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 Total Expenditures: $2,295M
Source: UCSD Detailed Financial Schedules
07/08 Expenditures by Fund Source – UCSD, Excluding Medical Center

- Federal Government: 25%
- General Funds: 23%
- Private Gifts, Grants, & Contracts: 11%
- Educational Activities - Sales: 15%
- Endowments: 3%
- Local Government: 1%
- State Approp/Contracts: 2%
- Auxiliary Enterprises: 6%
- Tuition & Fees: 10%
- Other: 4%

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

General Funds & Student Fees: 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

Academic Affairs
$568.8 M
- General Funds & Student Fees: 53%
- Restricted Funds: 35%
- Designated Funds: 12%

The Rest of the Campus
$1,070.2 M
- General Funds & Student Fees: 20%
- Restricted Funds: 40%
- Designated Funds: 40%
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

- Instruction, 21%
- Research, 24%
- Medical Center, 29%
- Student Financial Aid, 2%
- Auxiliary Enterprises, 5%
- OMP, 3%
- Institutional Support, 5%
- Student Services, 2%
- Academic Support, 8%
- Public Service, 1%

07/08 Total Expenditures: $2,295M
Source: UCSD Detailed Financial Schedules
07/08 Expenditures by Function – UCSD, Excluding Medical Center

- Instruction, 29%
- Research, 34%
- Academic Support, 12%
- Student Services, 3%
- Institutional Support, 7%
- OMP, 4%
- Student Financial Aid, 3%
- Auxiliary Enterprises, 7%
- Public Service, 1%

07/08 Total Expenditures: $1,639M
Source: UCSD Detailed Financial Schedules
07/08 Expenditures by Function – Academic Affairs

Instruction, 46%
Research, 33%
Public Service, 2%
Academic Support, 11%
Student Services, 0%
Institutional Support, 2%
Student Financial Aid, 6%
Auxiliary Enterprises, 0%

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 [1] 16%
- Student Affairs [2] 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)

- General Fund, Ed Fee, NRT, Summer Fee, $260.1 M
- Indirect Cost Recovery, $30.7 M
- Outreach, Lottery, Other State, $8.0 M
- Flex MBA & Jt EdD Fees, $4.2 M
- Professional Fees, $3.2 M

Total: $306.2 M
Academic Affairs Permanent Budget - 2008/09
Uses of Funds (Millions)

- Libraries, $29.4M
- Acad Support & Admin (OGS, VCR, SVCAA, etc.), $16.8M
- OCGA & TTIPS, $6.1M
- Temporary Support, $32.7M (e.g., Fac Startups, Capital)
- Graduate Support, $28.6M
- Departmental/ORU Support, $61.6M
- Academic Salaries in Units, $131.0M
- Academic Divisions, $253.9M
- Total, $306.2M
Academic Divisions Permanent Budget - 2008/09
(Millions)

By school/div
$221.2M

RSM $8.5M
IR/PS $7.6M
Colleges & Core Programs $10.8M
Arts & Humanities $39.6M
Social Sciences $49.9M
Biological Sciences $20.2M
Physical Sciences $36.1M
Engineering $38.6M
ORUs $9.9M

By category of expense
$221.2M

Non-salary support $15.9M
Staff salaries $45.7M
Grad student support $28.6M
TAs $20.6M
Temp faculty $13.5M
Permanent faculty $96.9M

$131.0M
59%
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

• Expenditure Data – Detailed Financial Schedules
  – http://blink/finance/accounting/schedules.html

• Permanent Budget Processes
  – http://www-cbo.ucsd.edu/Budget_default.aspx

• Current Budget Issues
  – http://blink.ucsd.edu/sponsor/budgetline/index.html