

PUBLIC SECTOR BUDGET FORMULATION

SOFTWARE DESIGNED BY FORMER PUBLIC SECTOR BUDGET OFFICERS

In the public sector, budgeting can be an arduous process involving disparate point solutions and inconsistent data. SAP® software for public budget formulation, designed by public sector budget officers, is scalable and integrated software that addresses end-to-end public sector budget formulation.



In an era of shrinking revenues and scarce public funds – along with increasing constituent and regulatory demands – budgeting is not easy. For most public sector organizations, budget formulation is a complex administrative challenge that includes reconciling central budget estimates with discrete departmental budget requests, conducting budget hearings with a myriad of influencers, and clearing stakeholder objections. Many public sector organizations have a patchwork of budget preparation tools that make the process even more difficult. These often are ineffective in linking expenditure and revenue budgets, budget justifications, performance plans, position-related costs, and other information critical to support the budget decision-making process. Without such linkage, budget reporting and analysis become very labor intensive and prone to errors.

Designed by public sector budget officers, SAP® software for public budget formulation offers solutions to these challenges and more. This Web-based solution helps to support your entire organization and integrates with both SAP and non-SAP software to address your unique budget formulation requirements. It facilitates a variety of budget approaches, processes, types, and outputs to provide a solution that works best for your organization. And, it includes a wealth of functionality to help you improve efficiency and optimize your financial and human resources.

Building Clarity, Consistency, and Visibility

Public sector budget officials at all levels need solutions that give them the strategic and operational support for critical public resource allocation decisions. Without the ability to quickly access relevant data from a variety of sources, this becomes nearly impossible. And without data consistency across these sources, evaluation and decision making are extremely difficult. But SAP software for public budget formulation helps provide the data visibility and access to reliable data needed to prepare and revise budgets and reports throughout the entire budgeting cycle.

A Single Point of Entry

A single point of entry allows you to enter budgetary information one time in a single comprehensive application, facilitating data that is consistent and dependable. This includes all budget request data including budget dollars, structured and unstructured text justification, position information, and performance data. Budget officers no longer are troubled with discrepancies due to multiple manual entry points. Dynamic text handling and automated book publishing functions help you streamline administrative tasks in order to free personnel to focus on broader, more strategic issues. All this contributes to a more efficient process that saves time while providing accurate data to the right people at the right time.

Providing Information Through Integration

SAP software for public budget formulation integrates with all relevant back-office applications for funds management, accounting, operations, and human capital management. This allows budget staff to extract operational data and load adopted budgets into the operational system, helping to ensure systemwide availability of the most current budget and actual expenditure and revenue data. Budget officers and managers are aided in tracking the budget process with the budget request cockpit. With so much up-to-date budget information available, you get the real-time, intelligent decision-making support needed in today's complex budget formulation processes.

formulation through a variety of budget approaches, budget processes, budget types, and budget outputs.

Budget Approaches

If your organization uses a traditional, incremental budgeting approach, the software easily integrates and displays historical, budget, and actual expenditures and revenues to enable a myriad of budget forecasting and modeling techniques. For base budget adjustments or new budget packages, the solution provides considerable flexibility to configure and adapt user budget forms, budget process controls, and reports. These powerful and flexible tools are geared to readily support performance-based, program, and other budget reform approaches.

With SAP software for public budget formulation, you get a single point of entry for all budget request data, so your data is consistent. And you get powerful reporting and automated budget book publishing tools.

execution. You have the capability to accommodate agency, departmental, and executive requests and reviews as necessary. You have the ability to make adjustments and respond to fluctuation in constituency needs, legislative updates, environmental conditions, and other changes. In an era where budgeting exercises often demand a quick response, SAP software for public budget formulation helps your organization rise to the occasion.

Budget Types

With the software, you can formulate all budgets in a single system. This solution provides highly configurable budget request forms, budget process controls, security models, and reports for operating, capital, grant, and other budget types in a single solution. This allows you to meet the unique requirements of each budget type while providing an integrated view of the entire budget.

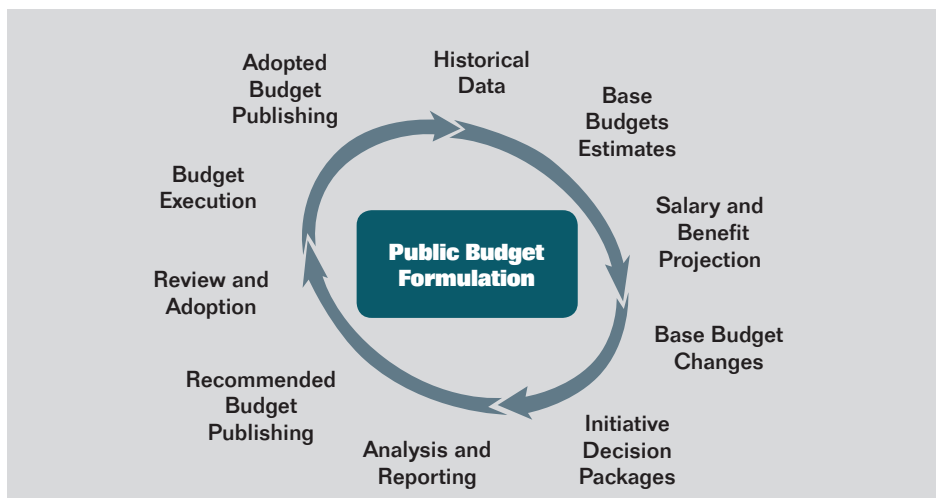


Figure: Budgeting with SAP® Software for Public Budget Formulation

Flexibly Supporting Multiple Approaches

The software is highly scalable, enabling end-to-end public sector budget

Budget Processes

The software provides support for activities throughout the budgeting cycle from budget preparation to legislative enactment, reporting, publishing, and

Budget Outputs: Reporting and Analysis

The software has powerful analytics to perform “what if” analyses and simulations and to support real-time decision analysis. A Web-based interface provides access for you to track and evaluate expenditures, monitor departmental interdependencies and hierarchies, and flexibly incorporate multiple funding dimensions. Audit trails are viewable on all budget requests and revisions to allow for quick reconciliation of changes. Integration with relevant back-office applications makes it easy to see and utilize important financials, operations, and human capital management information. Automated budget book publishing functionality and a full array of templates help to ease the reporting process. Budget staff can prepare documents that incorporate budgets, text descriptions, graphics, dynamic tables of content, pagination, and formatting.

SAP software for public budget formulation was developed specifically for public sector organizations by public sector budget officers. It’s designed with the tools you need to help you achieve your goals.

Move Toward Simplicity

With SAP software for public budget formulation, you get intuitive forms and workflow controls that are configurable and designed to map quickly to budget formulation processes. Reporting and

status-monitoring features are accessible through an intuitive, Web-based interface. In addition, the software offers a full array of budget forms, process controls, analytical functions, and reporting and budget book publishing tools that are highly configurable by nontechnical users.

Personnel Cost Forecasting

In many public agencies, personnel costs make up over 70% of total expenditures. The software provides deep functionality to forecast personnel costs associated with policy and budget decisions. Users can examine and calculate expenditures at a highly detailed and accurate level with table-driven configurability and date effectiveness on all compensation and benefits. Additionally, budget analysts are aided in quickly reviewing the impact of personnel policy proposals on forecasted personnel costs.

Greater Efficiency and Effectiveness

The hallmark of any budget formulation solution is to enable greater efficiency and to help you optimize the allocation of scarce public resources. With SAP software for public budget formulation, you get robust functionality to automate critical budget processes and advanced technology to help make the user experience easier and improve the allocation of scarce public resources. Ultimately, budget staff members get tools to help them accomplish more comprehensive, more efficient budgeting and have more time to maximize their efforts on value-added budget formulation activities.

The software supports a range of approaches from incremental to performance-based budgeting. And it helps you handle agency requests and reviews, legislative budgeting, spending plans, revisions, and budget execution.

SAP NetWeaver®

SAP software for public budget formulation is powered by the SAP NetWeaver® technology platform. SAP NetWeaver helps organizations align IT with business requirements. It allows companies to compose new business solutions rapidly while obtaining more business value from existing IT investments. As the technical foundation for enterprise service-oriented architecture (enterprise SOA), SAP NetWeaver helps organizations evolve their current IT landscapes into strategic environments that drive business change.

Find Out More

To learn more about how SAP can help your public sector organization improve budget formulation, call your SAP representative today or visit us on the Web at www.sap.com/publicsector.

Summary

SAP® software for public budget formulation provides end-to-end support for public sector budget formulation. Designed by former public sector budget officers, the solution easily adapts to support different budget approaches, processes, and outputs. And it provides powerful analytics.

Challenges

- Provide single point of entry and review for all budget requests with automation of key budget outputs, including budget book publishing
- Acquire more flexibility to perform a wide variety of budgeting functions in one application, eliminating need for disparate systems
- Improve data consistency to provide timely decision support
- Enhance visibility with audit trails on all budget requests and revisions
- Provide greater control to budget personnel through rapid configuration

Supported Business Processes and Software Functions

- **Data consistency** – Reduce data discrepancies by providing a single point of entry and review
- **Budget formulation** – Choose the particular budgeting approach and processes that fit the particular needs of your organization
- **User configuration** – Let budget staff configure unique forms and workflow tools as appropriate to their work styles, in order to increase productivity
- **Personnel cost forecasting** – Examine and plan personnel expenditures at a highly granular level
- **Automated budget book publishing** – Prepare budget documents that incorporate budgets, text descriptions, graphics, tables of content, pagination, and formatting

Business Benefits

- **Improve allocation of scarce public resources** based on accurate, timely information
- **Allow budget staff to devote greater focus on high-value-added activities** with comprehensive software that they can tailor to their needs
- **Use powerful analytics functionality** to perform real-time decision-support analysis

For More Information

To learn more about how SAP can help your public sector organization improve budget formulation, call your SAP representative today or visit us on the Web at www.sap.com/publicsector.

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