University of Pittsburgh

FY23 Budget
Formulation Guidance
User Guide

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Overview

Budget Formulation Process

In FY23, the University is transitioning to a new budget model to improve transparency, authority, and accountability at the Responsibility Center (RC) level. The new incentive-based Budget ReSTART (Revenue Sharing to Accelerate Responsive Transformation) model, provides incentives to raise revenue or reduce costs, and generates funds to support the significant strategic initiatives outlined in the Plan for Pitt. The new model empowers RC leaders who have the best understanding of their operations to have authority over their resources to fund their priorities. Information and training on the new Budget ReSTART model can be found here. It is important that you familiarize yourself with the new budget model and terminology prior to developing your RC Resource Proposal (RCRP).

The FY23 budget not only will be formulated using the new model, but also it will be the first budget to reflect the priorities articulated in the new Plan for Pitt. The new model will help to align resources with strategic priorities and the University's mission.

The following is an overview of the budget formulation timeline for FY23:

Guidance & Training	Develop Budgets - RC Resource Proposals (RCRPs)	Strategic Resource Reviews (SRRs)	Finalize Budget Decisions	Budget Approval	Manage to Budget Targets throughout the fiscal year
December	Jan – Feb	Jan - Mar	Mar-May	June/July	July -June
Guidance released and training provided.	RCRPs are developed and submitted	RCs meet with Provost, CFO, and SVC/HS (as relevant)	Review RCRPs and set University budget with shared governance	Board approves budget	Manage budget based on approved targets

Oracle's Planning & Budgeting Cloud Solution and Profitability and Cost Management

RCRPs are the first step in the budget formulation process to better understand RC resource plans. The RCRP process is an opportunity for RCs to consider how to leverage and realign resources to further strategic priorities that advance the Plan for Pitt.

RCRPs include three components: (1) Operating Budget; (2) Strategic Resource Requests; and (3) Capital Budget Requests. Instructions for each component are described below.

Oracle's Planning and Budgeting Cloud Solution (PBCS) will continue to be used for the FY23 Budget Formulation process to enter Responsibility Center Resource Proposals (RCRPs) for RC-Funded and Not RC-Funded strategic initiatives and capital requests for the upcoming fiscal year. A new Oracle tool, Profitability and Cost Management (PCM), will be used to generate income statements for RCs which will be provided to RCs in private Teams channels. RCs are required to upload their FY23 preloaded Excel budgets in PBCS.

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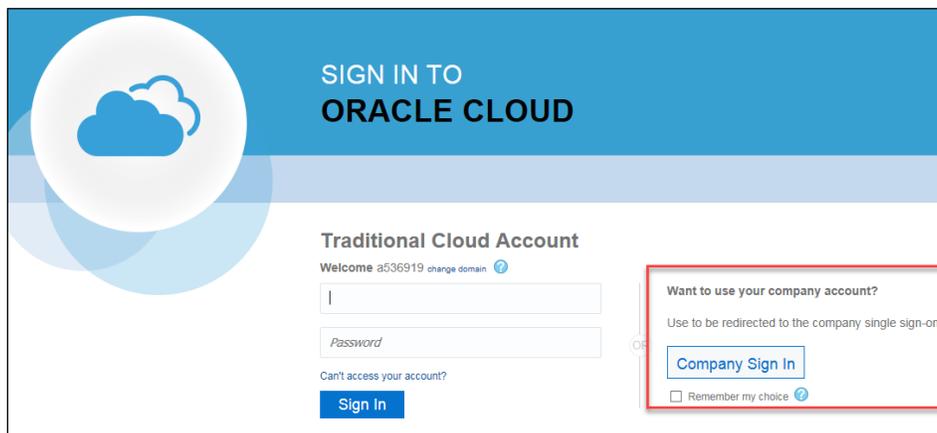
NOTE: If using the link from the Oracle Cloud email, you will be directed to the My Cloud Home page. From there, click the *planning* service, and you will see the above screen.

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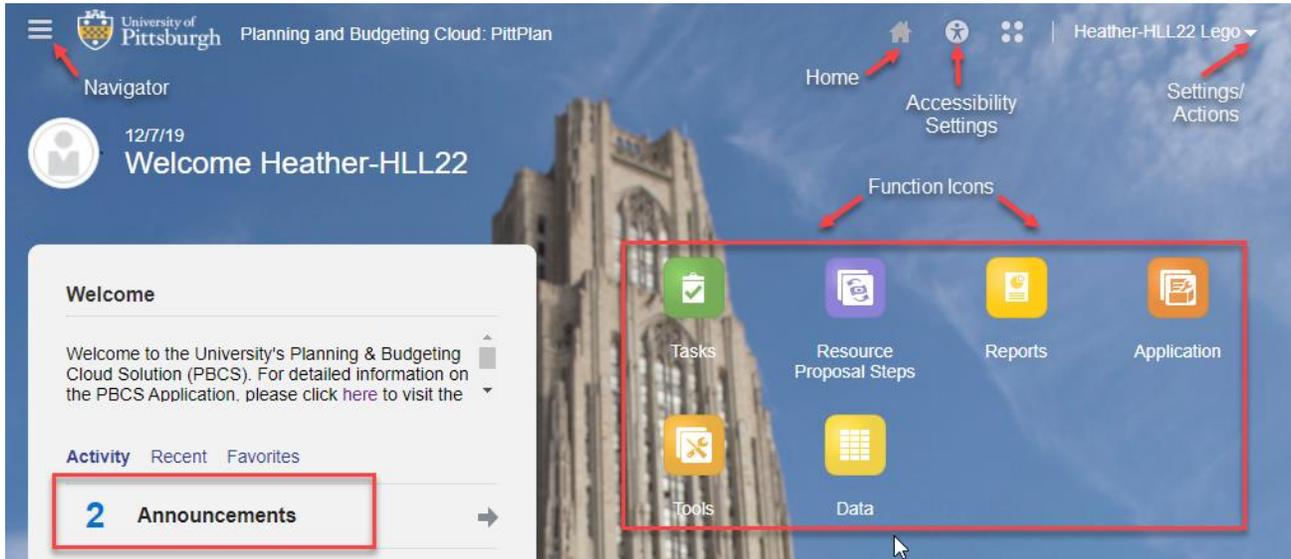
- **Navigator** - Use the Navigator menu to access functions, applications settings and preferences. Under the Preferences link, you can manage several personal preferences such as email options, display options and printing options. For example, in display options you can change the number formatting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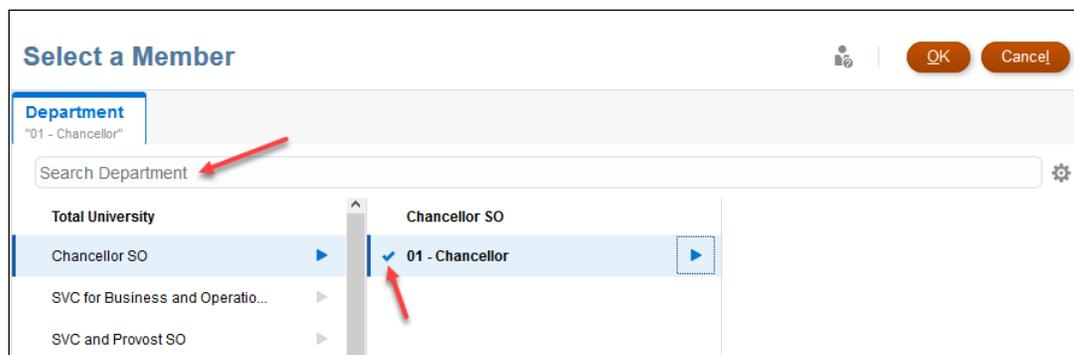
Navigation

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.
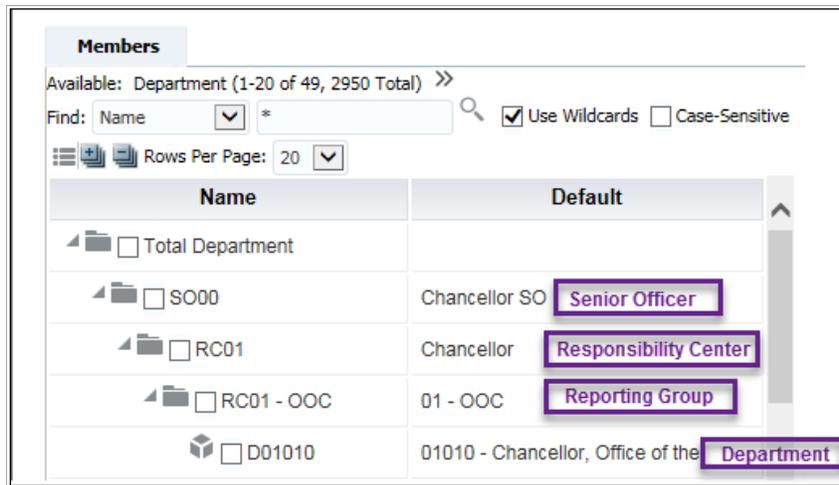
Entering Report and Form Parameters

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.

E – Entity	D-Department	P – Purpose	G – Project	RC	FY – Fiscal Year
E02	D01010	P24987	G704857	RC23	FY20

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.

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.
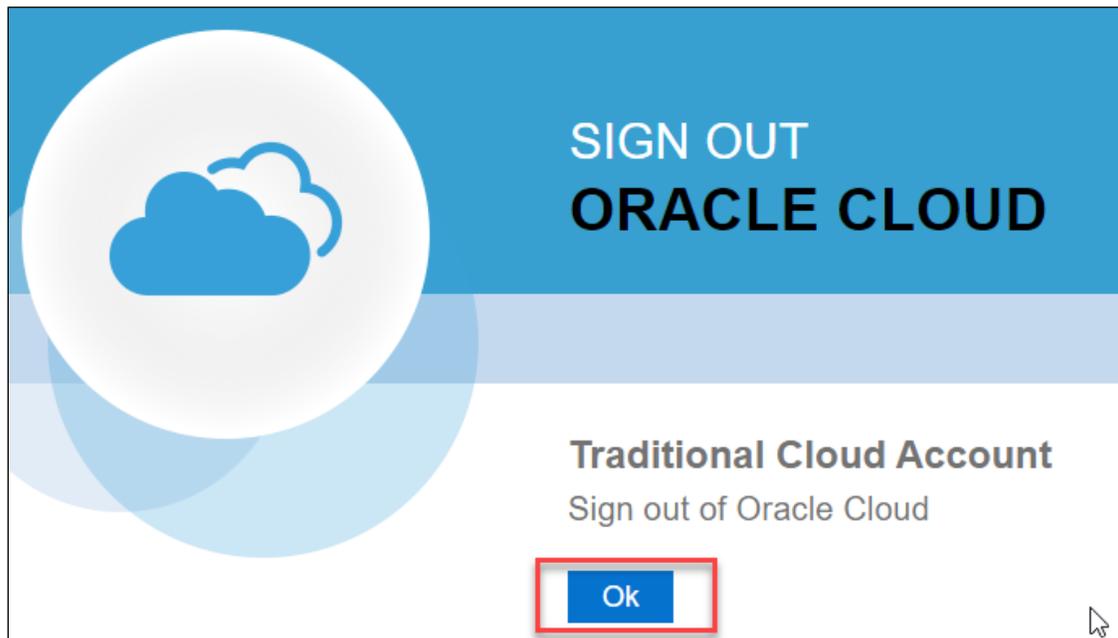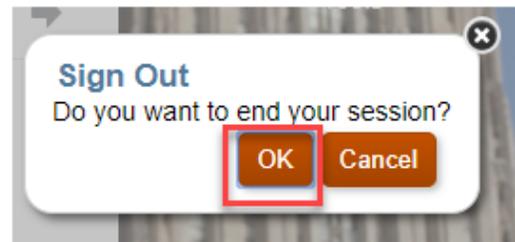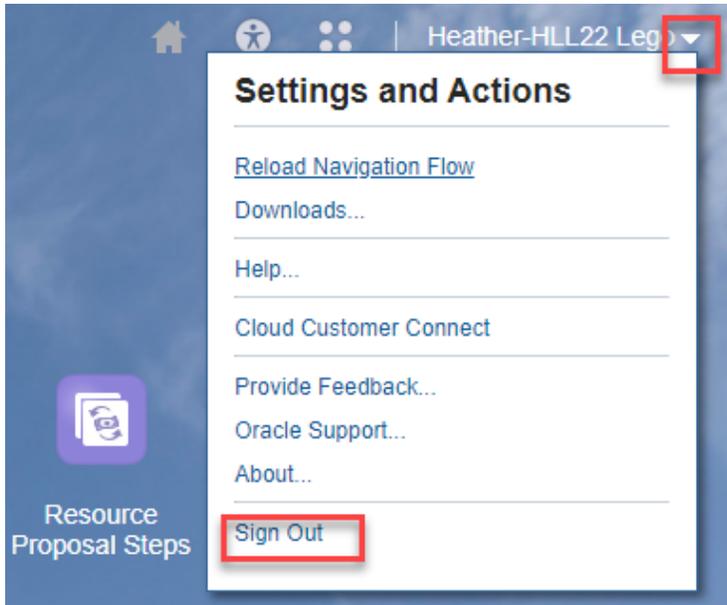
RC Resource Proposal Process

In the new Budget ReSTART model, revenues and expenses are shifted to the Primary RCs and therefore, the RCRP becomes the plan to generate additional revenue, achieve cost efficiencies, and leverage resources for strategic priorities. For Support RCs, it is critical to review expenses and determine where there are areas to improve service delivery to Primary RCs.

Each RC must submit their FY23 operating budget using the Excel template provided through their RC's Microsoft Teams channel that has been configured to report all operating resources using the new Budget ReSTART model income statement (revenues and expenses) format. This income statement is intended to provide more transparency into holistic RC operations. The data provided includes FY19-FY21 Actuals, and the FY22 budget. An optional column for FY22 projected actuals is also available for RCs to estimate.

Within the Excel income statement template, RCs are expected to develop their FY23 budget considering how all funding sources will be utilized. RCs should estimate revenues, expenses, and subvention levels (as needed) according to the [FY23 Budget Formulation Guidance](#).

An Operating Budget narrative that provides an overview of revenues and expenses, explains any needed subvention, and answers the key questions noted above should be uploaded into the Planning and Budgeting Cloud Solution (PBCS) as an attachment using the form in Annex 1. Your RC's Excel income statement should also be uploaded to PBCS as an attachment when you submit your RCRP.

Project/Capital Intake forms in PBCS will be used to identify new operating permanent and one-time requests, and capital requests exceeding $50,000 that are RC-funded or request resources from the Strategic Initiative Fund (SIF). Favorable business proposals will address one or more of the strategic objectives in the new [Plan for Pitt](#).

Once all components are completed, the FY23 Resource Proposal Report will inform Senior Officers of proposed FY23 new operating and capital requests. This report will be used for Strategic Resource Review meetings occurring between January through March as described in the FY23 Budget Formulation Guidance located on the [SVC/CFO Partners](#) site.

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*.
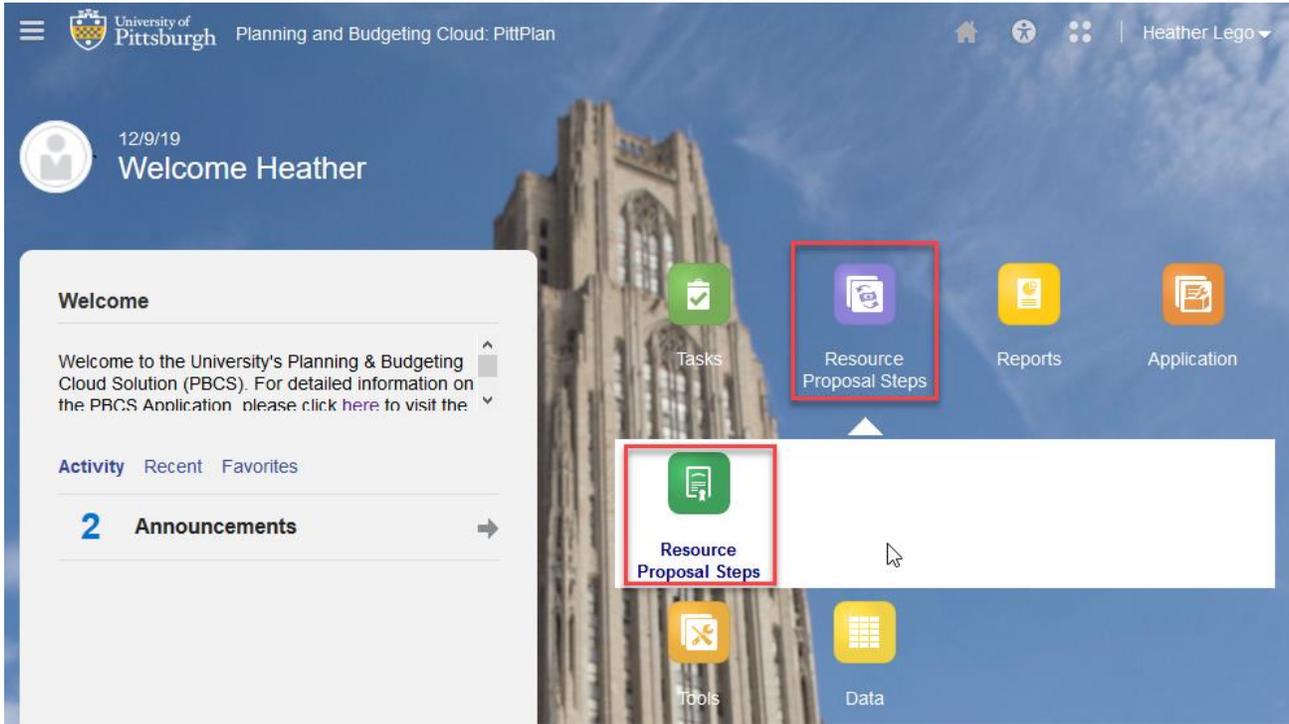
Resource Proposal Steps will open to a single request to attach an operating budget narrative and income statement. The retrieval and steps to complete your income statement follows.
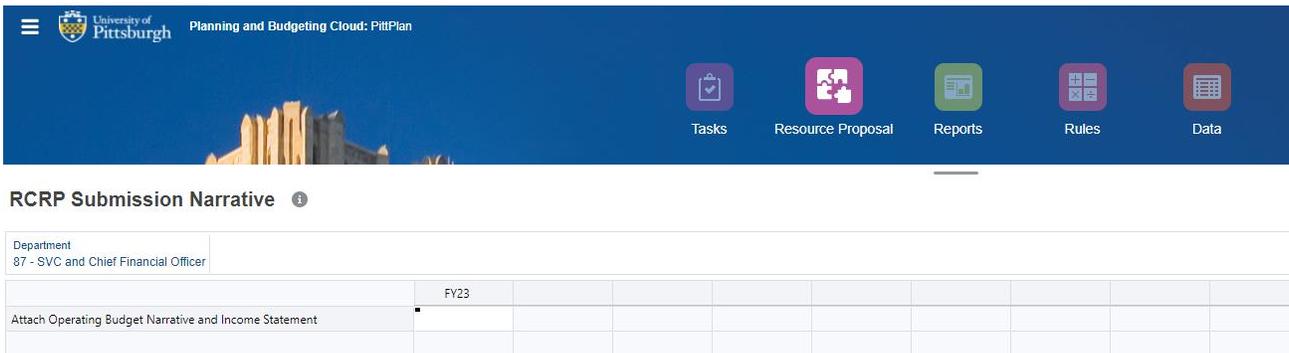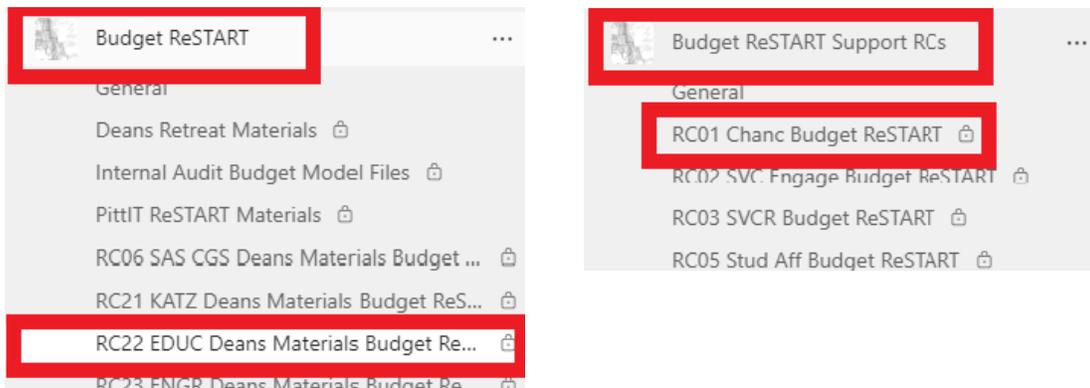
RC Resource Proposal Steps

FY23 Resource Proposal Steps Highlights

The FY23 budget formulation process will use the budget ReSTART model and the income statements will be generated in Oracle's Profitability and Cost Management (PCM) and provided to RCs in Excel and PDF formats on Teams. An Activity Metrics report is also filed in Teams that supports the revenue and cost allocations in the FY23 model for the RC. Dashboards will be used to obtain support for the Activity Metrics report. A required narrative will need to be completed and uploaded into PBCS to support the RC's FY23 RCRP.

Accessing Materials on Teams

Each RC has a private channel on Teams that contains income statements for FY19 - FY23. Your RC is responsible for completing the FY23 income statement that is pre-populated with budgets for entities 02 & 03 using the assumptions in the FY 2023 Budget Formulation Guidance. Budgets for entities 04 & 05 are populated using FY21 actual. There is an optional blank income statement in the workbook for RCs to complete to arrive at a FY22 actual projection if it assists them in preparing and explaining their FY23 budget.

1. Click your private channel in Team's *Budget ReSTART* for primary RCs or Team's *Budget ReSTART Support RCs*.
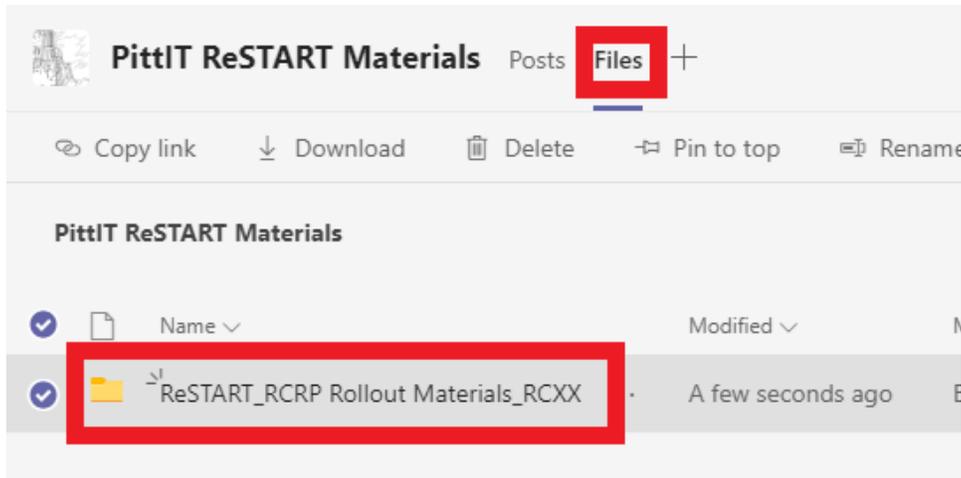

2. For primary RCs, you will see a notification in the *Posts* tab that has links to the details of your activity metrics which are on the ReSTART Dashboard.
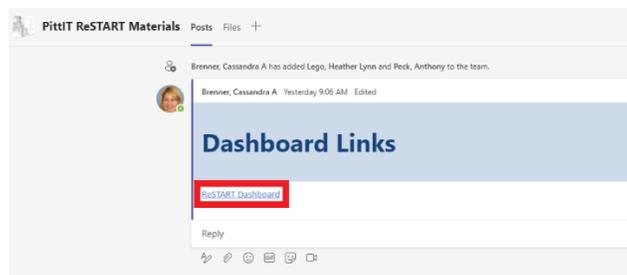
RC Resource Proposal Steps

3. On the *Files* tab, there is a folder entitled ReSTART_RCRP Rollout Materials that contain the materials needed for the FY23 budget formation process.

4. The ReSTART_RCRP Rollout Materials folder contains the following files:

    a. Income statements for FY22-FY23 budget in an Excel workbook.

    b. Income statements for FY19-FY21 actuals in PDF format.

    c. Primary RCs will also see Activity Metrics in PDF format which will agree to the Dashboard for their RC.

5. RCs should complete their FY23 income statement according to the FY 2023 Budget Formulation Guidance.

	02 - Operating	Auxiliary & Cost Cer	E04 Unrestricted	Unrestricted	E04 Restricted	- Sponsored Projec	Restricted	Total
Tuition - Undergraduate - Res Total	7,161,968	0	0	7,161,968	0	0	0	7,161,968
Tuition - Undergraduate - Non-Res Total	6,021,969	0	0	6,021,969	0	0	0	6,021,969
Tuition – Undergraduate	**13,183,937**	**0**	**0**	**13,183,937**	**0**	**0**	**0**	**13,183,937**
Tuition - Graduate-Professional - Res	17,089,121	0	0	17,089,121	0	0	0	17,089,121
Tuition - Graduate-Professional - Non-Res	13,822,951	0	0	13,822,951	0	0	0	13,822,951

RC Resource Proposal Steps

FY23 RCRP Submission Narrative

An Operating Budget narrative that provides an overview of revenues and expenses, explains any needed subvention, and answers the key questions noted above should be uploaded into the Planning and Budgeting Cloud Solution (PBCS) as an attachment using the form in Appendix 1. Your RC's Excel income statement should also be uploaded to PBCS as an attachment when you submit your RCRP. For the FY23 RCRP Submission Narrative, RCs are required to provide a narrative that answers the following questions:

Overview of Revenues (Primary RCs)

✓ How does your RC plan to utilize the revenues that have been shifted to your RC because of the new budget model?

✓ What opportunities exist to strengthen enrollments, improve programs, and grow research?

✓ What efforts will be put in place to increase fundraising and generate additional revenue?

Enrollment Plan (Academic Primary RCs)

✓ What is your graduate enrollment plan, and do you expect any significant changes to undergraduate enrollments?

✓ How will your tuition discounting strategy affect your expected net tuition revenue?

✓ Do you expect any significant changes to undergraduate enrollments?

✓ Please explain anticipated enrollments over the next three years and how that will affect your net tuition revenue given the new revenue allocation method in the new model (see Appendix 1 for details).

Overview of Expenses (All RCs)

✓ Are there areas where resources should be reallocated from lower priorities to higher priorities?

✓ What resources could be utilized to further Plan for Pitt or carbon neutrality by 2037 objectives?

✓ Are there areas of your operation that no longer need the same level of historical funding they have received?

✓ Are there cost savings that could be achieved by maximizing operational efficiencies?

✓ Does your RC plan to release space resulting in cost savings? Please explain and specify if any of the released space is classroom (departmental controlled or priority).

✓ Is your RC expecting major expense disruptions because of inflation? Please explain.

Subvention questions to consider (Primary RCs)

- ✓ How can my RC reduce its subvention level over time?
- ✓ What opportunities exist to generate additional revenue?
- ✓ Could expenses be reduced to maximize operational efficiency?

RC Resource Proposal Steps

- ✓ What opportunities exist to generate additional revenue?

- ✓ Could expenses be reduced by maximizing operational efficiencies?

Since the PBCS narrative box is limited to 2,000 characters, RCs should submit their narratives as attachments using the form in Appendix 1. They may attach supporting documents to provide additional context.

Strategic Resource Request and Capital Request

For both strategic resource request (SIF) and capital request, PBCS is prepopulated with prior year requests. RCs should delete any requests that are no longer necessary. They may update 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.

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 strategic and capital). All capital requests above $50,000 should be submitted regardless of the project's funding source. Consequently, RCs will need to internally fund any requests or needs that arise during the fiscal year.

Strategic Resource Request

Creating a Strategic Resource Request

1. Click the *Navigator* icon in the upper left of the window.
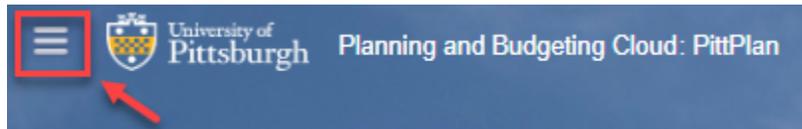
2. Under My Connections, open the *Project/Capital Intake* module by selecting the Open in New Window icon to the right of the link. This will open the requests module in a new window, allowing you to easily return to the RCPR forms for review and entry. *If you click on the hyperlink, the module will open over the existing RCPR module and you will need to log out to return to RCPR.*
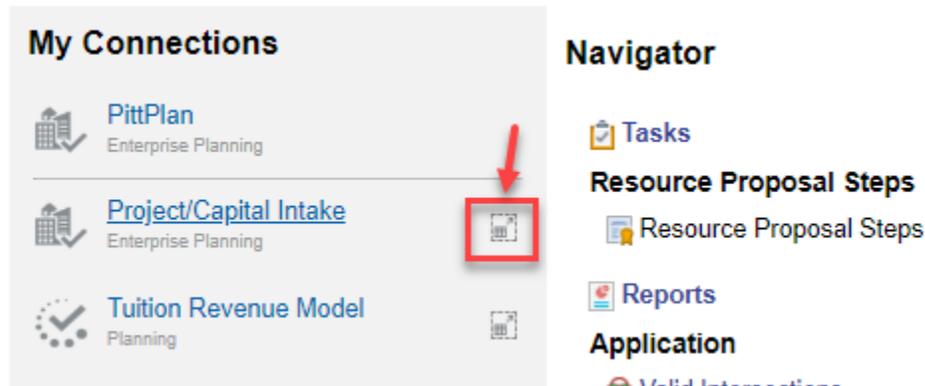
3. In the new browser window, select the *Operating* function icon.
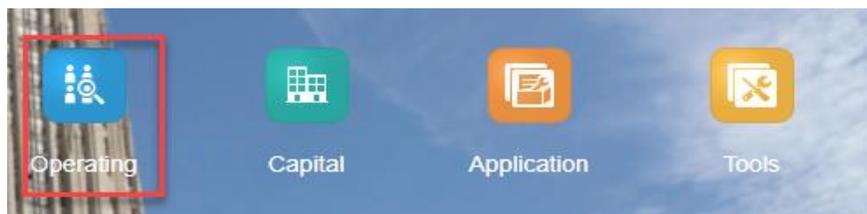
Strategic Resource Request

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 strategic resource 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*.
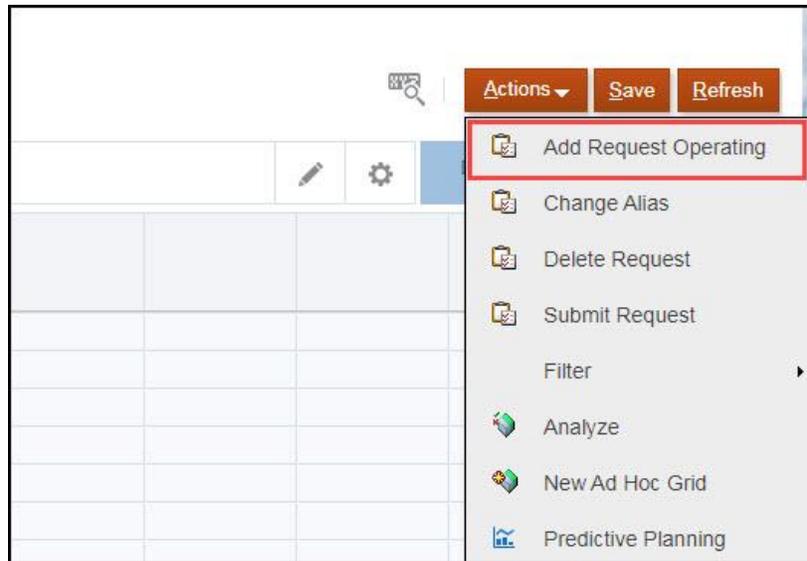
Strategic Resource Request

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.

8. A message will be displayed noting that the new request creation was successful.
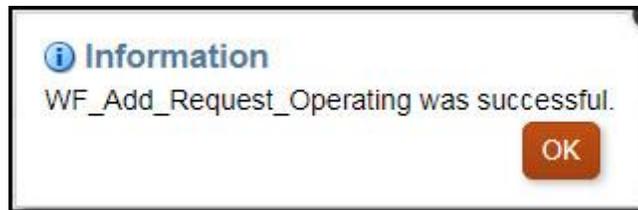
9. Complete each field on the *New Budget Request* tab. Click in each cell and enter the values. Notice, that some cells are already populated.

Strategic Resource Request

10. Save your work by clicking the Save button in the top right corner.
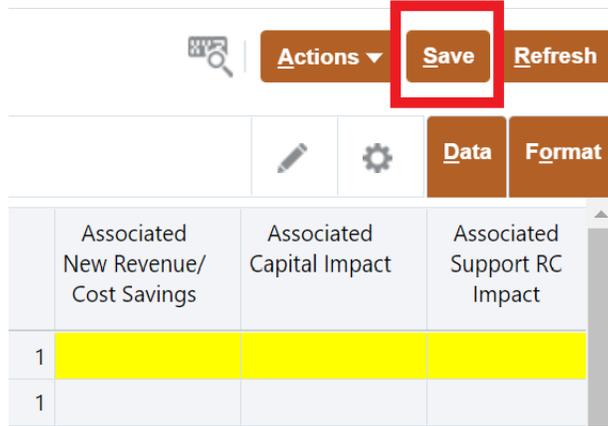
11. A pop-up message will appear confirming the save. Click *OK*.

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

13. Fill out the *Funding Assumptions* options related to the project. Notice that each project has its own column.

Strategic Resource Request

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

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

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

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

18. Click on the *Revenue/Cost Savings* tab.

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

Strategic Resource Request

20. Click on the *Forced Ranking* tab.

21. For each request, select the primary objective in the Plan for Pitt from the drop-down menu that most closely aligns with your request. If the request has a secondary objective, which is optional, select the objective from the drop-down menu.

Strategic Resource Request

22. For 1-3 of your highest priority not RC self-funded (SIF) requests you plan to advance for your RC, rank your request in numeric order (number 1 is highest), and include a *Justification Narrative*.

23. For RC self-funded requests you plan to advance for your RC, rank your all of your requests in numeric order (number 1 is highest), and include a *Justification Narrative*.
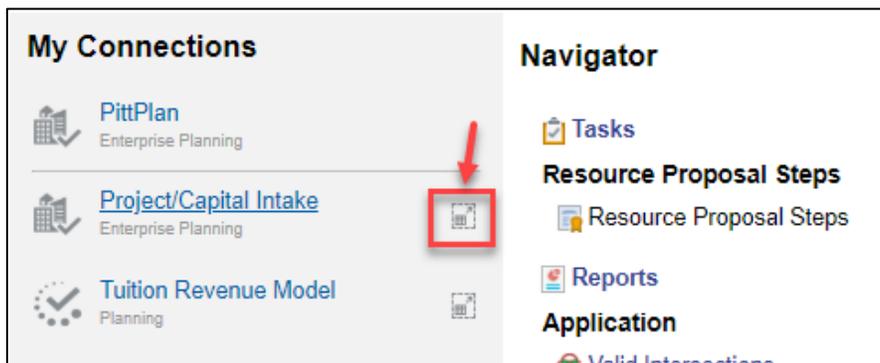
Capital Request

## Creating a Capital Request

1. Click the *Navigator* icon in the upper left of the window.
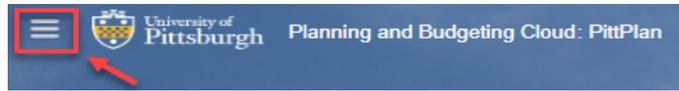
2. Under My Connections, open the *Project/Capital Intake* module by selecting the Open in New Window icon to the right of the link. This will open the requests module in a new window, allowing you to easily return to the RCPR forms for review and entry. If you click on the hyperlink, the module will 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.
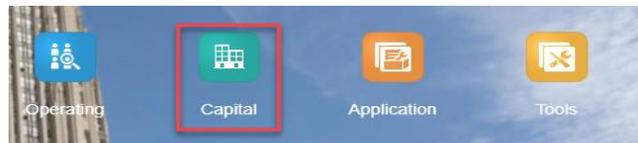
4. The *New Budget Request – Capital* form will open. The department field will default to your assigned RC security. If you have more than one, click the link to update and then click the process arrow to refresh the form with the new RC.
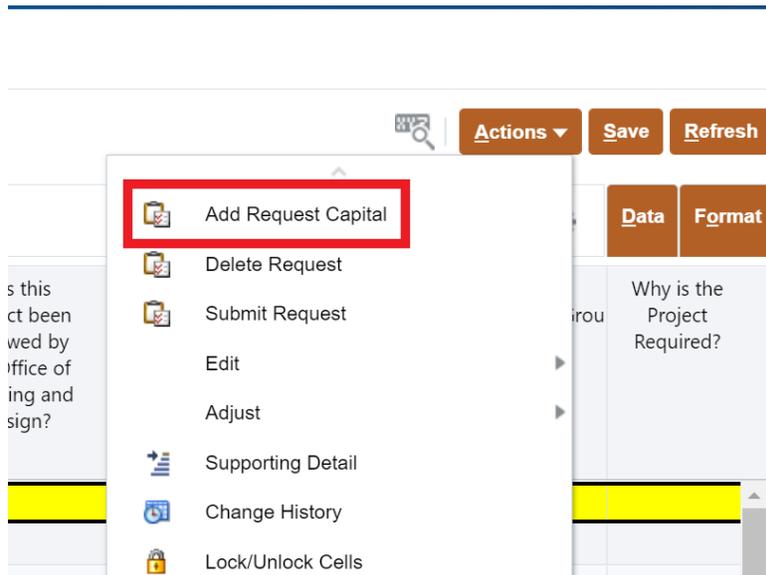

New Budget Request - Capital   Funding Assumptions   Forced Ranking

New Budget Request - Capital ⓘ

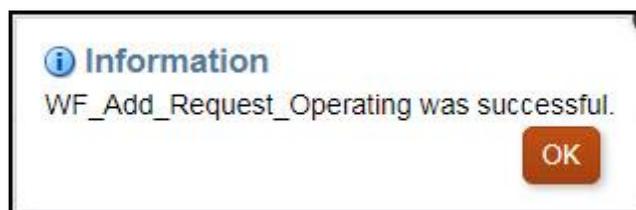| Years FY23	Department 90 - WPIC	Version Submitted			
	Request Name	Building	Project Description	How Was Project Value Determined	Has this project been reviewed by the Office of Planning and Design?
C6					
Proposal					

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.

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.

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

Capital Request

9. Enter the details of your project.

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

11. Click on the *Funding Assumptions* tab.

Capital Request

12. Complete the *Funding Assumptions* related to the project.

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

14. Click on the *Forced Ranking* tab.

Capital Request

15. For each request, select the primary objective in the Plan for Pitt from the drop-down menu that most closely aligns with your request. If there is a secondary objective, which is optional, select the objective from the drop-down menu.

16. For 1-3 of your highest priority not RC self-funded (SIF) requests you plan to advance for your RC, rank your request in numeric order (number 1 is highest), and include a *Justification Narrative*.

Capital Request

17. For RC self-funded requests you plan to advance for your RC, rank your all of your requests in numeric order (number 1 is highest), and include a *Justification Narrative*.

New Budget Request - Capital	Funding Assumptions	**Forced Ranking**				

Forced Ranking - Capital ⓘ

Department 90 - WPIC	Version Submitted					
	Request Name	Primary Objective (required)	Secondary Objective (optional)	Forced Ranking of Not RC Self-Funded Capital Requests (limit of 3)	Forced Ranking of RC Self-Funded Capital Requests	Capital Requests Justification Narrative
C192						

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 RCs in their discussions at Strategic Resource Review meetings. The *Resource Proposal* has a tab for the FY23 Printable Narrative in PBCS and RCs are encouraged to upload a full narrative as an attachment using the form in Appendix 1. Narratives typed directly into PBCS will appear in reports used by senior management.

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 reports open onto the screen in PDF format which can be downloaded or sent to a printer.
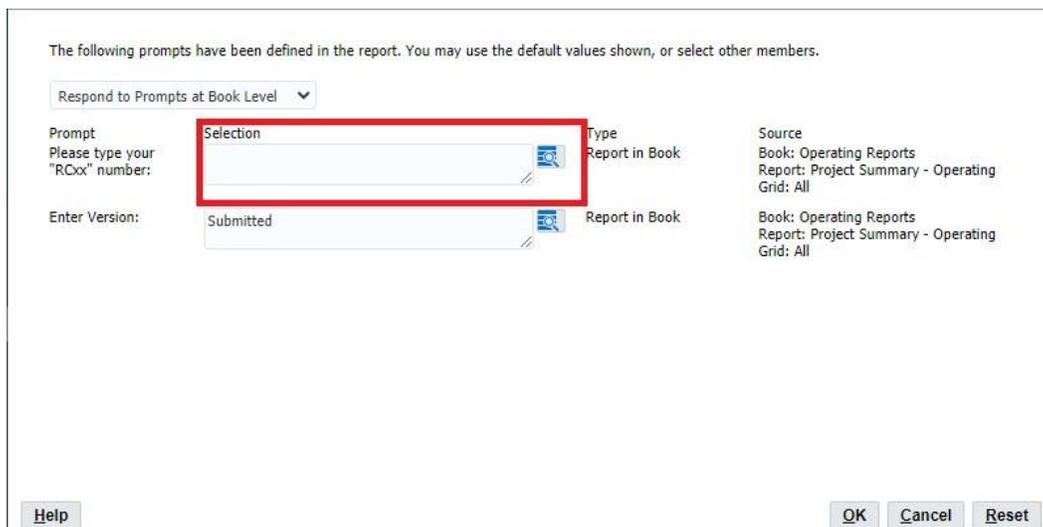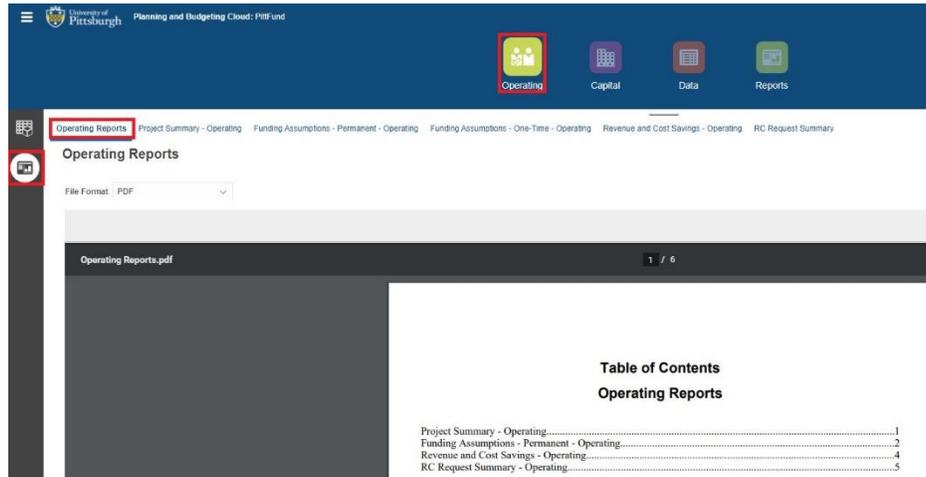
Reports

Capital Reports

Capital 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.

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). A newly created Support Responsibility Center Committee (SRCC) will be invited to SRR meetings for Support RCs.

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

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 FY23 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.

Appendix 1:

Operating Budget Narrative Form

The form below should be completed for each RC's operating budget and should be submitted as an attachment in PBCS.

Overview of Revenues *(Primary RCs)*
- ✓ How does your RC plan to utilize the revenues that have been shifted to your RC because of the new budget model?
- ✓ What opportunities exist to strengthen enrollments, improve programs, and grow research?
- ✓ What efforts will be put in place to increase fundraising and generate additional revenue?

Enrollment Plan *(Academic RCs)*

- ✓ What is your graduate enrollment plan, and do you have clear evidence for expected changes in enrollments?
- ✓ How will your tuition discounting strategy affect your expected net tuition revenue?
- ✓ Do you expect any significant changes to undergraduate enrollments?
- ✓ Please explain anticipated enrollments over the next three years and how that will affect your net tuition

Revenue	Allocation Method
Undergraduate tuition	• Allocate to School of Instruction (85%) and School of Record (15%) based on corresponding credit hours and residency up to Arts & Sciences price per credit hour • Allocate 100% of differential tuition (premiums) to School of Record
Graduate tuition	• Allocate to School of Instruction (25%) and School of Record (75%) based upon corresponding credit hours and residency
Online tuition	• Allocate 100% to School of Record
Financial Aid	• Direct Financial Aid: Recognize / assign directly based on program • General Aid: Allocate in proportion to allocated tuition

- ✓ Fill out the table below by entering expected student FTE enrollments where X, Y, Z are specific graduate/professional programs (please note whether any of the approved programs are online) that should sum to the Graduate/Professional total. After completing the enrollment table below, please use the widget rate scenario planning tool provided in your RC's Microsoft Teams channel to estimate net tuition revenues.

	Academic Years					
Academic Program	**AY19 - 20**	**AY20 - 21**	**AY21 - 22**	**AY22 - 23**	**AY23-24**	**AY24-25**
Undergraduate						
Graduate/Professional (total)						
Approved Graduate Online Programs						
X (note if online)						
Y (note if online)						
Z (note if online)						

Overview of Expenses *(all RCs)*
- ✓ Are there areas where resources should be reallocated from lower priorities to higher priorities?
- ✓ What resources could be utilized to further Plan for Pitt or carbon neutrality by 2037 objectives?
- ✓ Are there areas of your operation that no longer need the same level of historical funding they have received?
- ✓ Are there cost savings that could be achieved by maximizing operational efficiencies?
- ✓ Does your RC plan to release space resulting in cost savings? Please explain and specify if any of the released space is classroom (departmental controlled or priority).
- ✓ Is your RC expecting major expense disruptions because of inflation? Please explain.

Subvention questions to consider *(Primary RCs)*
- ✓ How can my RC reduce its subvention level over time?
- ✓ What opportunities exist to generate additional revenue?
- ✓ Could expenses be reduced by maximizing operational efficiencies?