

SIMPLIFIED OPERATING FUNDS INITIATIVE (SOFI)

A Financial Simplification Strategy

Sponsored by the VC - Chief Financial Officer Pierre Ouillet

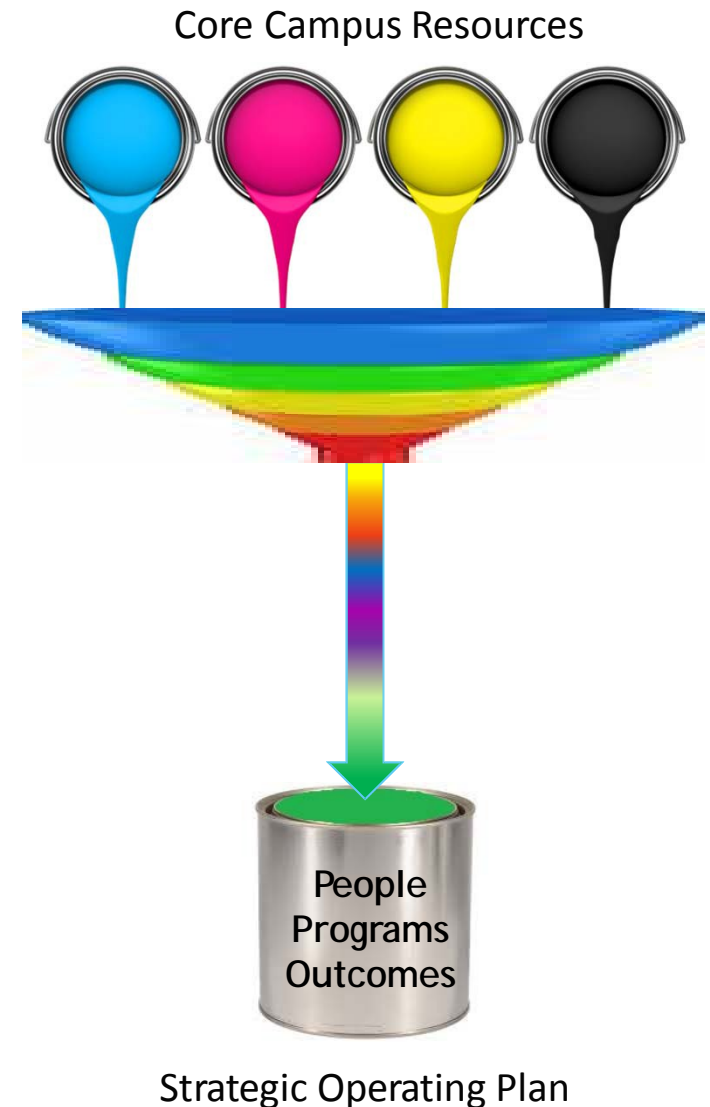
March 2016

❖ *In order to:*

- Improve financial management across the campus
- Focus on outcomes rather than fund color management
- Optimize expenditures to meet the expectations of the Governor, Legislature, students and other stakeholders
- Clearly depict the cost of fulfilling the campus core mission, and the resources that support that cost

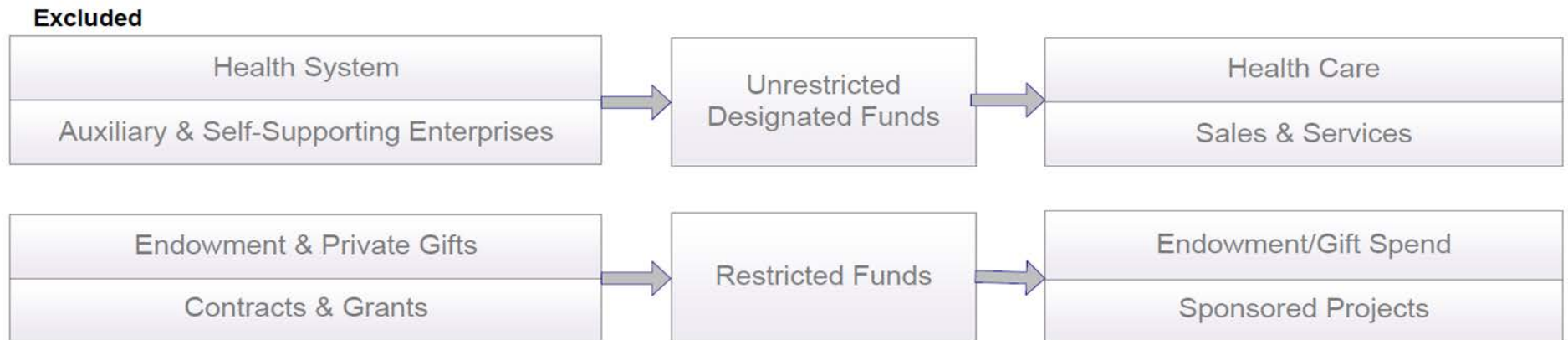
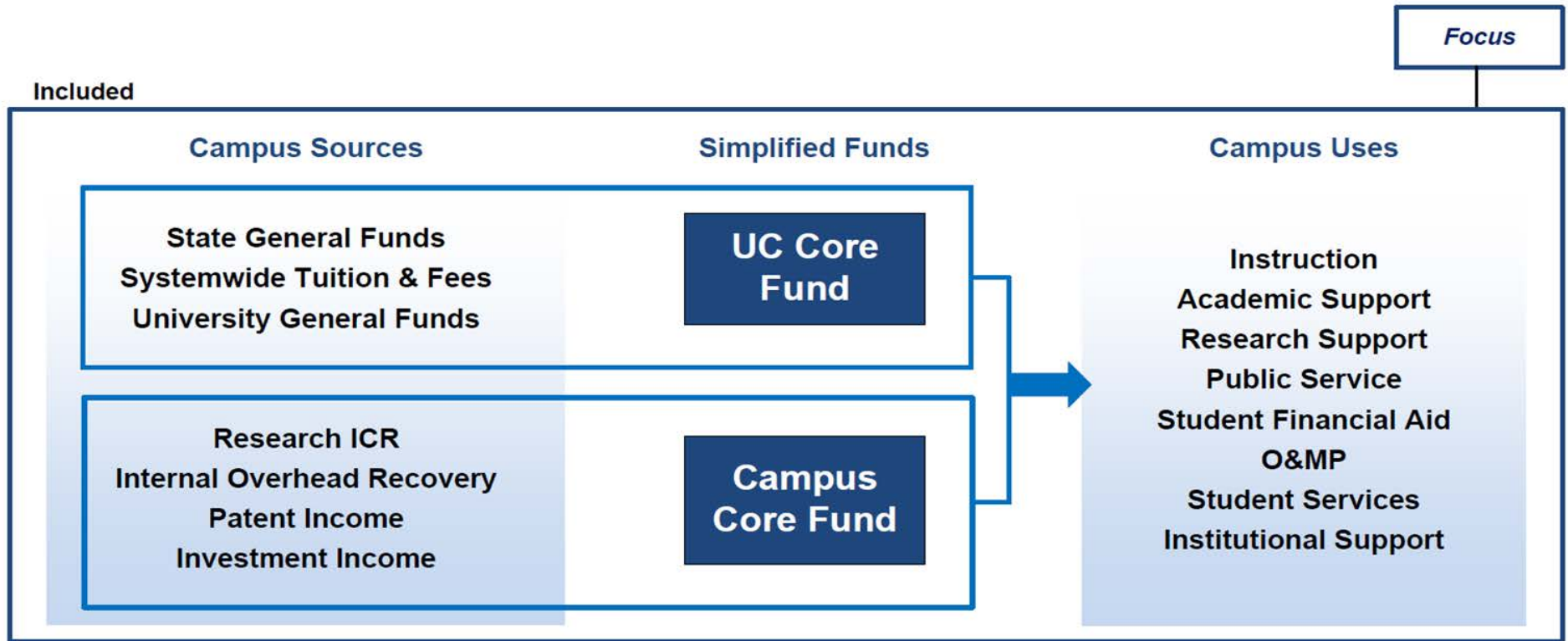
❖ *UC San Diego will:*

- Pool “core” campus resources to support the core academic investment and general institutional operations
- Continue fund accounting for revenue streams



- ❖ The SOF Initiative is consistent with UC's Working Smarter Initiative and is an effort to
 - Streamline campus financial management, *for example*
 - » Each department will receive one core fund
 - » One fund eases transfers between departments and across VC units
 - » One fund eliminates juggling of personnel among funds to manage compensation inflation
 - Simplify fund accounting and department transacting, *for example*
 - » Fewer indexes will be needed
 - » Constraints tied to specific sources are not applicable to the new core fund numbers
 - » Expenditure transfers are replaced with budget transfers to balance organization budgets
 - Enable departments to focus on strategic priorities and outcomes
 - » Easier data gathering and reporting
 - Enables quicker response times to management requests for information
 - May save time which can be redirected to other priorities
- ❖ SOFI does NOT
 - Change budget decisions or allocation methodologies
 - Result in budget reductions

- ❖ Budgets allocated and expenditures transacted on 2 funds, rather than 60



❖ Below is the list of source funds included in SOFI

UNIVERSITY CORE FUND: number pending

<u>Fund</u>	<u>Fund Title</u>
State General Funds	
19900A	GENERAL FUND
19900R	GENERAL FUND-STATE AWARDS
19904A	S/A UTEP
19905A	S/A INSTRUCTIONAL EQUIPMENT REPL PR
19906A	S/A INSTR USE OF COMPUTER
19923A	K-12 TEACHER DEVELOPMENT PROGRAMS
19925A	S/A SUBSTANCE ABUSE/SF
19926A	S/A UCOP ADMINSTRATIVE SYSTEMS
19946A	LEASE PURCHASE PAYMENTS
19948A	LEASE PURCHASE DEPT SAVINGS
19969A	STATE FUND - STUDENT FINANCIAL AID
19990A	Y/E ADJ- GF

UCGF - Univ. generated General Funds

19931A	STATE/UC SPONSORED RSRCH OH
19933A	UC GEN FUND FROM ICR
19934A	STATE APPROP/STATE AGRMNT OVERHEAD
19940A	UC GENERAL FUND YE ADJ
19941A	MISC UC GENERAL FUNDS
19942A	NON RESIDENT SUPP TUITION
19943A	NRT GRADUATE ACADEMIC

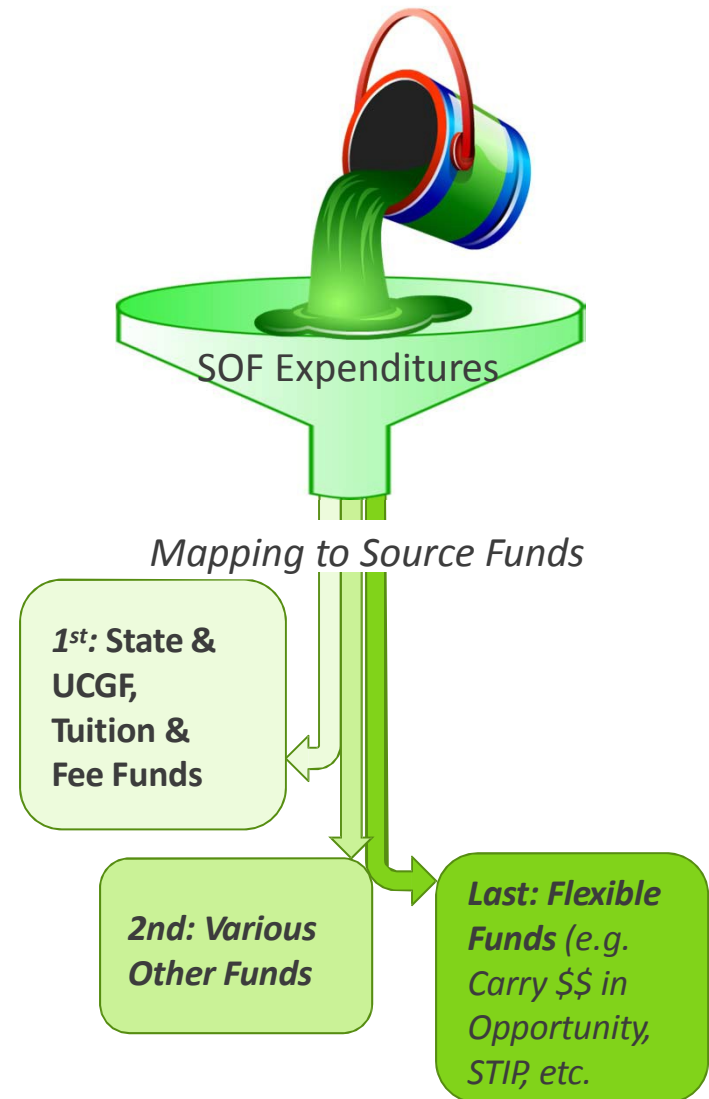
Systemwide Tuition & Fees

20095A	TUITION
20226A	PROF DEG SUPP TUITION
20225A	PROF DEG SUPP TUITION - MBA
20224A	SOP PROF DEGREE SUPP TUITION
20223A-R	IRPS PROF DEG SUPP TUITION
20290A	SUMMER SESSION-FISCAL YEAR

CAMPUS CORE FUND: number pending

<u>Fund</u>	<u>Fund Title</u>
Research ICR	
05397A	EDUCATIONAL FUND
07427A	OPPORTUNITY FUND
69750A	CONTRACT AND GRANT ADMIN
69753A	NET-NEW INDIRECT COST RECOVERY
Internal Overhead Recovery	
67531A	ASSA ADMINISTRATIVE OVERHEAD
68606A	ENDOWMENT COST RECOVERY-REGENTS
68607A	ENDOWMENT COST RECOVERY-FOUNDATION
75451A	DIFF INC RESV - CENTRAL ADMIN
Patent Income	
60500A	TECHNOLOGY TRANS COPYRIGHT INCOME
60502A	TECHNOLOGY TRANSFER PATENT INCOME
60502B	PATENT PROSECUTION
60505A	TTO MATERIAL TRANSFER
68800A	SYSTEMWIDE PATENT INCOME
STIP/TRIP Income	
69899A	VC-DEVELOP & UNIV RELATIONS-STIP
69900A	STIP CLEARING
69901A	CHANCELLOR'S STIP FUND
69902A	CHANCELLOR'S STIP FUND
69903A	2009/2010 5 YR STIP LOAN
69987A	VC-D&UR UC FDN STIP ASSESSMENT
69988A	VC-D&UR REGENTS STIP ASSESSMENT
69991A	VICE CHANCELLOR-HEALTH SCIENCE-STIP
69992A	VICE CHANCELLOR-MARINE SCIENCE-STIP
69993A	VICE CHANCELLOR-BUSINESS & FIN-STIP
69994A	VICE CHANCELLOR-ACADEM AFFAIRS-STIP
69995A	VICE CHANCELLOR-STUDENT AFFRS-STIP
69996A	VICE CHANCELLOR-RESOURCE MGMT-STIP
99998A	TRIP CLEARING UCOP DISTRIBUTIONS

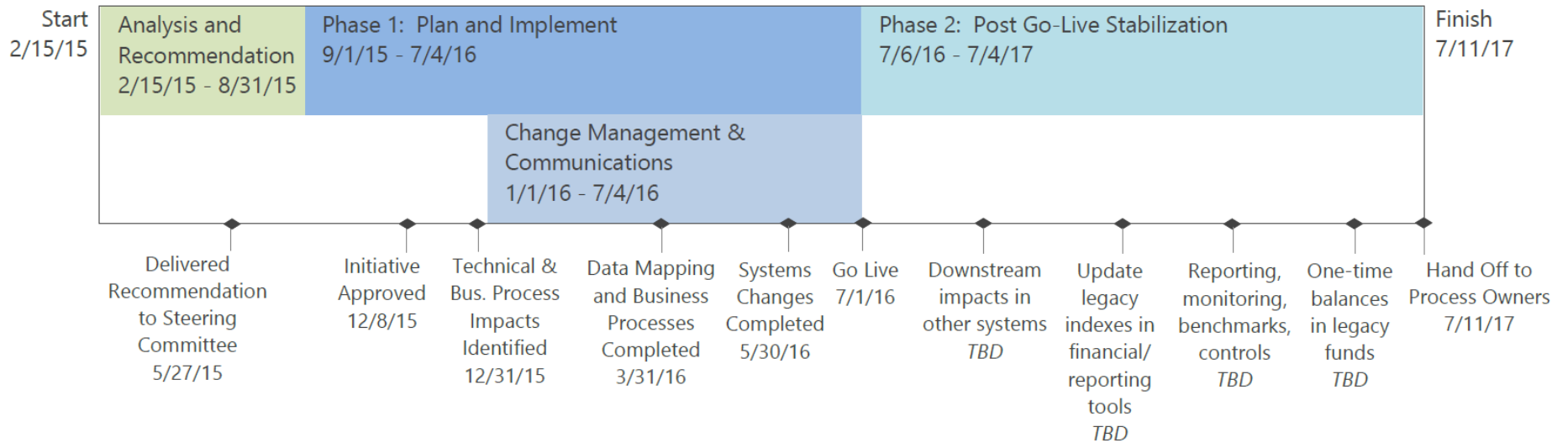
- ❖ Expenditure Mapping at the Campus Level
 - Fund-specific information made available at an aggregate level by relating (“mapping”) SOFI expenditures back to source funds
 - The mapping will be based in policy that articulates leadership’s plan and priorities ahead of actual spend
 - Mapping allows management of source fund constraints at a central level rather than at the transaction level
- ❖ Benefits of Expenditure Mapping
 - Strategic spend using the “first-dollar principle” ensures full expense of General and Tuition funds in support of the academic mission
 - Flexible and responsive to external requirements
 - Any carry-forward balances are held in the most flexible funds
- ❖ Objectives Accomplished
 - Meet legislative, state, and other stakeholder reporting requirements
 - Responsive to public perception and expectations
 - Manage specialized circumstances



❖ Below is a very high-level timeline for an implementation date of July 1, 2016

SIMPLIFIED OPERATING FUNDS INITIATIVE

Project Schedule:



- ❖ This first SOFI phase is focused on budget allocations effective 7/1/16 and beyond
 - Existing permanent budgets
 - New recurring allocations in FY 2016/17
 - New one-time allocations in FY 2016/17

- ❖ Critical project milestones that must be accomplished in order to go-live on 7/1/16
 - Create new COA hierarchy of indexes
 - Swap source fund budgets for a SOFI fund budget
 - Update payroll and Staffing distribution lines in PPS

- ❖ Post go-live (FY 16/17) stabilization activities
 - Update indexes in financial tools
 - » NGN redirects, Express card, Marketplace, MyEvents, ???
 - Update indexes in reporting tools
 - » MyFunds, Cognos, ???
 - Impacts to downstream systems
 - » Bookstore, Maximo (FM), Aquarium, ???
 - Address legacy source carry-forward balances

- ❖ Everything hinges on the creation of new indexes
 - There is a template and guidelines being distributed
 - Each VC has a central contact as well as their own communications on “how to”

- ❖ Realizing this timeline, is tight some things will be/can be automated
 - Creation of indexes
 - Replacement of PPS distribution and Staffing lines

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Important Deadlines for Departments

Identify and create financial reporting program codes	Fri 3/4
Review and edit BD indexes - return to Campus Budget Office: Hugo Rios	Fri 3/11
Map department indexes supporting salary	Fri 3/25
Map pay and Staffing distribution lines to SOF	Fri 4/15
Manual creation of SOFI indexes for permanent budgets & staff FTE	Fri 4/15
Indexes created with batch program	Fri 4/22
Batch upload PPS distribution & Staffing line replacements	Fri 5/13
Map department indexes supporting non-salary expense (if approp)	Thu 6/30

include the old index being replaced

- 2nd batch date under review

- ❖ Permanent Budget swaps will likely be done centrally

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Other Deadlines Affecting Departments

Map permanent budget fund swaps for SOF at VC/organization level	Fri 4/1
Create budget journal(s) templates for redistribution of PBs	Fri 4/29
Record estimated budget increments by source and SOF	Fri 5/13
Record campus level source budgets and SOF offset	Fri 5/20

- ❖ Why such short turnaround times?

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Fiscal Close

Known and potential wage implementations	
- SX step increase	Sun 7/3
- Academics (annual merit program)	Fri 7/1
- 99 non-represented monthly	Fri 7/1
- 99 non-represented bi-weekly	Sun 7/3
Estimated cut-off for permanent OLFs	Fri 7/8

- ❖ The SOFI project was undertaken in early 2015 and has been guided by both a Work Group and a Steering Committee
- ❖ We are actively collaborating with central offices both locally and at UCOP: Budget, Institutional Research, Accounting, and ITS
- ❖ Campus communication has been ongoing through
 - Existing networks of the Work Group and Steering Committee (e.g., ABA, SC-SPOC, VC fiscal groups, Council of Chairs, Department Chairs)
 - Letters from the Chancellor
 - Presentations made to
 - » Faculty through Academic Senate committees (Budget & Planning, Administration Council)
 - » FinLink standing committee
 - » VCHS Senior Administrative Leadership
 - » VCHS Assistant DBOs
 - » EVC Assistant Deans
 - Lead staff in central offices are engaging colleagues on implementing solutions
 - Established Index Coordination Team comprised of all VC units

❖ Upcoming communications

- All faculty and staff campus communication from executive sponsor
- Launch of SOFI Website
- Focused stakeholder messaging

❖ Contacts for information:

- Core Project Team
 - » Traci Carpenter, Project Manager, 858-534-0502, tccarpenter@ucsd.edu
 - » Deanna Richardson, Core Team, 858-534-5619, d2richardson@ucsd.edu
 - » Ashley Gambhir, Director-CI, OSI, 858-534-7694, agambhir@ucsd.edu
- Sponsor
 - » Sylvia Lepe, AVC-CBO and Sponsor, 858-534-5357, slepe@ucsd.edu

❖ Below are committee and team members currently involved in SOFI

SOFI Steering Committee

Pierre Ouillet	CFO
Cheryl Ross	Controller
Debbie Rico	Asst. Controller
Kit Pogliano	Chair, SC-SPOC
Steve Ross	AVC-EVC
Sylvia Lepe-Askari	AVC-CBO

SOFI Work Group Members

Karen Andrews	Physics
Gred Buchanan	AMAS
Traci Carpenter	OSI
Kathy Farrelly	EVC
Adam Diprofio	EVC
Ashley Gambhir	OSI
Jake Guss	VCHS
Susie Pike Humphrey	SIO
Darryl James	FAO
Shanley Miller	SOC
Mercedes Munoz	Treasury
Laura Osante	BFS
Isabella Byant-Parkinson	VCHS
Deanna Richardson	Treasury
Paul Rodriguez	Payroll
Steve Ste Marie	GA
Bill Sweetman	ITS

SOFI Index Coordination Team

Minerva Nelson	SIO
Susan Matheson	SIO
Adam Diprofio	EVCAA
Arwen Jamison	EDI
Beverly Randez	EDI
Anna Gheissari	RES
Jason Jennings	SA
Sara Kaup	SA
Agnes Shin	HS
Jake Guss	HS
Moon Pan	ADV
Caitlin Chu	CFO
Hugo Rios	CBO
Kristen Fernandez	RMP
Michelle Null	AS
Jocelyn Pacheco	CHANC

Thank You!
Questions?