

Financial Review

Financial Review Exhibits

The financial review exhibits should be completed in conjunction with developing a budget or forecast. The following are the required exhibits:

Exhibit A: Provides explanation of the assumptions for the operating budgets that are not addressed on the other exhibits. Examples of this would be tuition rates, surplus/deficit issues across funding sources, auxiliary/recharge issues, new or discontinued projects or programs, sponsored project exceptions. The following are examples of items that might be included in Exhibit A:

General Operating:

- Graduate tuition increased 5%.
- Financial aid increased 7% due to 25 additional students enrolled plus a change in policy to grant additional aid for merit.
- Faculty salaries increased above salary pool levels due to addition of 3 new faculty for new freshman course -- \$350K.

Auxiliary / Recharge:

The expectation is that auxiliary and recharge centers should operate to break even. For each year in the planning period, provide an explanation of surplus/deficit operations with a plan to break even.

Also provide explanations of assumptions used to prepare the budget, such as:

- Price increase of 2%.
- Cost of goods sold increase of 3% due to inflation of product costs.
- Additional capital equipment of \$50K required to update copying equipment.
- Planned net deficit in this fiscal year of \$300K will reduce surplus ending net assets from prior fiscal year.

Sponsored Projects

Provide explanations of assumptions used to prepare your sponsored projects budgets. Highlight any institutional cost sharing which has been approved. Provide explanations if F&A recovery is budgeted to be significantly less than the university-negotiated rates. Examples of items to address would include the following:

- Drop of 5% in sponsored projects volume due to Professor X leaving the university.
- Cost sharing of \$50K direct, \$25K F&A due to over-spending in FYXX. Department to fund direct cost share.
- Growth of \$500K in sponsored projects revenue due to 3 new hires in research faculty. This is a \$225K increase in faculty salaries. This is new research volume for the university.
- Transfer of \$100K to faculty discretionary from surplus on fixed-price contract.
- \$5.0M growth in revenue due to expansion of XYZ program. Increased costs include \$1.0M salaries, \$0.3M benefits, \$2.0M operating expenses, \$0.1M capital, \$1.6M F&A.

- Current year surplus in Sponsored Projects due to the following:
 - Recognition of revenue earned in prior year but not recorded of \$100K.
 - Cost sharing of \$50K direct, \$25K F&A due to over spending in current year.
- F&A recovery at lower than negotiated rates. \$5M foundation award with 10% F&A recovery.

Designated:

- Decrease of \$250K in operating reserve to fund capital renovation.
- Cost sharing of \$650K direct, \$325K F&A required by NSF contract. Department to fund direct cost share from current year general operating budget.
- Cost sharing of \$100K direct for equipment to be funded by Central.
- Deficit of \$200K due to expenses incurred in current fiscal year for gift received in prior fiscal year.

Temporarily Restricted:

- Surplus of \$50K in endowed professorship to cover deficit created in prior years due to overspending.
- Gifts increasing \$100K due to capital campaign pledges.

Exhibit B: Provides description of future capital renovations or construction and space requirements. Include cost, source of funding, and square footage requirements. The following are examples of items that might be included in Exhibit B:

- Research lab and office in Mellon Institute for new biology professor – includes renovation of 3 offices currently not being used. This \$500K project will be funded by the department.
- Renovations and upgrades to the fraternity houses. This \$2M project will be funded by an internal loan.
- Upgrade classrooms in Scaife Hall. This \$1M project will be funded by gifts (\$600K in hand, \$400K to be raised).

Exhibit C: Explains additional requests for funding not approved on the Budget Allocation Analysis sheet. The requests on Exhibit C should not be input into the forecast/budgets until they are approved by the President and/or Provost.

Exhibit D: Explains and quantifies IC graduate, undergraduate, educational program transfers, along with 71200 transfers outside the division.

Transfers:

Please provide details for the transfer total for each year in the planning period on Exhibit D. The exhibit must agree with the total transfer line on the quarterly report, RFRTOT, total funding rollup for the division.

IC Graduate Tuition Transfers:

Please provide the explanation of the total dollars budgeted for object code 61502. Please note that the portion per student to central must agree with the exhibit provided by the Budget and Financial Planning Office.

IC Undergraduate Tuition Transfers:

Please provide the explanation of the total dollars budgeted for object code 61500.

IC Educational Program Transfers:

Please provide the explanation of the total dollars budgeted for object code 62500.

IC Other Revenue for Portugal Transfers:

Please provide the explanation of the total dollars budgeted for object code 67500.

IC Network Fee Transfers:

Please provide the explanation of the total dollars budgeted for the faculty and staff network fee using object code 88800, Network Fee.

IC Administrative Fee Transfers:

Please provide the explanation of the total dollars budgeted for gift and other revenue for the central and college or administrative unit portion of administrative fees using object codes 89300/89310/89320.

Exhibit E: - Provides breakout of total salaries by salary categories across the columns and

Salary/Headcount Changes:

Use exhibit E to explain the incremental salary and headcount increases/decreases. Begin with the last year total actual salary and build each future year's salary explaining the reasons for the increase or decrease in dollars. Salary amounts should be broken out into faculty, staff, union, other compensation, undergraduate and graduate student categories.

To calculate the current and future year's salary pool, apply the salary pool percentage to the prior year base. The difference between the new salary base grown by the pool percentage and the total in oracle for each year should be explained as follows:

INCR – Increases due to promotions or additional equity agreements

DECR – Decreases due to positions that will not be filled (indicate FTE), LOA, salary savings resulting from replacing a position at a lower salary rate

NEW – New positions (indicate FTE)

OPEN – Existing positions that have not yet been filled (indicate FTE)

OTHER – All other changes in salary not addressed in other categories

For all years, the total amounts must match the Oracle Report: Funding Source RFRTOT, QTRLY REVIEW TOTAL FS