# FY20 Budget Perspective

- FY20 will remain a challenging budget year for Northwestern, as the university remains in a three-year period of stabilization

- Considerable improvements from the efforts that have been made thus far

- FY19 is on target and FY21 university is expected to reach a balanced operating budget

- Office of Budget and Planning may implement new initiatives (e.g. budget by time)

# FY20 Budget Perspective, Cont.

- There are <u>no planned layoffs</u>, university leadership has stated this very clearly

- Personnel expense budgets were limited to very minimal growth (to accommodate merit)

- Non-Personnel Expense budgets were cut for administrative units (includes OR)
  - No actual funds eliminated
  - Spending authority slow-down

# FY20 Budget: Working in Partnership

- **FY20 Budget Packets** in September
  - OR Provided URIC Operating (Annual Report)
  - Management Budget for all funds
    - Spending authority for Operating Funds: 110, 171, 300s, 400s (incl. above)
    - Spending authority for Recharge: 160
- **Budget Distribution**
  - OR Provided URIC Operating on the specific chart string (110 or 171)
  - Remaining "Operating Funds" budget on xxxx03
  - 160 Recharge on individual chart strings

# FY20 Budget:
# Working in Partnership

- **GL077 Income Statement** remains the tool to review
  - Run for entire area/node (to include xxxxx03)
  - Run report early and match to your management budget
    - *Recommendation: Save & schedule report to run throughout the year*
- **Quarterly Projections** (aka Forecasts) remain vital activity, reminders when completing forecasts:
  - Provide comments on major differences, defined as:
    - $25,000 variance in categories with total under $500,000
    - 5% variance in categories with total over $500,000
  - Update your starting fund balances & budgeted change in fund balance
  - Accurately capturing transfers (e.g. both revenue & expense for internal, correct codes, aligns with source unit)
  - Align to how charges are hitting the GL077 (e.g. depreciation is now a negative expense)

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# FY20 Budget: Working in Partnership

- Keep open lines of communication with OR on any deviations from budget expected
  - Good citizenship… if you don't need the budget authority (something won't happen), another area likely could utilize
  - Significant new revenue that leads to new expenses

- Transfers vs. Direct spending
  - Accepting a new "transfer in" that is not budgeted creates problem… no budget authority
  - New transfer codes…

# Transfer Codes

**Office for Research FY20 Transfer Codes**

| | Intra Unit Transfer Revenue | Intra Unit Transfer Expense |
|---|---|---|
| Nets Out at URIC | 88552 From Intra Unit | 88252 Intra Unit Transfer Out |
| Nets Out at URIC | 88527 From Endowment, Intra Unit | 88204 To CFU IntraUnit fr Gift/Endow |
| Nets Out at "Dept" | 88598 From Intra Unit, same Dept | 88298 To Intra Unit, Same Department |
| Nets Out at OR | 88553 From Intra Unit, different Dept | 88253 To Intra Unit, Different Department |

| | Revenue Transfers In | Expense Transfer Out |
|---|---|---|
| Nets Out at NU | 88558 From Inter Unit | 88258 To Inter Unit |

Total URICs is considered a "Department" within the Office for Research

# Transfer Codes

**Office for Research FY20 Transfer Codes**

| | Intra Unit Transfer Revenue | Intra Unit Transfer Expense | Examples |
|---|---|---|---|
| Nets Out at URIC | 88552 From Intra Unit | 88252 Intra Unit Transfer Out | URIC - within a specific Institute |
| Nets Out at URIC | 88527 From Endowment, Intra Unit | 88204 To CFU IntraUnit fr Gift/Endow | Transfer from endowment to 171 fund for seed funding |
| Nets Out at "Dept" | 88598 From Intra Unit, same Dept | 88298 To Intra Unit, Same Department | Total of all URICs is considered a "Department". Most common will be the annual budget transfer from URICA to individual URICs |
| Nets Out at OR | 88553 From Intra Unit, different Dept | 88253 To Intra Unit, Different Department | Between departments within OR: i.e. CFA to URIC |

| | Revenue Transfers In | Expense Transfer Out | |
|---|---|---|---|
| Nets Out at NU | 88558 From Inter Unit | 88258 To Inter Unit | URIC to/from a school |

"Departments" within OR: URICs, CFA, CCM, Res Ops, Faculty Support

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