California State University
SAN MARCOS

# 2025-26 Mid-Year Report Guidelines




# University Budget Office

Updated: December 2025

# 2025-26 MID-YEAR GUIDELINES

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# 2025-26 MID-YEAR GUIDELINES

## Overview

Each year the campus conducts a comprehensive mid-year review to identify any financial situations that have occurred or may be expected to occur prior to the end of the fiscal year, **June 30, 2026.** The primary objective of the review is to determine if the funds available for the remainder of the fiscal year are adequate to maintain planned service levels.

The mid-year review will include a budget review for all revenue and expenditure activities for the entire campus, for all funds, including Operating, Lottery, Capital Projects, Financial Aid, Self-Support, Trust funds, CSUSM Corporation, Foundation and ASI.

### Analysis/Scope:

- The department analysis should consist of a reconciliation of transactions to Data Warehouse through **December 31, 2025,** and projections for the remaining six months of the fiscal year ending on **June 30, 2026**. Analysis will include a review of expenditures compared to budget and identify material concerns (variances greater than 5% of the subdivision budget), **either favorable or unfavorable,** that may have an impact on the current budget.
- Running Axiom reports (Operating Fund) or Data Warehouse reports (all funds) through December 31, 2025, will provide six months of year-to-date actual expenses and encumbrances. All Data Warehouse reports include the percentage of budget utilized. Areas that significantly exceed or are below **50%** may require additional research and explanation.

### Mid-Year Review Process:

Each Division is required to provide the following to the Budget Office:

1. **Mid-Year Budget Review Memorandum** – a sample memo can be found on page 10
2. **Axiom In Year Forecast (Operating Fund ONLY) *** – See page 6 for instructions
3. **Mid-Year Fund Level Report (All non-Operating funds)** – See pages 7-9 for instructions

Mid-year projections will be used in determining available fund balances as part of 2026-27 planning. Please provide your most accurate representation of expenditures for the remainder of the year.

**NOTE**: ***Mid-year is essentially a reforecast of the original budget. A similar, though less comprehensive, third quarter budget review as of March 31, 2026, will be prepared by the Budget Office and reviewed with the Divisions.*** ***See page 13 for details******.***

**Axiom is currently only available for the Operating Fund*

# Mid-Year Reporting Guidelines for All Funds

## General Guidance - Cost Projection:

The mid-year review provides an opportunity to look at what funds are remaining to cover expenses over the next six months. This is the time when areas list the expenses expected from January through June that must be covered with the budget available. Some things to keep in mind when projecting remaining expenses for the fiscal year:

- Will current monthly costs stay constant? If so, the YTD costs will match the projected costs.
- Refer to last year's mid-year report. Were you on target with your estimates?
- Pending reclassifications or in-range progressions need to be included in projected expenses.
- Non-bargaining unit or temporary employee salary increases should be included.
- Are you expecting to purchase equipment in the next 6 months?
- Will budget transfers take place to either increase or decrease your funds?
- Is there an annual one-time expense that hasn't occurred yet?
- Historical information is always helpful. Look at your June 30 Department or Fund report from the prior year to see account code actuals and your year-end budget balance available (BBA).
- Plan with the chance of unforeseen expenses popping up.

## Detailed Guidance – Cost Projection:

Account balances will reflect the following types of transactions that have been processed through December 31, 2025:

- Vendor payments and encumbrances
- Receipts
- Journal entries
- Budget transfers and augmentations

Various areas have requested additional funding for 2025-26 for miscellaneous activities to be funded from central funding pool. Do **NOT** include these funding requests in your projections. The requests have been accounted for centrally with the allocations pending senior management review and approval.

***Budget Transfers: All intrafund budget transfers in the Operating Fund must include the Dept ID where the funds are being transferred to/from in the Axiom comments.***

# 2025-26 MID-YEAR GUIDELINES

## Payroll/Compensation:

Payroll transactions reflect expenditure activity and budget postings through December 31, 2025. **Positive Pay salary projections should not include June earnings.** Positive pay is overtime, student assistants, special consultants, etc. December - May earnings should be projected, as they will be paid in January - June. ***June positive pay will be paid in July using the 2026-27 Budget.*** The HR Actuals Report can be used for payroll analysis. The Budget Office can assist with any additional payroll analysis, if needed.

**Include CSUEU steps and January minimum wage increases in your mid-year projections.**

- **CSUEU Steps:** Budget transfers for CSUEU step placement have been processed. Please include step increases in your projections.
- **Minimum Wage Increase:** The California minimum wage will increase from $16.50 to $16.90 on January 1. Areas impacted by the minimum wage increase will need to include the increased costs in their mid-year projections.

## VSIP

To ensure consistency in reporting, divisions impacted by the Voluntary Separation Incentive Program (VSIP) should adhere to the following guidelines when preparing mid-year projections:

- **Include VSIP-Related Costs**: Incorporate all expenses associated with VSIP in your projections. This includes costs related to hiring, redistribution of job duties, etc.
- **Exclude Transfers from Centrally Held Funds**: Do not include projected budget transfers from centrally held funds for the VSIP in your mid-year forecast.
- **Document Overages Due to VSIP**: If a subdivision exceeds its budget because of VSIP-related costs, clearly indicate this in the mid-year memo and provide a detailed breakdown of the specific VSIP expenses contributing to the overage.

## Centrally Held Positions

**Do not include expected funding for new planned positions in your Division projections. All pre-approved funding is posted centrally and will be allocated upon hire.**

## Chargeback Entries:

The Chargeback Simplification Plan, started 2018-19, eliminated most chargeback activity within 48500 (departments charging each other within Fund 48500). Listed below are a few areas to keep in mind when working through your mid-year projections:

- As of the beginning of 2019-20 base budget was reallocated from the division consumers to the division providers for the following activities:
  - IITS
    - Telephone
    - Technology (digital signage, DSS, conf room, copier move)
  - FDM
    - Work Orders under $1,000
    - University Vehicle Use
    - Campus Moves
    - Campus Sign
    - Fed Ex / UPS
    - Work Orders Move

- **Chargebacks will still occur for the following:**
  - FDM dollar threshold > $1,000
  - Services provided to Auxiliaries, Third Party and Self-Support Funds
  - Charges incurred outside of the current Computer Refresh Program – **see IITS webpage for details** – link as follows: https://www.csusm.edu/iits/trp/index.html

## Pre-Payments:

Generally, pre-payments will not be allowed unless approved by the Vice President. Interest earnings need to be maximized by managing cash flow and maintaining higher fund balances whenever possible. Prepaying expenditures reduces cash available for investment and compromises the opportunity for higher interest earnings. Generally Accepted Accounting Principles (GAAP) require expenses and revenue to be recorded and recognized in the fiscal year in which the goods and/or services are received. If we do not adhere to this accounting practice, the campus will be vulnerable to audit findings.

# Deliverables & Reporting Process (By Fund)

## Operating Fund

**Deliverables:**

- Axiom In Year Forecast (by Department)
- Mid-Year Budget Review Memorandum – instructions and a sample memo can be found on page 10

### *Axiom In Year Forecasting*

All departments in the Operating fund are required to submit their mid-year projections using Axiom In-Year Forecasting. When entering projected expenses, please post the projections to the proper account under each department and split the projected expenses between January - June as relevant. Do not enter all expenses into June, unless you plan to spend all remaining funds in the month of June.

Accounts such as "601201 – Salaries MPP" use a Forecast Method called "Fcst Detail" and can have additional detail lines entered. For accounts such as "601301 – Overtime," only a total monthly amount can be entered.

(*Note: If you would like the "Fcst Detail" added for an account code that does not currently have that option, please notify the Budget Office. We can make these updates for you prior to the start of the next fiscal year. Unfortunately, these updates cannot be made mid-year.)*

Self-support departments with benefit expenditure line items that appear in Axiom will need to project expenses for these benefit accounts.

**Departments that are not self-support SHOULD NOT project expenses for benefits that will be paid through the central benefits pool. These areas can submit $0 benefit projections as a placeholder.**

After completing the department's expenditure projections, click <Save> in the upper right corner. **The user can always return to this page and make additional changes as needed.**

**Tip:** We recommend saving your work periodically while inputting data in Axiom. The system may time-out. Saving frequently will ensure you don't lose your work.

Additional information about how to use Axiom is available on the Budget Office website under "Axiom Training Resources".

## Lottery Funds

**Deliverables:**

- Mid-Year Lottery Report – The Budget Office will provide a pre-populated template to each division that receives lottery funds.
- Mid-Year Budget Review Memorandum - instructions and a sample memo are available on page 10

## *Mid-Year Lottery Report*

The Mid-Year Lottery Report includes an overview of the budget, actual expenses through December 31, 2025, projected expenses and budget transfers for January thorugh June 2026, and an estimated year end balance.

| A | B | C | D | E | F | G | H | I | J | K | L | M |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Instructions: Please review and confirm data in columns A-I and fill out columns J & L (highlighted in green). | | | | | | | | | | | | |
| Division | Fund Description | Fund | Dept | 2024-2025 Caryforward | 2025-2026 Allocation | Total Budget | Expenses through 12/31/2025 | Enc. | Projected Expenses Jan-June 2026 | Total Expenses | Budget Transfers Jan-June 2026 | Estimated Year End Balance |
| | | | | | | | | | | H+I+J | | G-K+L |
| Academic Affairs | | | | | | | | | | | | |
| | Education Agency | 48101 | 1022 - CHABSS Literature & Writing | 0 | 500 | 500 | 0 | 0 | 500 | 500 | 0 | 0 |
| | | | 1116 - COBA Instruction | 0 | 1,000 | 1,000 | 0 | 0 | 1,000 | 1,000 | 0 | 0 |
| | | 48101 fund total | | 0 | 1,500 | 1,500 | 0 | 0 | 1,500 | 1,500 | 0 | 0 |
| | Teacher Recruitment | 48110 | 1322 - CEHHS Math/Sci Teach(MSTI)Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Pre-Doctoral | 48111 | 1135 - GSR Research & Grad Studies | 0 | 0 | 0 | (2,000) | 0 | 0 | (2,000) | 0 | 2,000 |
| | Campus Based Programs | 48114 | 1003 - ACDPRG Acad Programs Office | 12,808 | 10,000 | 22,808 | 6,784 | 0 | 5,000 | 11,784 | 1,000 | 12,024 |
| | | | 1013 - CSTEM Biology Program | 2,625 | 0 | 2,625 | 3,133 | 0 | 1,500 | 4,633 | 3,000 | 992 |
| | | | 1079 - Library Dean's Office | 123 | 4,567 | 4,690 | 2,578 | 358 | 2,000 | 4,936 | 3,001 | 2,755 |

### Steps to Complete Report:

- **Columns A-I** will be pre-populated by the Budget Office. Please review the data in these columns and verify the data is correct by reconciling the transactions with Data Warehouse. If changes are needed, please update the data in the spreadsheet as needed and highlight the updated cells in yellow.
- Add projected expenses in **column J**.
- Add projected budget transfers in **column L.**
- **Columns K and M** should automatically update as you populate columns J and L.

A copy of the Lottery Report must be submitted to the Budget Office by Divisons that receive lottery funds.

## All Other Funds

***Includes Capital Funds, Financial Aid, Self-Support Funds, Trusts, CSUSM Corporation, Foundation & ASI***

**Deliverables:**

- Mid-Year Fund Level Report - The Budget Office will provide a pre-populated template for each area
- Mid-Year Budget Review Memorandum - instructions and a sample memo can be found on page 10

## *Mid-Year Fund Level Report*

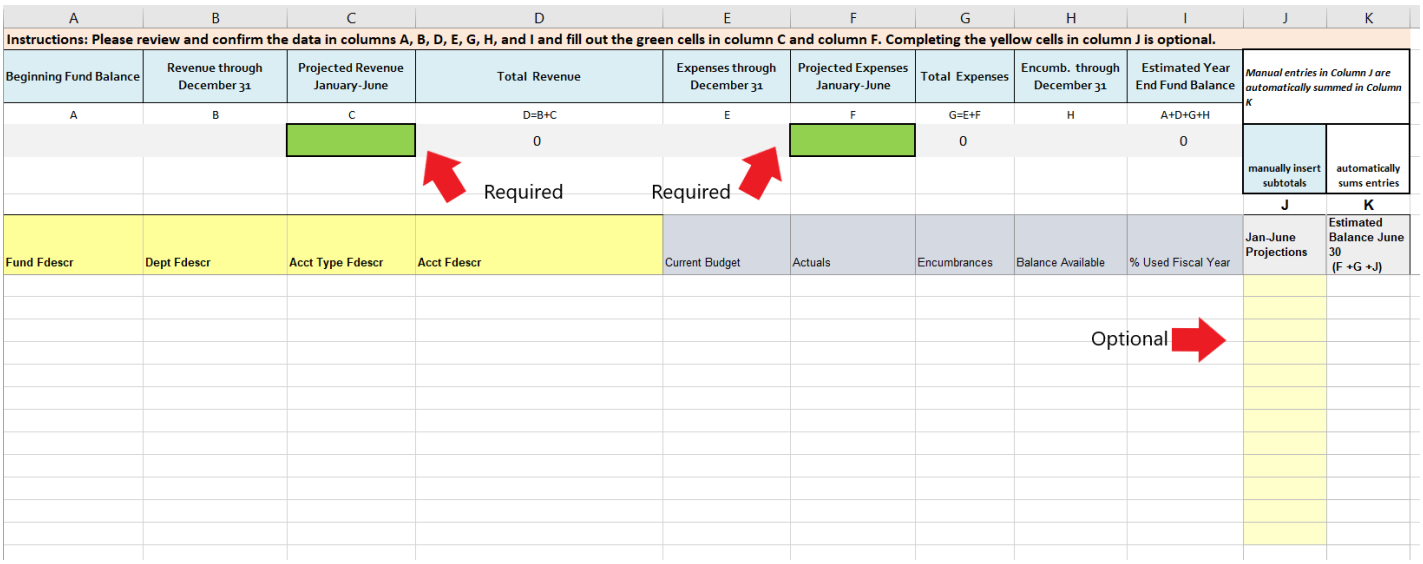
The Mid-Year Fund Level Report is designed to estimate the year-end balance in each fund as of June 30, 2026. Aggregate projections will be completed for both revenue and expense.

- ***Capital, Financial Aid, Self-Support Funds and Trust Fund Analysis:*** The department analysis should consist of a reconciliation of transactions to the Data Warehouse Fund Report and should be based at a fund/department level. Each self-support operation and each trust fund need to be reviewed to determine whether they will maintain a positive cash flow to comply with regulatory provisions. This analysis, along with a copy of the completed Mid-Year Fund Level Report, must be submitted for each fund. The required format can be found below. The Budget Office will provide a template that is pre-populated with data from Periods 1-6.
- ***CSUSM Corporation*:** A copy of the completed Mid-Year Fund Level Report must be submitted for each fund. A template will be provided by the Budget Office.
- ***Foundation*:** A copy of the completed Mid-Year Fund Level Report must be submitted (Only includes Central Operations - 86502). A template will be provided by the Budget Office.
- ***ASI*:** A copy of the completed Mid-Year Fund Level Report must be submitted for each fund. A template will be provided by the Budget Office.

### Steps to Complete Report:

- **Columns A, B, D, E, and H** will be pre-populated by the Budget Office. The Budget Office will also provide a copy of the relevant Data Warehouse report. Please review the data and verify it is correct by reconciling transactions with Data Warehouse. If changes are needed, please update the data in the spreadsheet and highlight the updated cells in yellow.
- Add projected revenue to **Column C** and projected expenses to **Column F.**
    - Any expenditure transfers or credits should be included in the projections.

- **Columns G and I** will automatically re-calculate as projections are updated in columns C and F.
- **Entering data into column J is optional**. If you choose to complete this part of the report, Subtotals and Totals in Column J will need to be entered manually. Column K will automatically recalculate when you enter amounts.
    - Enter a formula for any total, not a hard entry. This will allow the worksheet to re-total correctly each time you change a projection.
    - Insert additional lines as needed to add other account codes as necessary. You may need to copy the formula in Column K into the added lines.
    - Remember, an **increase** in revenue is entered as a **minus**. On the expenditure side, a **decrease** in expenditures is a **minus.**




**NOTES**:

- You may hide unneeded columns to enlarge your page, but do not delete the columns.
- **Fund Balance Use.** **Self-support Funds and Trust Projects cannot end the year with a negative balance**. If it is estimated that current fiscal year expenditures will exceed revenues, a portion of the Fund Balance-Continuing Appropriation will be needed to cover the shortfall. The beginning fund balance (as of July 1 of the current fiscal year) can be found by running the Fund Balance report in Data Warehouse, found under the Financial Reporting dashboard. Please contact the Budget Office for assistance if needed.
- The Budget Office recommends that budget adjustments be made if year-end balances show a sizeable variance from your original budget. Please contact the Budget Office for additional information.
- **Budget Balance Available *is not*** calculated for use with these funds. The budget is only used as the plan for the fund's current year operations.
- **Net Income/Loss** is arrived at by adding current year total revenue and current year total expenses.

## Mid-Year Budget Review Memorandum

The Mid-Year Budget Review memorandum format is mandatory and should comment on the outcome of the Division's financial review process and include information about the financial condition of each subdivision. **Please submit one Mid-Year Budget Review Memorandum per division.** Favorable and unfavorable variances at the subdivision level of greater than 5% must be identified and explained in the written report. Additional suggestions to note within the report include service level changes, growth issues, unmet needs, trend issues, new programs, reserves, or other factors that currently have or are expected to have an impact on the budget. The reports will serve as an attachment to the comprehensive Mid-Year Review report that is prepared by the Budget Office for the President's review.

## *Sample Memorandum*

**DATE:** February 1, 202x

**TO:** Vice President

CC: University Budget Office

**FROM:** Resource Analyst

**SUBJECT:** 202x-2x Mid-Year Budgetary Review and Analysis – XXX Division

The following is a mid-year snapshot for the XXX Division by college / subdivision followed by an analysis of the projected surpluses and deficits:

| College/Subdivision | Projected Ending Balances |
|---|---|
| College 1 | $865,255 |
| College 2 | $7,750 |
| Subdivision 1 | ($15,357) |
| Subdivision 2 | $5,124 |
| Division Total | $862,772 |

College 1 has a projected surplus of $865,255 due to project XYZ ($750,000) being postponed until next fiscal year. Additionally, salary savings from 3 vacant staff positions contributed to the surplus.

Subdivision 1 is currently projecting a $15,357 deficit due to not receiving additional base budget to cover equity increases for three employees. The Division will cover the deficit with one-time funds and plans to reallocate base funds next year to fully base fund these positions.

## Projection Worksheet *(Optional)*

The Projection Worksheet is **not required** and is provided as an additional tool to assist with the estimation of expenses from January to June. The worksheet calculates projected payroll and OE&E expenditures and can then be pivoted to provide a summary by account code or sorted by account code and subtotaled to link to the Mid-Year Fund Level reports.

**Column A**: Account Code – Enter the account code used for the cost you are projecting.

- Account codes do not have to be entered in any certain order when using the pivot. If using the subtotal method, remember to sort by account prior to subtotaling.
- Projections are not needed for Benefits unless you are creating a new position or if the department is self-support/supported by student fees (Health Services, Counseling, Orientation, etc.).
- Projections are not needed for Federal Work Study.

**Columns B, C, D**: Program, Class, Project codes – use these as needed.

**Column E**: Account Description – Enter the description of the account code you are using.

**Column F**: Cost Detail – Enter who / what / where that describes the use in more detail.

**Column G**: Rate – Enter the monthly / hourly rate, or the cost per item or occurrence.

- December positive pay earnings are paid in January. May earnings are paid in June. Therefore, you need to estimate six months.

**Column H**: Months / Hours / Frequency – Enter the number of months, hours, or occurrences you are projecting in the January - June period.

- **Positive Pay salaries should not include June earnings.** Positive pay is overtime, student assistants, special consultants, etc. These earnings are paid in the month following the time worked. As a result, December -May earnings should be projected, as they will be paid in January - June. Any June earnings will be paid in July using the following fiscal year Budget.

**Column I**: Projected Cost – This column is automatically calculated for you. It takes the rate and multiplies it by the Months / Hours / Frequency to arrive at the Projected Cost. (Column D times Column E)

Once all data is entered on the Projection Worksheet you can pivot the information or sort it by account code and subtotal at each change in account.

# Mid-Year Review Timeline

| Task Description | Date | Responsibility |
|---|---|---|
| Mid-year guidelines distributed to campus reps - posted to the web | December 17 | Budget Office |
| Mid-Year Training<br>*(Multiple times available – content will be the same at each training)* | <u>All Divisions</u><br>Thursday, January 8: 10am - 11am<br>Monday, January 12: 1pm - 2pm<br><u>Academic Affairs</u><br>Tuesday, January 13: 1pm - 2pm | Budget Office |
| December 2025 financial close | January 15 (approx.) | Fiscal Services |
| Mid-year analysis performed | January 15 (approx.) - February 13 | Budget Office & Divisions |
| One-on-one assistance available | January 15 - February 13 | Budget Office |
| Office Hours | <u>January 20- January 29</u><br>Tuesdays: 3pm - 4pm<br>Thursdays: 10am - 11am | Budget Office |
| **Department submissions due to Division Resource Analysts** | **January 30** | **Departments** |
| **Mid-year memo & reports submitted to Budget Office** | **February 13 COB** | **Divisions** |
| Mid-year reports reviewed | February 16 - February 26 | Budget Office |
| Comprehensive mid-year report reviewed | February 27 (approx.) | AVP, BFS and VP, FAS |

## Third Quarter Review

CSU policy dictates that the campus Chief Financial Officer ensures budget reviews occur quarterly during the fiscal year that compare budgeted and actual revenues and expenditures and take action to resolve any discrepancies.

The Mid-Year Review is a comprehensive campus-wide review, which includes Q1 and Q2 actuals (first 6-months) and a forecast of remaining year activity, to project full year financial activity, and determine any major discrepancies before the fiscal year end **June 30, 2026**.

The Third Quarter Review includes Q1 through Q3 actuals (9- months), and a forecast for Q4 (3-months). The Q4 forecast will be developed using Axiom projections for the Operating Fund. For all other funds, the Q4 forecast will be compiled using a pro-rata portion of the remaining forecast from mid-year. This will then be compared to full-year budget and any material discrepancies will be highlighted.

The difference between this review and Mid-Year is that this Q3 review will not involve a formal forecast submission from the campus, but rather a review from the University Budget Office. The review results will be shared with the individual units, in addition, any material variances noted from the final forecast (> 10% either favorable or unfavorable compared to mid-year) will be noted and communicated to the individual units. Units within the Operating Fund are responsible for updating Axiom projections as a part of the third quarter review process, to ensure projections are up to date.

The Third Quarter review will begin at March close, approximately April 15. This review will be completed by the end of the first full week in May. This Q3 review will highlight any additional variances and potential areas for concern and allow time for resolution before year-end close is final. This review at Q3 will focus on the funds which align with the year-end reserve designation:

| CSU Fund | University and Enterprise Operating Funds |
|---|---|
| 441 | Professional and Continuing Education Operations |
| 452 | Facility Revenue Fund-Health Facilities Fees |
| 463 | Instructionally Related Activities |
| 464 | International Programs Trust |
| 471 | Parking Revenue Fund-Fines and Forfeitures |
| 472 | Parking Revenue Fund-Parking Fees |
| 481 | Lottery Education Fund |
| 485 | CSU Operating Fund (Budget Office to coordinate) |
| 534 | Campus Union-Operations and Revenue |

# Third Quarter Review Timeline

| Task Description | Date | Responsibility |
|---|---|---|
| March financial close | April 15 (approx.) | Fiscal Services |
| Budget Office shares preliminary results of Q3 review | April 17 (approx.) | Budget Office |
| Divisions review preliminary Q3 report data and update Q4 projections in Axiom | April 15 – April 30 | Divisions |
| Budget Office completes formal report | May 1 – May 8 | Budget Office / Divisions |
| **Comprehensive mid-year report reviewed** | **May 11 *(approx.)*** | **AVP, BFS and VP, FAS** |