

**Academic Affairs  
Fiscal Contacts Group**

**Tuesday, February 16, 2010**

# Today's Topics

- Proposed training program for fund managers – Financial Managers Academy
  - Requesting your feedback
- Topics for upcoming meetings
  - Requesting member input
- Presentation on UCSD funding

# Financial Management Academy

## **Goals of Program**

- To broaden the base of financial knowledge
- To teach the concepts behind financial processes and requirements
- To give staff foundational knowledge to confidently manage multiple fund sources and complex funding situations
- To assist in professional development and target career advancement as a financial manager

## **Target Audience**

- Fiscal staff, with at least one year of UCSD fund management experience

# Financial Management Academy

## Program Design

- Classroom setting, combination of lectures and activities, some out-of-class activities
- Small group of approximately 20 participants
- Meet once per month, 2-4 hours, depending on topic, about 8-9 meetings
- Instructors from Academic Affairs and central offices
- Does not duplicate training from Staff Development
- Some Staff Development courses may be recommended as prerequisites
- Emphasis on the “why” and “why not” of various financial practices
- Emphasis on how things are done in Academic Affairs units
- Participants apply, endorsed by supervisor

# Financial Management Academy

## **Curriculum Topics**

- Chart of Accounts – Fund Sources and Uses
- Accountability and Controls
- Financial Transactions and Ledger Reconciliation
- Financial Reporting
- General Funds Management
- Sponsored Research Management
- Managing Self-Supporting Activities
- Managing Private Gifts and Endowments

## **Timeline for Implementation**

- Obtaining feedback from business officers, as well as potential participants
- Refining curriculum, getting instructors
- Aiming for a May application, and September 2010 start date for program

# Fiscal Contacts Meetings

## **Possible Topics for Future Meetings**

- Querylink
- Excel – pivot tables and advanced formulas
- Best Practices
  - Ledger reconciliation
  - Managing general funds
  - Managing contract & grant funds
- Others?

Please provide your opinion!

# **An Overview of UCSD Funding**

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# Presentation Summary

- Revenue sources
- Core activities (functions)
- Permanent budget overview
- Budget allocation processes
- Current budget issues



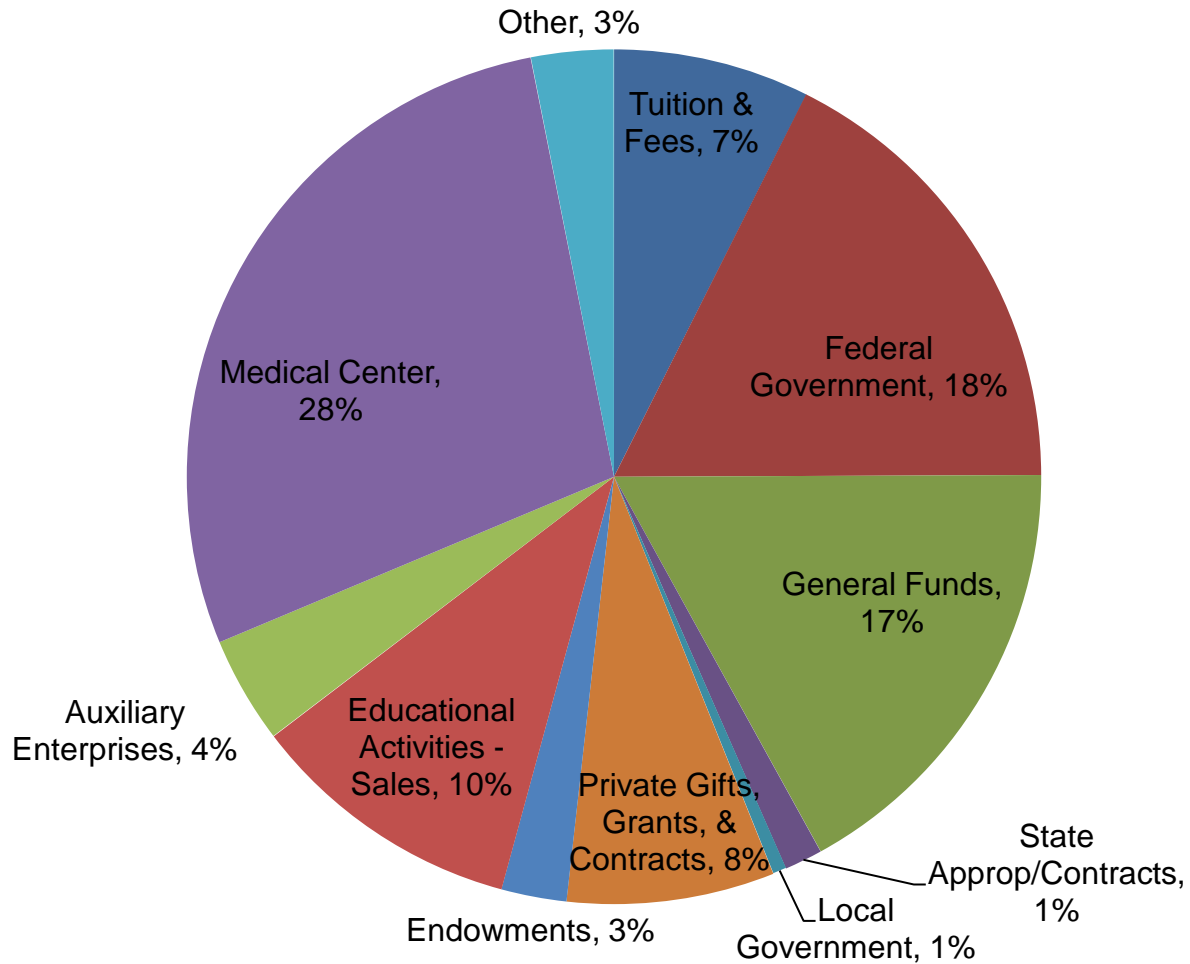
# UCSD Current Fund Sources

- Tuition and Fees
- Federal Government
- State Government
  - General Funds
  - Special State Appropriations and Contracts
- Local Government
- Private Gifts, Grants, and Contracts

# UCSD Current Fund Sources

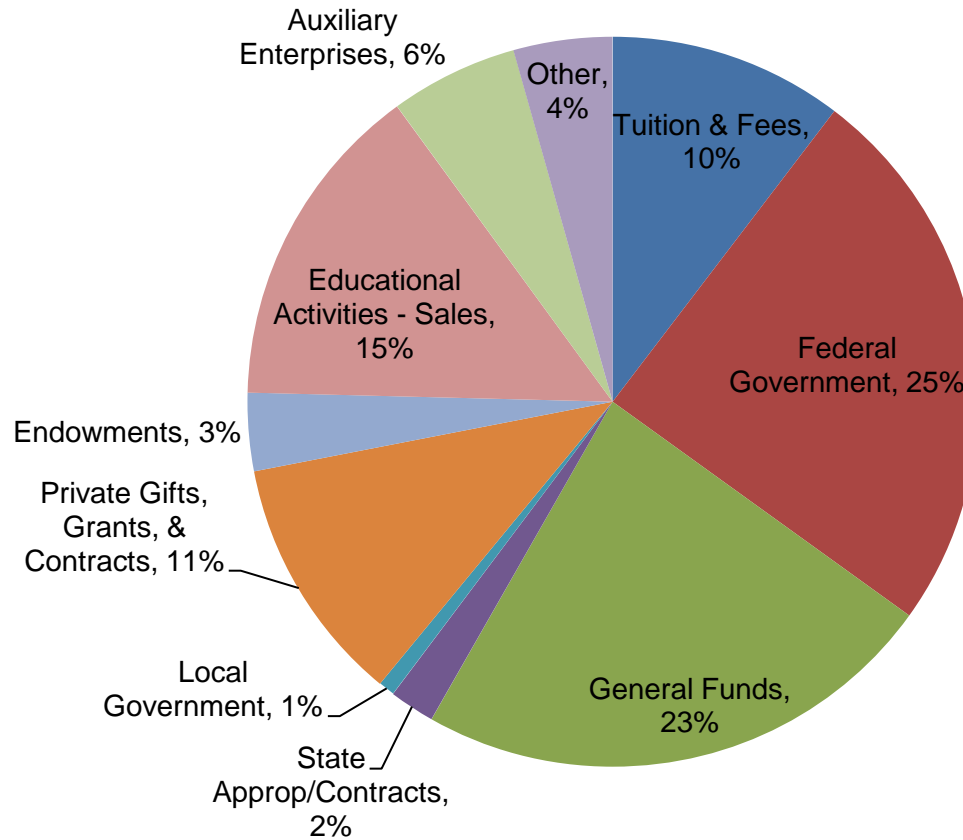
- Endowment and Similar Funds
- Sales & Services of Educational Activities
- Sales & Services of Auxiliary Enterprises
- Sales & Services of UCSD Medical Center
- Other

# 07/08 Expenditures by Fund Source - UCSD



07/08 Total Expenditures: \$2,295M  
Source: UCSD Detailed Financial Schedules

# 07/08 Expenditures by Fund Source – UCSD, Excluding Medical Center

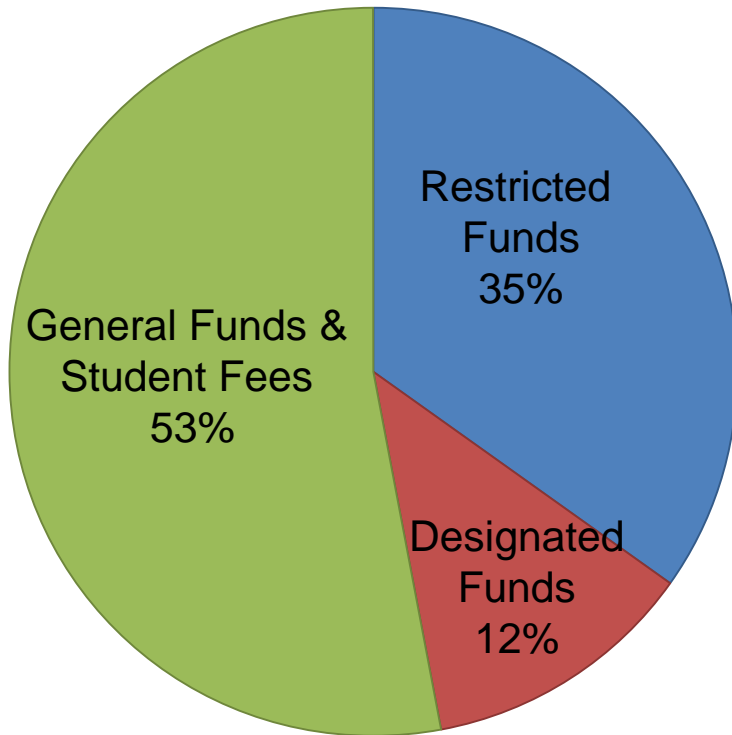


07/08 Total Expenditures: \$1,639M  
Source: UCSD Detailed Financial Schedules

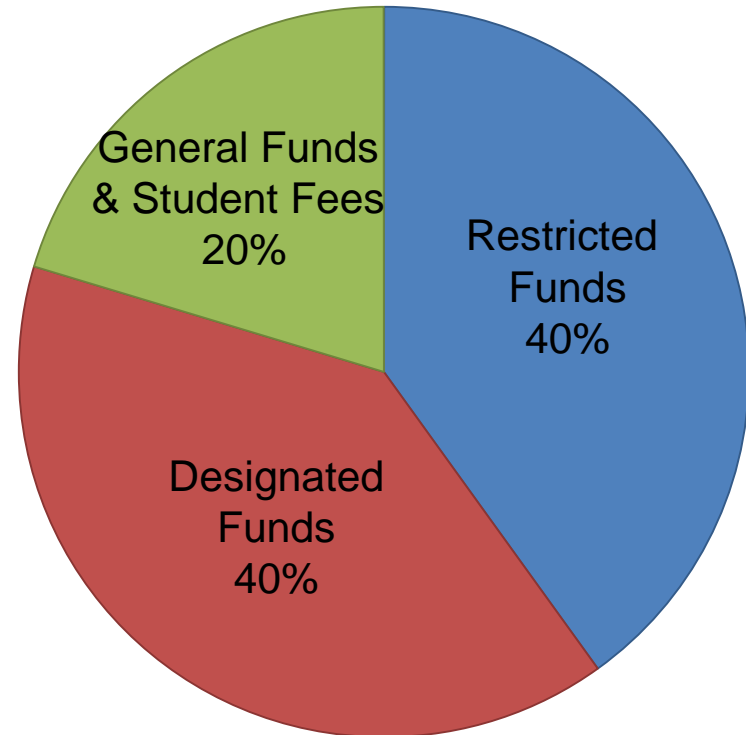
# 2007-2008 Expenditures by Fund Source

## Reliance on State Funds and Student Fee Funds

**Academic Affairs**  
\$568.8 M



**The Rest of the Campus**  
\$1,070.2 M



General Funds & Student Fee Funds: Includes state general funds, education fee, registration fee, professional fee

Restricted Funds: Includes sponsored research

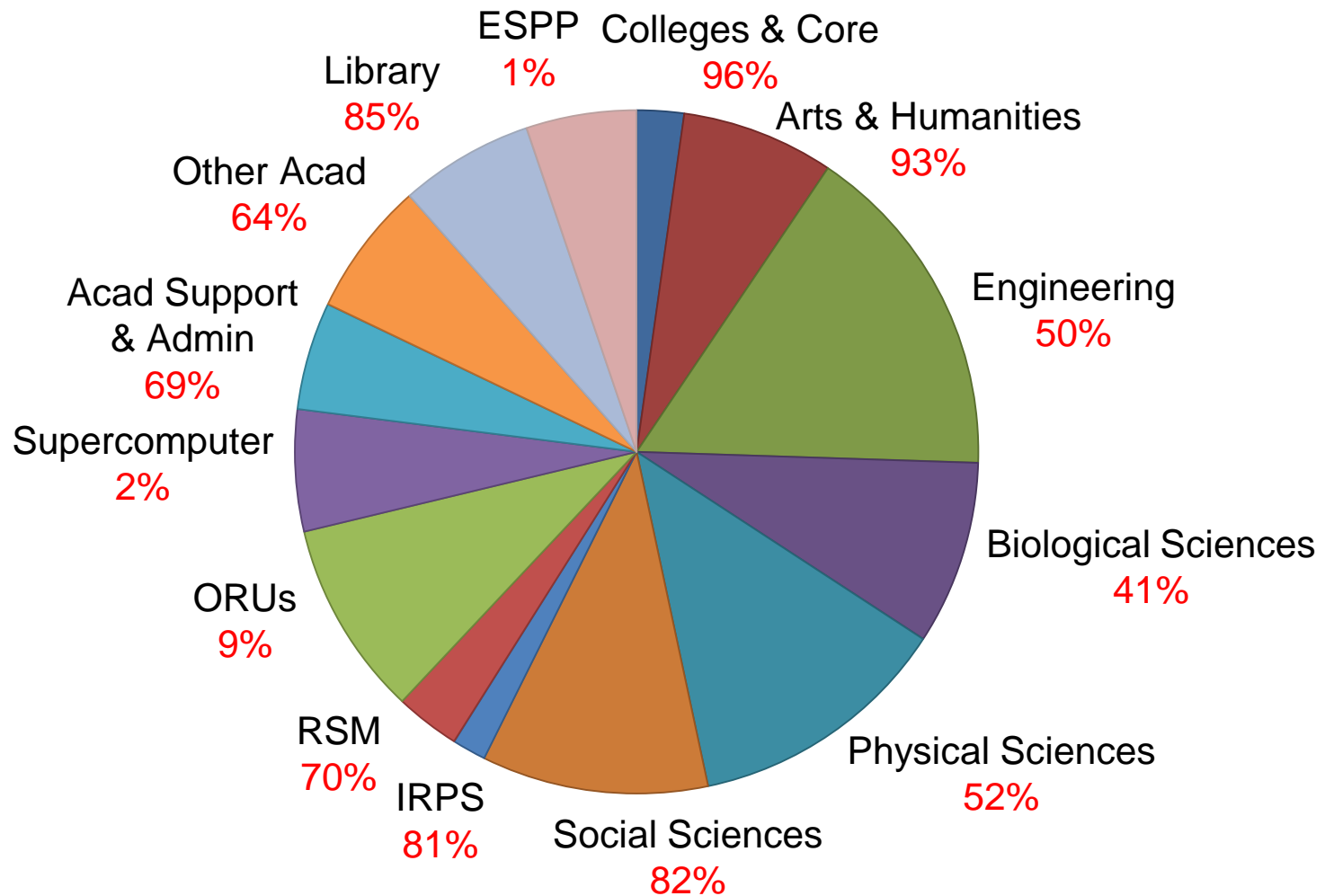
Designated Funds: Includes overhead ,self-supporting activities, non-degree program fees

Excludes Medical Center expenditures of \$656 M

Total 07/08 Expenditures: \$2,295 M

# 2007-2008 Expenditures by Unit - Academic Affairs

## Reliance on State & Fee Funds by Division



Total Expenditures: \$568.8 M (includes all funds: general funds, overhead, research, other)

Percentages show general funds and student fees funds expenditures as percent of total expenditures.

# Core Functions

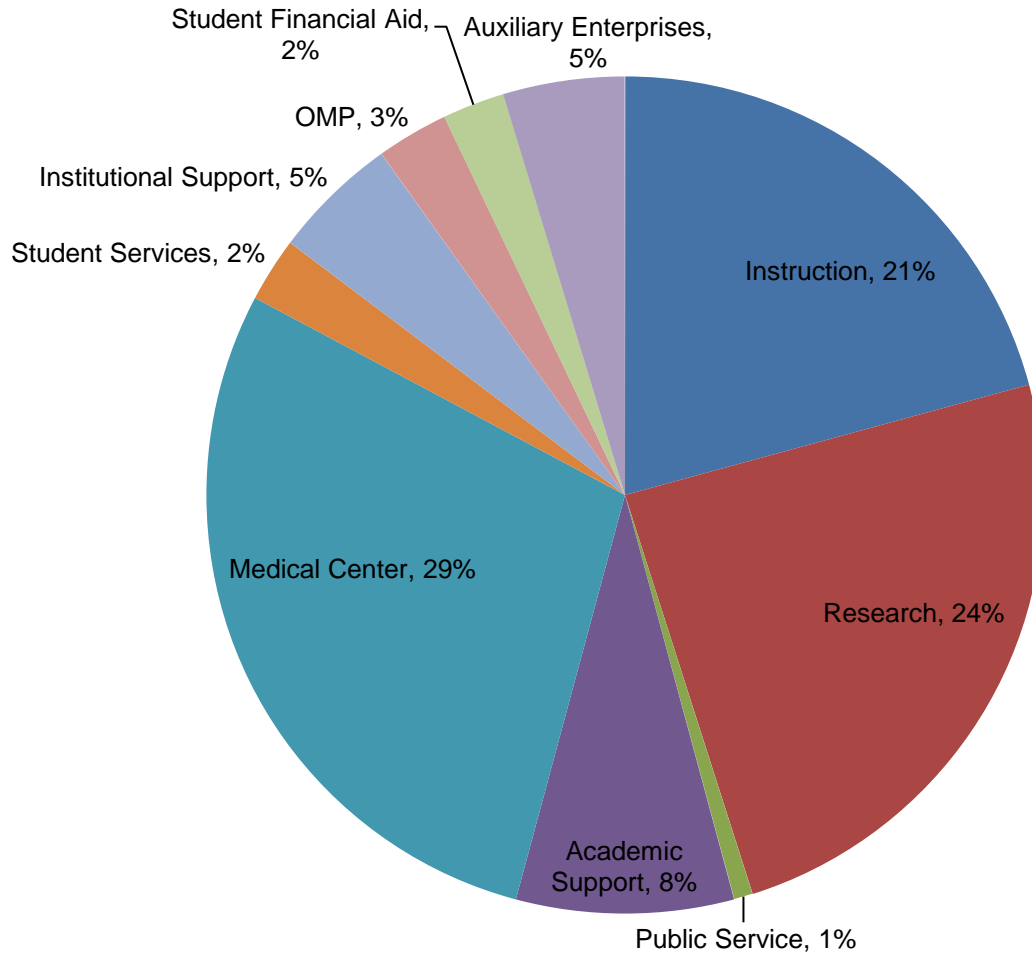
- Instruction
- Research
- Public Service
- Academic Support
- Medical Center

# Core Functions

- Student Services
- Institutional Support
- Operation and Maintenance of Plant
- Student Financial Aid
- Auxiliary Enterprises

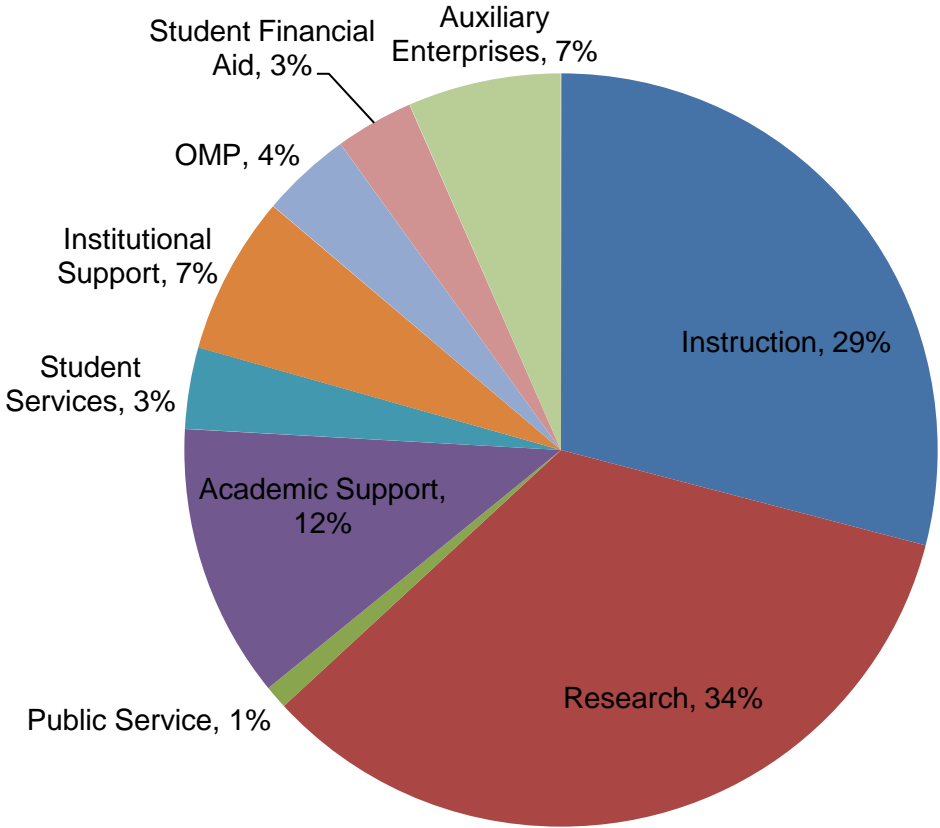


# 07/08 Expenditures by Function- UCSD



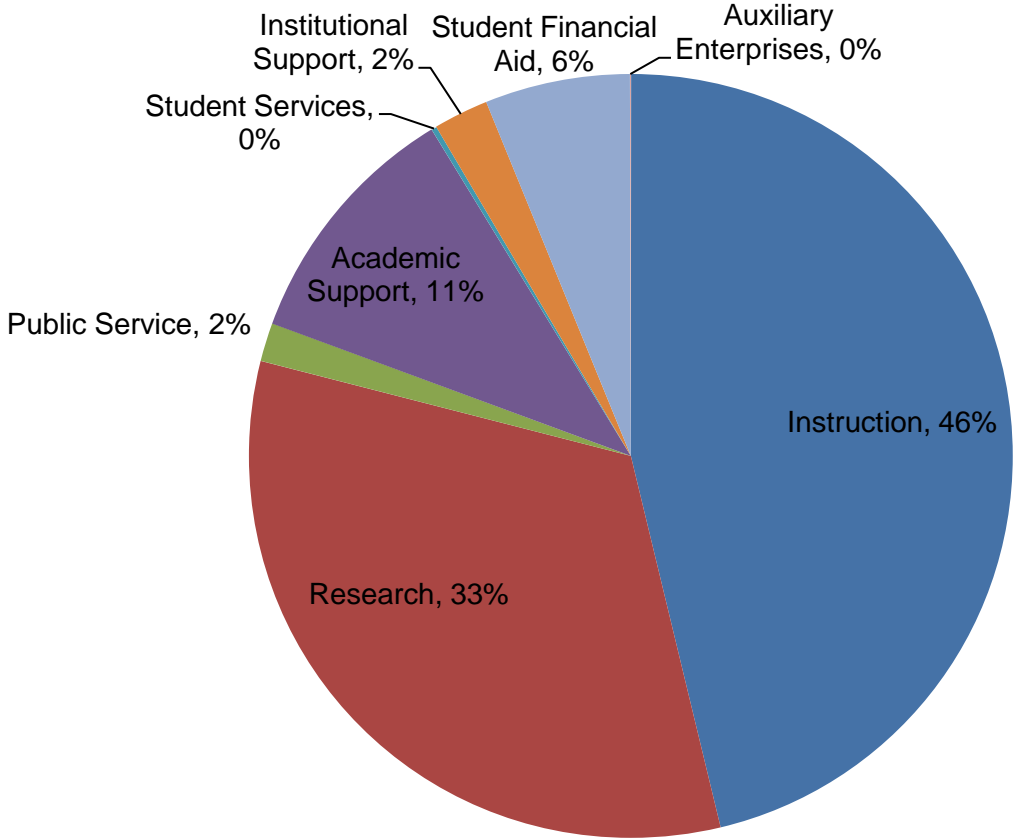
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Source: UCSD Detailed Financial Schedules

# 07/08 Expenditures by Function – UCSD, Excluding Medical Center



07/08 Total Expenditures: \$1,639M  
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# 07/08 Expenditures by Function – Academic Affairs



07/08 Total Expenditures: \$568.8M  
Source: UCSD Detailed Financial Schedules

# Permanent Budget – Core Funds

- General Funds
  - 199xx
- Special State Appropriations
  - 180xx
- Indirect Cost Recovery Funds
  - 69750A, 07427A, 05397A, 19933A
- Student Fees
  - 20000A, 20095A, 2022x, 19942A

# Permanent Budget – Core Funds

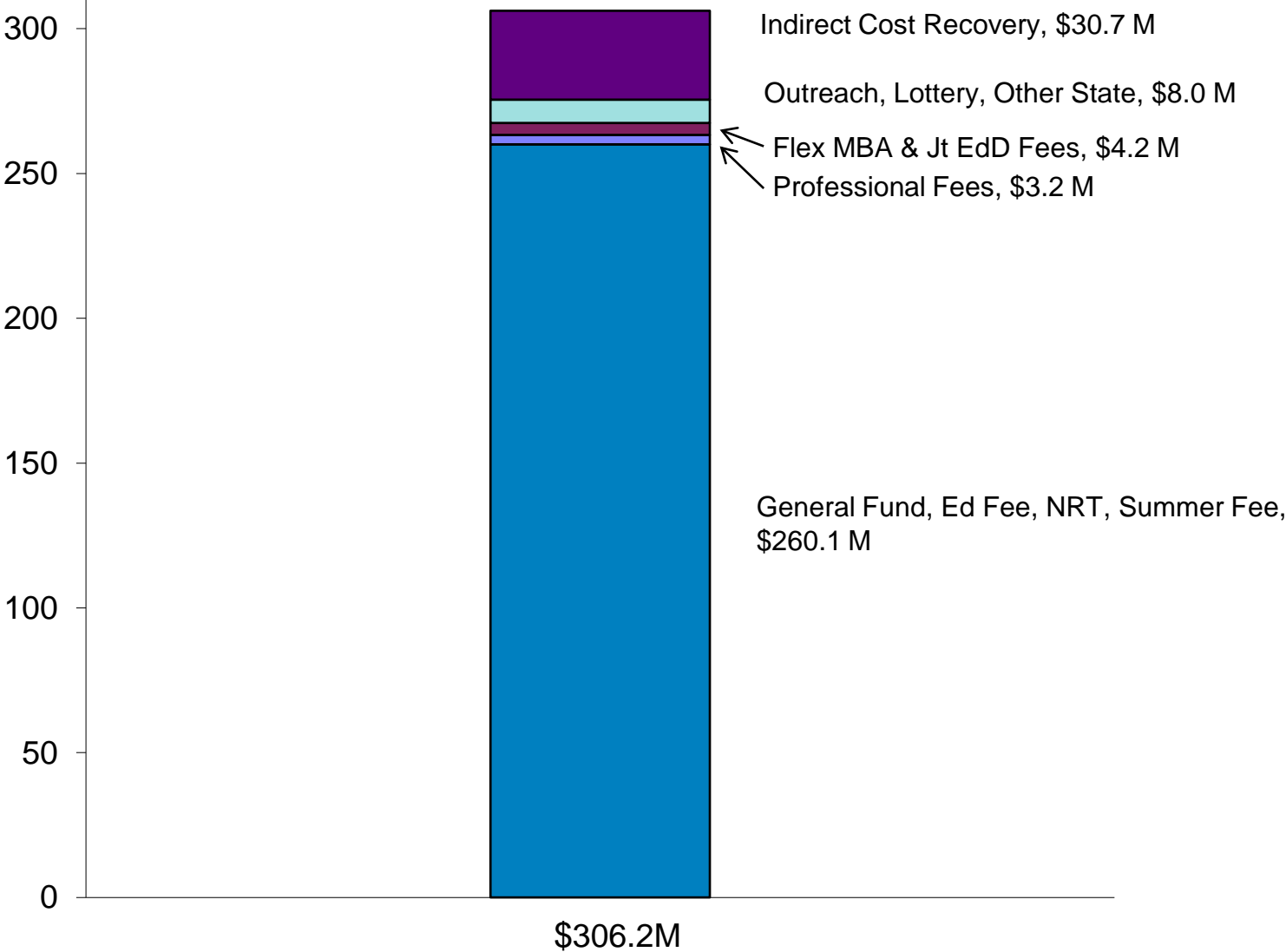
Academic Affairs	49%
Health Sciences	12%
Marine Sciences	4%
Business Affairs <sup>[1]</sup>	16%
Student Affairs <sup>[2]</sup>	13%
All Other Areas	6%

[1] 30% of budget allocated for utilities and deferred maintenance

[2] 63% of budget allocated for financial aid

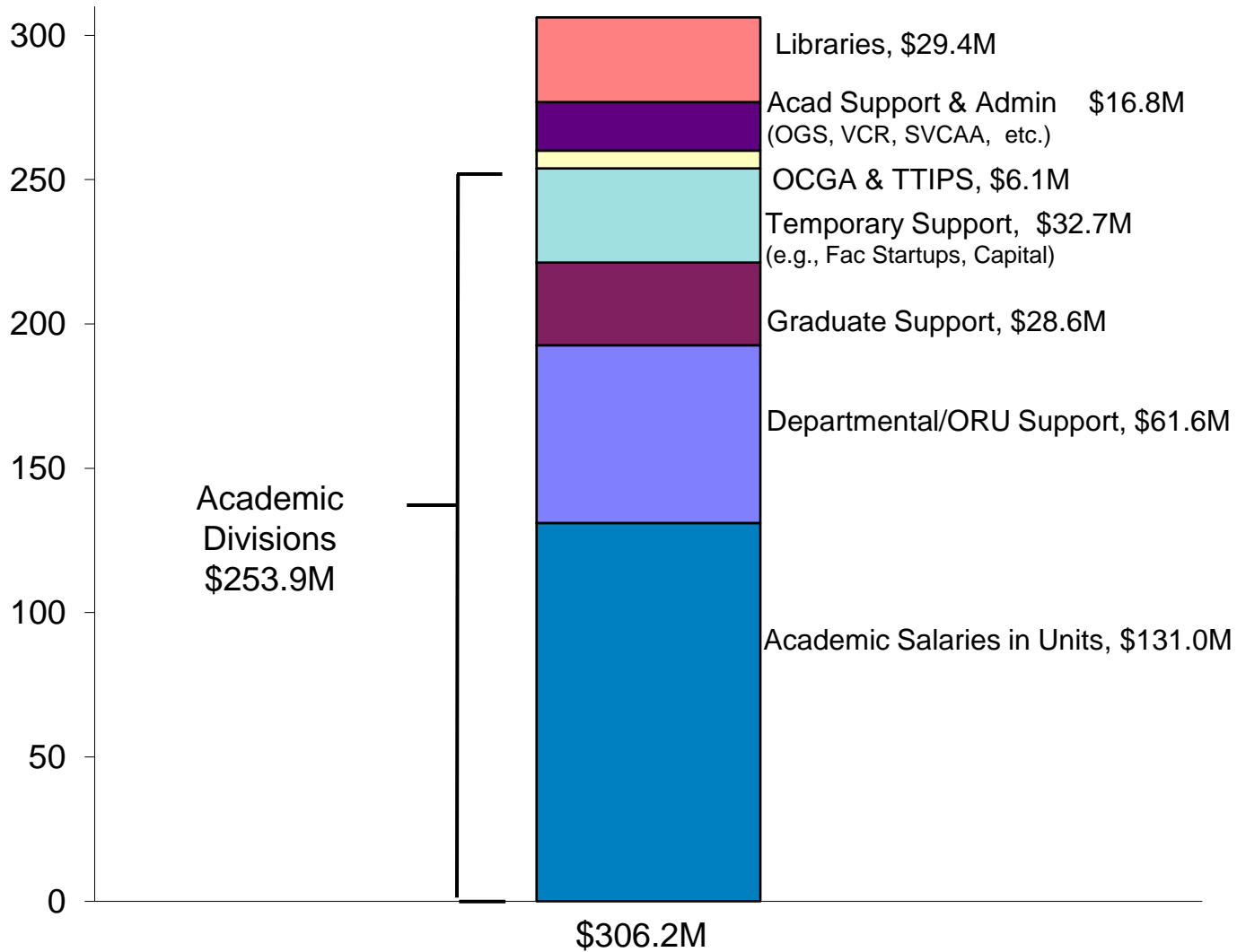
# Academic Affairs Permanent Budget - 2008/09

## Sources of Funds (*Millions*)

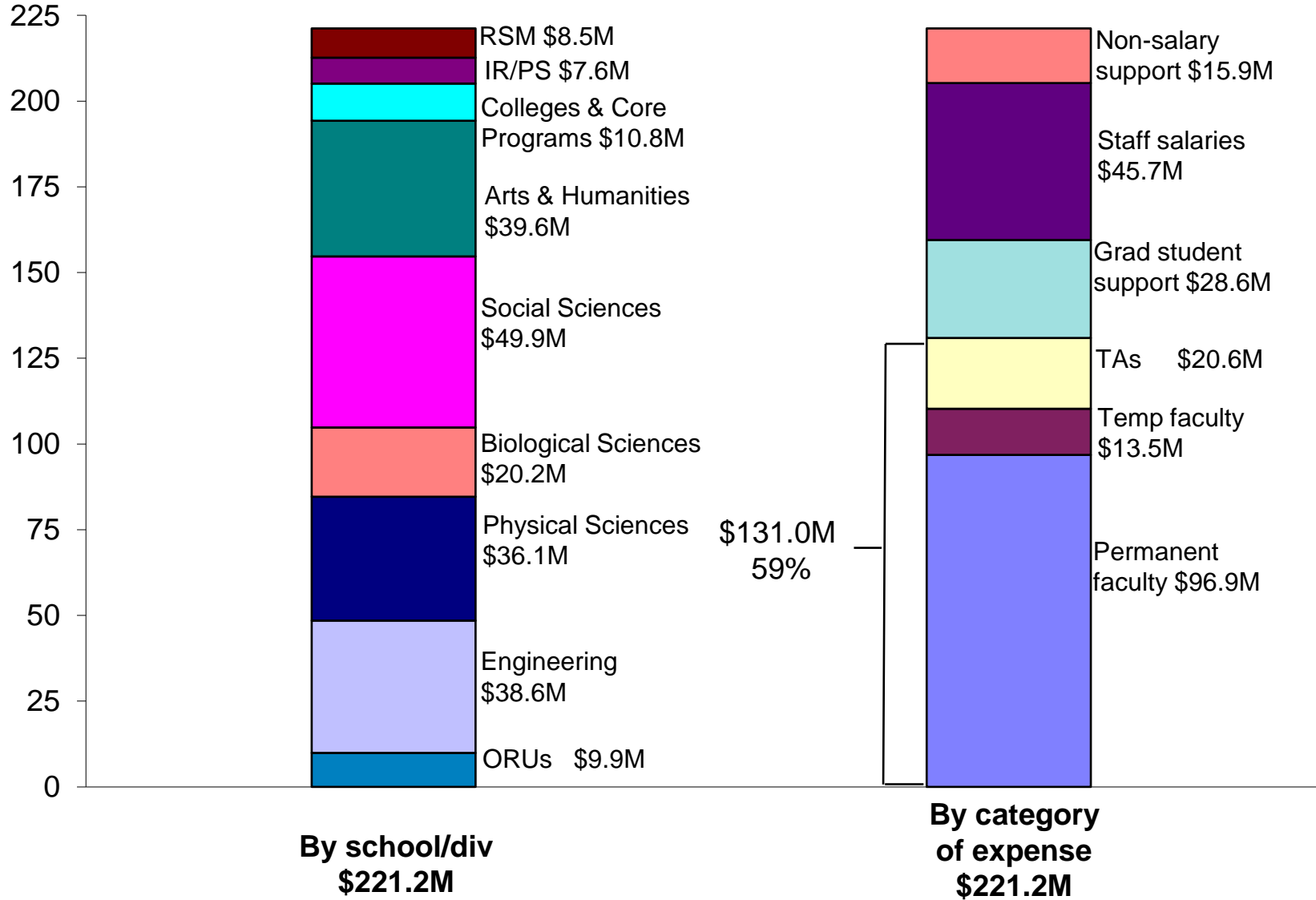


# Academic Affairs Permanent Budget - 2008/09

## Uses of Funds (*Millions*)



# Academic Divisions Permanent Budget - 2008/09 (Millions)





# Allocation of General Funds and Student Fee Funds

- Enrollment workload
  - Marginal cost of instruction
  - Fee income from enrollment growth
- Salary Increases
- Non-salary Increases
- Instructional Technology
- Instructional Equipment
- Operation & Maintenance of Plant
- Other

# Allocation of Indirect Cost Recovery Funds

- All indirect costs are transferred to UCOP for distribution among campuses
- Indirect costs from Garamendi research buildings is set aside to pay debt service and O&MP for those buildings
- 64% of federal indirect costs and 78% of private indirect costs is returned to campus for distribution
- 60% of funding is allocated to Academic VCs and 40% of funding is allocated to administrative areas
- Academic Affairs receives about 30% of the indirect costs charged to research grants

# Campus Assessments

- Utilities Shortfalls
- Information Systems Assessment
- NGN Assessment
- ECEC Subsidy
- 415m Retirement Assessment
- General Liability

# Current Budget Issues

- Overenrolled, but no MCI
- Not enough funding for salary increases
  - 07/08 academic salary program
  - Annual academic merit funding
  - UCRP contribution funding
- No funding for non-salary increases
- No O&MP funding

# 09/10 Budget Cuts

- \$84 M in cuts to UCSD
  - \$39 M permanent
  - \$45 M one-time
- UCSD budget cut implementation
  - \$20 M permanent reduction to core funds
  - \$25 M furlough savings
  - \$40 M internal loan
- \$20 M permanent reduction deferred to 10/11

# 10/11 Budget Planning

- Current estimate of reductions: \$55 M
  - Could increase if state financial situation worsens
- Divisions, schools, and colleges working on scenarios of how they would manage 10%, 15%, or 20% reductions
- Investigation of additional revenue streams
  - Non-resident enrollment, general compensation plan, additional fees on auxiliaries and other income-producing activities, professional degree fees, MAS programs

# For More Information

- Fund Sources and Core Functions
  - <http://blink/finance/accounting/index.html#Chart-of-Accounts>
  - <http://www.ucop.edu/ucophome/policies/acctman/a-115-1.pdf>
  - <http://www.ucop.edu/ucophome/policies/acctman/u-751-17.pdf>
- Expenditure Data – Detailed Financial Schedules
  - <http://blink/finance/accounting/schedules.html>
- Permanent Budget Processes
  - [http://www-cbo.ucsd.edu/Budget\\_default.aspx](http://www-cbo.ucsd.edu/Budget_default.aspx)
- Current Budget Issues
  - <http://blink.ucsd.edu/sponsor/budgetline/index.html>