making.

Deans, RC Heads/Senior Officers and their Directors of Administration or Financial Administrators will meet with the SVC/CFO, SVC/Provost (academic RCs), SVC for Health Sciences (health sciences RCs), SVC for Business & Operations (as relevant), and AVC Planning, Design and Real Estate (as relevant for capital project requests).

RCs should plan to discuss their RCRP in tandem with their strategic objectives (for academic units, these are the strategic priorities in the annual plan update). More information regarding the timing and composition of these conversations will be released early in the January.

More Information

Training demonstrations will be recorded and available on demand for future viewing throughout the RCRP process and available on the PBCS website: https://prism.pitt.edu/applications/planning-and-budgeting-cloud-service-pbcs/

Additional information on official communications and overviews of the FY 2022 Budget Formulation Process may be found on the SVC/CFO Partners SharePoint site: https://pitt.sharepoint.com/sites/cfo

For questions on the budget formulation process, please email our RCRP Support mailbox at rcrphelp@pitt.edu.