

# Budget Guidance for NCSA FY25

## Goals

NCSA first began establishing an annual budgeting process to attain fiscal transparency and responsibility and produce data to enable strategic investments in 2019. In March 2020, the Budget Working Group (BWG), in conjunction with NCSA leadership and managers across the Center, successfully developed NCSA's first-ever transparent Director and leadership approved budget. Given the successful execution of the fiscal years 2020 (FY20) through 2024 (FY24), FY25's budget process will remain mostly unchanged.

Managers and associate directors (ADs) will play a vital role. The Business Office and project managers will lead the process and assist managers in submitting both state and Center-earned indirect cost recovery (ICR) funding requests using a templated spreadsheet provided by the Business Office Budget Committee (BC).

The ability to 1) maintain fiscal transparency, 2) maintain fiscal responsibility, and 3) produce data to enable strategic investments is critical to advancing NCSA. These capabilities remain central to our goal of achieving an effective budgeting process. A transparent budget allows for Executive Committee recommendations and Director decisions that are comprehensive and sensitive to the entire Center's milieu. Awareness and understanding of Center-wide state and ICR expenditures and data to compare across groups, directorates, and program areas, enables the Center to be fiscally responsible. NCSA leadership will use the state and ICR budget process data to inform NCSA's strategic investments that best align with Center mission, vision, and goals.

Every year, we further refine the budget process and improve the practice's efficiency and effectiveness. This year's adjustments to the process aim to improve the review and approval process required by ADs and the Executive Committee. It is important to note that while manager budgets may change from year- to-year, managers are encouraged to align as much of their budget line items with the guiding principles set forth by the Budget Committee. Doing this allows a quicker review and approval by the Executive Committee and enables the Executive Committee to focus on the whole of the budget, rather than budget items' granularity. Additionally, adhering to the budget guidance allows managers to make quick, broad, all-encompassing adjustments in the case the budget needs to be re-balanced.

NCSA's funding portfolio also includes a significant amount of grant funding which has been the primary source of NCSA support, averaging well over \$50M in grant spend annually. In addition to grant funding there are significant revenue streams from self-supporting funds which provide services to internal and external parties. Additionally we have various other sources of funding already allocated to projects and initiatives such as Admin Allowance which are made up of funds left over from fixed price awards, PI/Project ICR distribution of the ICR generated from prior year grant spend, gift funding for various research support and initiatives, and Royalties generated from NCSA intellectual property. Recently we have had some new investments from campus and the system which are Illinois Campus Cluster Program (ICCP), Illinois Campus Computing and Illinois System Computing with various sources of support from state, ICR and plant funding.

Moving forward, we are asking managers to request funding for their respective group activities according to the goals and guidelines described in this document and the calendar year 2023 budget training. If more clarification

is needed, managers may reach out to their AD or a BC member. **Note: budgets do not roll, if you budgeted for an item to charge in FY24 and the charge will not hit until FY25, you will want to budget for that in FY25.**

Although the FY25 budgeting process is very similar to last year's, the following reminders or changes were made to streamline and enhance the process:

- We will include all salaries with a 3% increase to prepare for a possible merit increase.
- In FY24 the Director implemented budget targets for each directorate. AD's may choose to set targets for each division/group.
- Business IT will provide \$1500 toward laptop purchases for rotating laptop refresh period per policy replacement cycle.
- When a program office/activity is funded via an MOU the budget planning process must not be used.
- Directors office budget will include a budget line for commitments (i.e. records in the Commitments Tracking Tool in MIS)
- Center Swag will be budgeted and managed through the Communications team.
- TBD positions - It is recommended to use the top of the salary range for any new position.
- CDDR and Faculty Fellow budgets pools will be accounted for in the Engagement Directorate Budget.
- Currently PCO and PDO are reporting to the Deputy Director under the Director's Office. For the FY24 budget process, PCO was under Administration and PDO was under Engagement.
- All categories will be budgeted at the group level and certain budgets will roll up to the directorate or center-level budgets.
  - Directorate level roll up examples are promotion and equity lines, and strategic travel.
  - Center level Budget examples are pools of funds for proposal development, strategic initiatives, special projects, deployable capacity, and bridge funding.

*The following sections contain explanations of budget categories and directions regarding how NCSA will budget in FY25 (July 1, 2024 – June 30, 2025).*

## Budget Category Levels

**Center Level:** Center-level describes budgets determined by leadership or are the responsibility of a designee to manage — the funds will reside with the designee's budget. Note that items in this budget category (i.e., professional development, laptop/desktop, office furniture needs, common space needs and materials and supplies) are managed at the administrative group level within HR, Facilities, or Business IT.

**Directorate Level:** Directorate-level describes budgets determined by the directorate lead. Note that the items in the category (strategic travel) are not included in the group level budgets.

**Group Level:** Group-level describes budgets determined by the group manager. Note that the following categories in this document (i.e., staffing, system level equipment - see reference to system level equipment on page 6, software, professional memberships, internal activities, and outreach activities) are budgeted by group-level managers in this budget activity.

### Summary of Budget Category Levels (per above)

	CENTER	DIRECTORATE	GROUP
Internal Activity	✓	✓	✓
Outreach Activity	✓	✓	✓
Software	✓	✓	✓
Professional Membership	✓	✓	✓
System Level Equipment	✓	✓	✓
Strategic Travel	✓	✓	✓
Professional Development Travel	✓		
Office Needs	✓		
Laptop/Desktop Equipment	✓	✓	
Materials & Supplies	✓		

## Personnel

NCSA personnel with a percentage of their salary on NCSA state funds are budgeted in this process (note: this does not include Memoranda of Understanding (MOUs)). The Campus allocates state funds to NCSA for the administration of the Center and its activities, and it is a best practice that only salaries are charged to state funds (as opposed to expenses such as travel or equipment). For all state budget personnel requests, we ask that you categorize each one according to categories listed below.

### Staffing Status

- **Current** — A staff member currently employed by NCSA funded by state funds (at any percentage), or new employees with an accepted offer and start date.
- **Vacancy** — An open position due to someone leaving NCSA (or changing roles within the organization) and funded by state funds (at any percentage). Must include **TBD please include a position title FY position requested and an HRT number if available .**
  - NOTE: Budget for 12 months on vacancy hiring to account for year to year, even if the actual is anticipated to be less than a full year for the upcoming FY.
- **New Positions** — A position funded by state funds (at any percentage) and is a brand-new full-time equivalent (FTE) at the Center. **This entry must include, TBD position title FY position requested HRT number if available.**
  - NOTE: Budget for 12 months on new position hiring to account for year to year, even if the actual is anticipated to be less than a full year for the upcoming FY.

## Staffing Activity

- **Auxiliary Funding** \*(group-level budget) — Includes funding up to 5% funding can be budgeted by person at the group level for various Center committee work, includes working groups, hiring process and search-related work, and NCSA non-grant related work. In FY23, and moving forward, it is **no longer** expected for all staff to be allocated at least 5% to state, industry self-supporting, or other 3Q self-supporting accounts (i.e. CILogon). If a staff member is working 100% on grants they may be charged 100% on grants.
  - It is imperative that all managers understand the activities that each of their staff members are working on and if 100% on grant funds that those staff are especially reviewed often and provided state funds before they start work on a non-grant activity.

Campus Administrative Policy reference <https://cam.illinois.edu/policies/hr-24/>

*“If academic professional staff, civil service staff, and specialized faculty, including postdoctoral research associates, are engaged in Non-Allowable Activities, no more than 95% of their University Effort may be devoted to Sponsored Projects.”*

\* Asterisked items represent new information added to the Budget Guidance this year.

- **Management Funding** (group-level budget) — Managers will receive a percentage of state-funded allocation to manage their teams on activities outside the scope of grant-funded activities. This percentage will vary according to the manager level. Under directorates, which we define as a section of an organization in charge of a particular activity, we aim to support managers within:
  - **L4 - Team** (group-level budget) — A group manager with no underlying sub team will receive 20% state-funded allocations.
  - **L3 - Division** (group-level budget) — A directorate subdivision with two or more underlying teams will receive a 30% state-funded allocation to support leadership job duties, as well as direct and indirect reports.
  - **Associate Director** (directorate-level budget) — A directorate lead will receive up to a 100% state-funded allocation to oversee their directorate’s mission. If appropriate, directorate leads will have the option to be partially supported by grants as long as grant duties do not interfere with Center goals and duties.
  - **Deputy Associate Director** (directorate-level budget) — Directorates may request a Deputy Associate Director to support the Directorate ADs and provide redundancy and robustness to their leadership. Directorate AD’s can be up to 100% state-funded or partially grant funded, as long as other duties do not interfere with Center goals.
  - **Directorate Project or Program Managers** (directorate-level budget) — Directorates may receive funds to support necessary programmatic level activities or activities that exist outside of the scope of individual projects. Directorate project and/or program managers can be up to 100% state-funded or partially grant funded, as long as other duties do not interfere with Center goals.
    - **L4 — Project Offices** (Engagement Directorate): Project offices are often responsible for large, sponsored projects’ coordination and efforts where the project’s principal

investigator (PI) or their delegate typically leads these. For such projects, the Project Office Lead and management duties funding must come from the sponsored project budget. In some cases, additional funding may be provided with an MOU associated with the project award. Thus, there would typically be no state funding allocated to the Project Office Lead. In cases where the sponsor's funding does not allow for the necessary Center-wide activities and operations (i.e., group meetings, committee work, search work, NCSA-related work), the Project Office Lead will receive 5% state allocations to account for these activities.

- **L3 - Program Offices** (group-level budget in Engagement Directorate) — Program Offices are often responsible for the Center's ongoing, strategic programmatic effort.
  - *Program Office with Supporting MOU*: In these cases, there will be no additional state-funded allocation for the Program Office lead as part of the budget process.
  - *Program Office without Supporting MOU*: In these cases, Center funds are used to provide 20% or 30% management time as part of the budget process.
- **Bridge Funding** \*(group-level budget totals roll into Directors office budget) (Directors office funding) — Funds will be provided to staff to cover project funding gaps on a case-by-case basis. While supported by bridge funding, the staff member will work on current or new efforts deemed strategic by their direct supervisor with consultation from directorate AD. Bridge funding is reviewed for continuation every six months and can be requested by completing this [form](#).
- **Administration** (group-level budget) – Administrative staff whose job duties are core to center-wide operations will be allocated at the Group and Directorate-level. In most cases, they may not be funded by the respective group for which they perform administrative commitments.
- **Technical Administrative** (group-level budget) - Technical staff who are performing centerwide activities not included in management responsibilities. Examples: cyber security, documentation, desktop support, ongoing infrastructure innovation/development and maintenance, support required for “System level equipment” described below, etc.)
- **Investment** (group-level budget) - NOT MOU's - These are funds that we use only for our current investment projects. (e.g. special, strategic, proposal, CDDR, faculty fellow, international relations, ISL, SPIN).
- **Promotions** (Directorate-level budget) - One line to plan for additional salary for promotion and equity raises throughout the year. Include this budget as a lump sum in the directorate level budget line item.
- **NEW Administrative Support** (group-level) - Administrative support staff whose position title is office associate, specialist, manager, Administrative Aid, Assistant to Director.

## Non-Personnel

Non-personnel items in the budget include all costs that are not salary. These items will be budgeted from the ICR funds NCSA earns annually. Please note that budgeting for earned ICR does not include PI ICR, MOU commitments, and discretionary directorate ICR. More information on ICR differences is available at the end of this document.

**Equipment** – Equipment needs should be budgeted by projects and grants, when possible. Earned ICR can be



requested when this is not possible. Also, NCSA asks that all major hardware purchases include five years of maintenance costs when accounting for expenses.

- **Laptop/Desktop** (center-level budget- Business IT manages) — Personal computing equipment at NCSA, in almost all cases, cannot be charged to project and will be budgeted at the center-level at the amount of \$1500 per laptop per policy replacement cycle.. Staff can find a record of the standard systems supported within this overall budget here: [Laptop Options](#) — IT will update the list as needed. The budget will also include a basic setup of monitors, docks, and attachments.
- **System level equipment** (group-level budget) — NCSA requires approval for system-level plans (cross- center equipment) or equipment provided as part of a multi-year project by the NCSA deputy director. At this time, please include items of this nature in the group-level budget but understand that further review will be required and anything over \$20k will require additional justification. If a system-level equipment budget is approved, staff should include the item(s) in the directorate budget for oversight. Systems proposed in grants do not need to go through this process (i.e. adding GPU nodes to Delta as part of an NSF supplement).

**Software** (group-level budget) — We ask managers to account for the necessary software and digital tools required for their staff. **Please include the duration of the license and the total number of users covered by the cost on the Google sheet non-personnel tab, under “detailed line-item request.” If software is provided to all FTE within the Center, staff must request to fund that item under the Infrastructure Support Fee (ISF).** Managers must include any service fees or license agreements for NCSA in this category. For example, BA4 is a group-specific software license for the Business Office. This might also include programming environment software to develop multiple projects (and might be purchased for various team members).

**Visas/Green Cards\*** (center-level budget - HR manages) — Documentation such as visas and green cards will be budgeted for in the HR Office to account for international hires across the Center. Budgeted amounts will be based on historical levels or projections for the coming year.

**Position Recruitment and Advertisement** (center-level budget - HR manages) — Recruitment activities will be budgeted with the HR office to recruit the best talent. This budget includes advertising and travel costs for the candidate and exception-based moving costs for all center positions. Budget amounts will be based on historical levels and projections for the coming year. With prior Director approval, moving costs may be included as part of the offer and negotiation process as appropriate.

**Internal Activity** (group-level budget) — Planned events or activities for NCSA staff are considered internal activity. These activities may include training sessions offered to NCSA staff or recognition events used to reward staff efforts. Please consider the participants in the event when determining the difference between internal activities and outreach activities.

- **Catering** — Budget includes expected food costs for the event/activity. Funds may be budgeted for meetings with external stakeholders or cross-center meetings. This should be limited, given the current financial situation.
- **Room Rental** — Budget includes the cost for space rental or event fees for the event/activity.
- **Giveaways/Swag** — (center-level budget- Comms manages) Budget includes costs to cover items given away to staff attending an event/activity. Groups may request a budget for their needs during the coming year within their group budgets. Approved budgets will reside in the Communications Office to manage

costs.

- Other — Budget may include speaker fees or other costs associated with facilitating the event/activity.

**Outreach Activity** (group-level budget) — Budget includes planned events or activities that have people outside of NCSA (i.e., individuals from other campus units, non-University visitors, invited speakers, attendees of training events held by NCSA, etc.) Note that the sub-categories for outreach activities match the description for Internal activities.

- Catering — Budget includes expected food costs for the event/activity. Funds may be budgeted for meetings with external stakeholders or cross-center meetings. This should be limited, given the current financial situation.
- Room Rental — Budget includes the cost for space rental or event fees for the event/activity.
- Giveaways/Swag — (center-level budget - Comms manages) Budget includes costs to cover items given away to staff attending an event/activity. Groups may request a budget for their needs during the coming year within their group budgets. Approved budgets will reside in the Communications Office to manage costs.
- Other — Budget may include speaker fees or other costs associated with facilitating the event/activity.

**Professional Memberships** (group-level budget) — Budget includes membership to a professional organization. Professional-related fees may also be included in this budget, such as journal subscriptions (i.e., IEEE, ACM, etc.). More guidance is forthcoming in the Professional Development Policy, which is currently in development.

**Office Furniture Needs** (center-level budget - facilities manages) — NCSA has a general furniture budget that is dedicated for spaces that have been remodeled or repurposed. The intent is to keep furniture that is uniform with current building furniture. These requests come from committees and leadership recommendations.

**Travel** — The budget for travel must fall within the categories provided below. At this time, there will be individual approval for trips within each of these categories.

- **Strategic travel** (director-level budget) — The budget for strategic travel includes events and activities that benefit the Center as a whole (i.e., trips to funding agencies, speaking engagements, leadership travel, etc.) and/or travel that is critical to a staff member's role and responsibilities.
- **Professional Staff Development** (center-level budget - HR manages ) — Guidelines regarding professional development travel are forthcoming. Staff development funds will be budgeted at the Center level based on historical levels or projections for the coming year.

**Materials and Supplies** (center-level budget - Facilities and HR manage) – NCSA understands that there is a typical cost for doing business, and staff should include those items under Material and Supplies. Materials and Supplies consist of the general supplies to outfit your desk or specific types of pens, pads of paper, file folders, etc. NCSA will centrally fund necessary office supplies (stapler, paper clips, copy paper, post-its) through HR and Facilities. Standard equipment for computer systems should be discussed with Business IT Desktop Support.

**The discretionary directorate ICR can fund specific items that are not purchased/provided in the general NCSA supplies.**

- Common Space Needs (center-level and service budgets - Facilities managed) — Common spaces are defined as the main open areas of the building as well as shared spaces that are used by multiple groups within

the Center. This includes conference rooms, the NCSA lobby, and the open areas outside of offices. These spaces are maintained by multiple budgets across the Center.

- Furniture — The Center budget under Facilities is used for the maintenance, upgrade and replacement of furniture used in common spaces. This is based on need and budget availability. Recommendations made to leadership will require Director’s Office Approval.
- Projectors/Screens — This includes any upgrades to equipment in the conference room. These upgrades and improvements are recommended, approved, implemented, and budgeted for by Facilities and Infrastructure Support (ISF).
- Video Conferencing Equipment — The Center plans to budget for video conferencing equipment and other equipment needed to facilitate meetings. These acquisitions will be budgeted by Infrastructure Support (ISF). In-house equipment for the first-floor spaces will be covered under the Events budget. Second, third and fourth floor conference rooms are managed by Infrastructure Support (ISF).
- Display Monitors — This includes the first-floor Wayfinder display monitor next to the elevator, that presents centerwide content which is covered by Facilities. The additional monitors are supported by Business IT on an as needed basis.

## Budget Request Types

Outlined below are differences between budget request types, to be used for both personnel and non-personnel items. The definitions enable the Executive Council and NCSA leadership to understand the various kinds of budget requests submitted and ensure alignment with NCSA strategic goals.

- **Maintenance** — Maintenance is the total dollar amount or percent of FTE that is currently funded on the NCSA budget for a position. The total dollar amount may differ based on salary increases or may move to a different CFOPA (i.e., account) but should represent the same work.
  - Example: The manager received a promotion during the year, meaning the total compensation amount increased from the prior year. However, the same 20% FTE is used for management time entry as maintenance.
- **Reallocated** — Reallocated is the same dollar amount approved in prior year to a different category, activity, or project.
  - Example: In FY24 budgeted/approved \$2K memberships. In FY25, I want to reallocate that \$2K to software.
  - Example: In FY24 budgeted/approved \$2K memberships in FY25 I will maintain \$1K in memberships and reallocate \$1K to software.
- **Growth** — Growth is any new funding requested for people or items that were not approved in the previous FY budget. **This may include increases of previous funding and must be listed on a separate line if an increase is requested.**
  - Example: In FY24 the approved FTE was 10% and FY25 the request is 20%. Enter the request as follows 10% on one line for the FTE as maintenance and 10% on the next line as growth.

### Frequency of Expense



- **Recurring Expense:** Recurring items should include the total cost of the item in the budget and the number of times this expense should occur. The total length of time for which the item should be charged must also be noted in the comments section of the google sheet.
  - Example: Enter the maintenance cost on hardware as recurring expense.
- **One-time Expense:** The requested amount has a specific start and end date, not to exceed the current fiscal year.
  - Example: Enter your hardware costs as a one-time expense.

## Application-based and Center-level Funding

The annual budgeting process will allocate funds annually for various strategic investments. These funds will then be awarded via a set of review-based processes. Allocations will be made for specific programmatic areas for the award through the various programs. The BC may amend these principles based on the recommendations of the Strategic Investment Management Working Group.

- **NCSA Fellows** (managed in R&E)— An annual allocation of funds will be made to support the Faculty Fellows Program. This allocation will cover funds to support Faculty Fellow projects proposed by faculty, including, as appropriate, salary to support faculty, students, and staff (including NCSA staff involved in the project), non-salary costs of the projects, and administrative support for managing the Faculty Fellows program. Note that there will potentially also be other NCSA programs and projects that will fund the NCSA Fellows working on projects of interest to that program/project.
- **SPIN** (managed in R&E)— An annual allocation of funds will be made to directly support the SPIN Program with Center funds, including student salary, program coordination, and ICR funds to cover student projects. Note that there will potentially also be other NCSA programs and projects that will fund the SPIN students working on projects of interest to that program/project.
- **Deployable Capacity \*** (center-level budget - directors budget) - Funding available to hire appropriate staffing levels to be ready to take on new project ideas with anticipated funding. This effort allows us to respond quickly to the needs of the Center to grow consistently year-over-year. This also reduces the risk of a delayed start on newly awarded projects due to personnel hiring. If you are hiring a new staff member and do not currently have a project fund identified, they should be put in this category.
- **Other Investments** — There is a set of additional strategic investment areas that the Center will support with Directorate AD and supervisor support. These areas are grouped here because they will be funded via continuous or periodic calls for NCSA staff proposals to support a project. These will be of a variety of types, including:
  - **Center-Directed Discretionary Research (CDDR)** (center-level budget - managed through Engagement) — This funding is for pilot research projects with the expectation that project outcomes will be used for future grant proposals. The research and development projects proposed by staff are intended to enable new or experimental/novel technology, innovative research, and cyberinfrastructure to support research by providing seed funding for NCSA staff through a competitive proposal process.
  - **Center-specific/Special Project** (center-level budget - directors budget) — This is funding for NCSA growth or special activities, approved by the Director according to Executive Council recommendations. Activities can be multi-year but may require new justification each year.

This allows NCSA staff to request funds to support a project that improves the Center in a strategically important way, improving the operational excellence of the Center.

- **Center-specific/Strategic Collaboration** (center-level budget -directors budget) — These activities are Director's Office initiatives, approved by the Director according to Executive Council recommendations. This is funding for a Director/Executive Council-identified strategic sponsor or project collaboration, which names a PI to lead the effort and provides a budget for the partnership annually. This allows NCSA staff to request funds to engage one or more sponsors with the intent of developing strategic relationships that will produce opportunities for NCSA to pursue funding to further the Center's vision, mission, and strategic goals.
- **Proposal Development Funds** (center-level budget -directors budget) — This allows NCSA staff to request funding through the Directors office to support the development of CDDR and complex proposals to be submitted via the NCSA Proposal Development Office.

NOTE: Do not include these other investment types of requests in your directorate budgets. These funding requests should be made directly to the Director's office. This budgeting process establishes annual budgets for each of these programmatic activities.

## Types of ICR Not Budgeted

Discretionary directorate ICR is funding provided annually to Directorate leads based on the directorate size/headcount. Annually each directorate lead provides their headcount to the business office to divide a pool of funds equally based on headcount. This funding is intended to support the following types of non-personnel items:

1. mission-critical training
2. strategic travel not budgeted
3. invited speakers/guests, including recruiting lunches
4. contingency funding
5. specialty or job-specific equipment including office equipment outside standard issued list (e.g., specific pens, ergonomic needs, chair, Veridesk, ADA-compliant), and secondary devices as allowed by exceptions
6. supplement possible account overdrafts as needed

PI ICR is funding provided annually in the Fall to all PI's who had direct grant charges in the prior FY. Each year the surplus or deficit rolls to the next FY. ICR should not be used for instructional activities. This funding is intended to support the following types of activities:

1. research-related expense
2. enhancing PI research efforts
3. students
4. scholarships, fellowships, or awards
5. public service
6. travel
7. overdrafts, or unallowable expenditures

Commitments (Formerly - Memorandum of Understanding (MOU)) is a type of agreement that serves to document arrangements between units, departments, and other partners. In this way, it serves both as an outline and

reminder of expectations or obligations about a specific project, staff member, initiative, or other commitment on behalf of each signatory and their respective groups. Additionally, MOUs are consulted when evaluating the progress and/or status of arrangements. Note: It is best practice for an MOU to be executed (i.e., all signatures affixed) before funds or services are exchanged, so it is essential to begin the MOU process with the NCSA MOU Tool as early as possible. This funding is intended to invest NCSA resources on activities such as dual career, faculty support, compute support, cost share, salary support etc..

## FAQ

### ***What is the process when I need more budget throughout the year?***

- Talk with your next level manager to see if the funding is available to move to your budget line.
- Get this approval in email by the next level manager and send this to the Business office and Associate Director for the appropriate directorate.

### ***What is the process when an Associate Director needs more budget or staff transfer directorates throughout the year?***

- The AD will discuss with the Center Director for approval via email then send it to the Business office to complete the transaction.