

## FINANCE & OPERATIONS GUIDANCE

For any questions or concerns regarding any of the below, please reach out to Natalia Glubisz. Please also visit the [URICA Website](#) which is being update to continue to provide increased guidance and resources for URICs to assist with operations and administration.

### OR Provided URIC Operating

The OR Provided URIC Operating is the funding provided to URICs that is facilitated by the Annual Report process, and the budget submitted via this process. The chart string for these funds will always be provided to a 171-fund chart string following the naming convention or the "<URIC> Operating". Please be aware that the Office for Budget and Planning utilizes the term "Operating Funds" to cover a series of account codes (110, 171s, 300s, 400s) in the Management Budget; this is distinct from the OR Provided Operating Budget that is merely one source of funding within the overall "Operating Funds" budget.

Please remember, the transfer in FY23 of OR Provided URIC Operating funds will be the total budget approved, less any fund balance (aka carry-forward) brought into FY23. If the chart string that houses the OR Provided URIC Operating funds carries a negative fund balance into FY23, then no additional funds beyond the approved budget will be provided. URICs are expected to operate within the available funding, and to resolve any negative balances within the approved budget (i.e. OR does not cover deficits).

### Transfer codes

Please remember to utilize the updated account codes for transfers as defined below:

#### Office for Research FY23 Transfer Codes

	Intra Unit Transfer Expense	Intra Unit Transfer Revenue	Examples
Nets Out at URIC	88252 Intra Unit Transfer Out	88552 From Intra Unit	URIC - within a specific Institute
Nets Out at URIC	88204 To CFU IntraUnit fr Gift/Endow	88526 From Gift, Intra Unit	Transfer from endowment to 171 fund for seed funding
Nets Out at URIC	88204 To CFU IntraUnit fr Gift/Endow	88527 From Endowment, Intra Unit	Transfer from endowment to 171 fund for seed funding
Nets Out at "Dept"	88298 To Intra Unit, Same Department	88598 From Intra Unit, same Dept	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	88253 To Intra Unit, Different Department	88553 From Intra Unit, different Dept	Between departments within OR: i.e. CFA to URIC

  

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

### Desktop Support

The Office for Research has provided desktop support services for administrative staff through an agreement with Northwestern IT. This service is provided at no-cost for administrative staff that are funded by the OR Provided URIC Operating funds. More information is [available online](#).

### Funding of Positions – Vacancy Adjustments

The OR Provided URIC Operating Budget provided for positions is intended to fund the specific positions from the approved budgets facilitated by the Annual Report process. When positions are vacant (either by delayed start, or due to the departure of employees), the "salary breakage" created by such vacancies will cause a reduction in the funding provided. In the case where temporary staffing provides support during a vacancy, the URIC may request to retain funds necessary to support such temporary staffing (not to exceed original approved budget).

## MANAGEMENT BUDGET GUIDANCE

In this packet you will find the Management Budget for your URIC, and the information below provides some reminders and guidance on the utilization and impact of Management Budgets. Management Budgets continue to be a “key component that reflects all financial activities and presents the budget at a higher level than the budgets we have been using” and are used for “implementing spending limits at the management budget level to ensure a predictable financial outcome”.

Below are some key points:

- **Authority to Spend**
  - The Management Budget drives the budget authority to spend funds
  - Under this model, the spending authority requires **both** the available funds exist **and** that all expenses fit within the overall spending authority provided by the Management Budget, examples to illustrate:
    - A larger than expected carry-forward on a gift, does not mean there is more spending authority
    - A new and unanticipated revenue does not automatically increase spending authority
    - Spending authority may exceed the available funds if budgeted revenue falls short, but this does not mean that chart strings can be spent into deficit solely on having available budget authority
  - If there are major shifts in anticipated revenue or expenses, we encourage URICs to contact Joe Boes and Anne Martin in the Office for Research to discuss the implications on the budget
  - Adding spending authority requires Budget Office approval, even when funds are available
  
- **Management Budget Categories**
  - “Operating Funds” Budgets are defined as all activity on Fund Codes: 110, 171, 172, 300s, and 400s
  - “Recharge” Budgets on the Management Budget include all activity on Fund Code: 160
  - “Cost Sharing” and “Sponsored” are included in the budget as provided to URICA, but these amounts do not entail any restriction to spending authority, but URICs will complete Quarterly Projections for these categories
  
- **Management Budgets and NU Financials System**
  - “**Operating Funds**” budget will appear in up to two places, which align to the two subset columns in green:
    - Within the designated chart string where the OR Provided URIC Operating budget is provided
      - This is new for FY20, and will allow units to monitor performance as compared the Annual Report budget provided and is the first subset column shaded in green
    - On a budgetary department ID (typically ending in “03”) on a 110 fund and is the second subset column shaded in green
  - “**Recharge**” budget will appear on the individual 160 fund chart strings for relevant URICs
  - “**Cost Sharing**” does not translate into the NU Financials system, but URICs will be expected to forecast cost sharing
  - “**Sponsored**” does not translate into the NU Financials system
  
- **Relevant Reports for Monitoring**
  - The Cognos reporting system contains some key reports that can help URICs monitor their performance against their budget, and URICA encourages staff to become familiar with monitoring these reports regularly
  - GL068 Financial Summary: Presents expenses summarized by Chart String
  - GL077 Income Statement: Summarizes activity at a high level, to monitor against the Operating Management Budget ensure that all department codes in the area are included (including underlying Centers and the –“03” where the budget “Operating Funds” budget )
  
- **Quarterly Projections (aka Forecasting)**
  - Northwestern will continue to conduct quarterly projections, which is largely expected to align with the GL077 Income Statement report categories
  - Guidance from the Office of Budget and Planning including the “Income Statement Template” are [available online](#).

OR and URICA greatly appreciate the efforts and contributions of the URICs toward the financial and budget management that is required under Northwestern’s budgeting and projection processes. The funding environment continues to be a challenge, and will continue to require working in close partnership with URIC staff.

Thank you so much for your partnership, understanding, and commitment to the financial stewardship of your URICs that allows Northwestern to pursue the research and academic endeavors critical to our mission!