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 no planned layoffs, 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 xxxxxx03)
  - 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)
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**

<table>
<thead>
<tr>
<th>Intra Unit Transfer Revenue</th>
<th>Intra Unit Transfer Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nets Out at URIC 88552 From Intra Unit</td>
<td>88252 Intra Unit Transfer Out</td>
</tr>
<tr>
<td>Nets Out at URIC 88527 From Endowment, Intra Unit</td>
<td>88204 To CFU Intra Unit fr Gift/Endow</td>
</tr>
<tr>
<td>Nets Out at &quot;Dept&quot; 88598 From Intra Unit, same Dept</td>
<td>88298 To Intra Unit, Same Department</td>
</tr>
<tr>
<td>Nets Out at OR 88553 From Intra Unit, different Dept</td>
<td>88253 To Intra Unit, Different Department</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue Transfers In</th>
<th>Expense Transfer Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nets Out at NU 88558 From Inter Unit</td>
<td>88258 To Inter Unit</td>
</tr>
</tbody>
</table>

Total URICs is considered a “Department” within the Office for Research.
## Transfer Codes

**Office for Research FY20 Transfer Codes**

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

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<tr>
<th>Revenue Transfers In</th>
<th>Expense Transfer Out</th>
<th>URIC to/from a school</th>
</tr>
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<tbody>
<tr>
<td>88558 From Inter Unit</td>
<td>88258 To Inter Unit</td>
<td>URIC to/from a school</td>
</tr>
</tbody>
</table>

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