THE UNIVERSITY OF BRITISH COLUMBIA

2012/13
Forecasting and Planning Guidelines

Okanagan Campus

Prepared by the University Budget Office

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Introduction

The University prepares the annual budget for submission to the Executive Committee, Board of Governors and Provincial Government. In this guideline, the 2012/13 (FY13) budget will be referred to as the **Plan**, and the 2011/12 (FY12) projection as the **Forecast**; please see the glossary at the end of this document for other definitions.

The primary goals of the Plan are:

1. To provide a financial plan for unit level operations for the upcoming fiscal year;
2. To provide a basis for the University's Forecast;
3. To provide the Executive and Board with a consolidated view of the University's operations for the upcoming fiscal year;
4. To meet PSAB (Public Sector Accounting Board) reporting requirements.

Building Your Plan

The fundamentals for building a plan and explaining a surplus or deficit should be part of a units normal financial management routine. Using best estimates, units should plan all possible revenue sources and cost saving opportunities to ensure a sustainable long term financial outlook. Based on the above criteria, it is expected that units manage their existing activities within their funding allocation and revenue sources. Units are expected to demonstrate that they have strategically allocated all existing resources prior to making additional asks. If new funding is required to address new initiatives, the expenses should be included in the Plan to facilitate discussion during the budget review meetings.

System Overview

The University's planning software is Oracle Hyperion Planning version 11.1.1.3. Authorized users can access the system via their Campus Wide Login.

Oracle Hyperion Planning is a centralized, web-based planning and forecasting solution that integrates financial and operational planning.

Planning Process Overview

Meetings with the Budget Review Council will be set for Faculties and Administrative units beginning November 18th. Ancillaries will have their meetings on January 6th. The purpose of the meetings is to review current year FY12 Forecast and the FY13 Plan. Final recommendations will be made to the Executive in February 2012 and to Board in April 2012.

Faculties and Administrative units are required to submit their completed PowerPoint template to the AVP Administration & Finance by noon on Tuesday, November 15th. Please submit your completed PowerPoint presentation to Christine.Simon@ubc.ca prior to the deadline. Ancillaries will be required to submit their completed PowerPoint presentation by noon on Wednesday, January 4th.

The information contained in the "Budget Review Template" is generated from planning data in Hyperion. Units should aim to review their budget template at least one week prior to submission.

After the Budget Review meetings, Faculties and Administrative Units can make further changes in FY13 Plan as long as the financial position approved by the Budget Review Committee stays the same.

Below is a high level overview of activities throughout the FY13 planning process:

September	• Budget Guidelines, PowerPoint templates, meeting schedules, and other data released to campus users • Data book will also be compiled and distributed at the end of September to aid in the completion of the templates • Various Hyperion training sessions will be available from mid to late September
October & November	• Faculties/Admin Units update FY12 Forecast and draft FY13 Plan in Hyperion • Open lab sessions will be available for those preparing the plan within Hyperion to bring questions and discuss concerns • Faculty and Administrative unit meetings with Budget Council mid-November
December	• Faculties and Administrative units update their Plan with information from the Budget Review meetings • Budget Office updates GPO Funding Allocation with information from Budget Council meetings
January	• Ancillary Unit meetings with Budget Council in early January • Central Finance prepares Capital Plan, Endowment Revenue, Related Org and University Wide revenues Plan • Plan 'locked' for Central Finance adjustments only
February	• Budget Office Consolidation entries • Executives review Plan and Budget Office makes necessary adjustments • Plan remains "locked" for Central Finance adjustment only
March	• Plan remains 'locked' pending approval
April	• Plan submitted to the Board for approval • Approved FY13 Plan becomes starting point for FY13 Forecast
May	• Approved carry-forward data is loaded to FY13 Forecast

What's New

In Hyperion, the FY13 Plan is currently available to be updated. It is recommended you do not start making significant changes until the beginning of October as that is when the new chart of accounts will be integrated into Hyperion. Accounts that are being inactivated as a result of the review will still be available in Hyperion, but will be read-only. Users will not be able to Plan in those accounts going forward.

For GPO, the current plan is populated with your 2011-12 recurring GPO funding and any of your 2012-13 one time or recurring transfers. For all funds, salary expenses from Position Management will be updated regularly per the scheduled updates.

This year there will be no system requirement to submit budgets for approval through Hyperion Workflow; however there is an expectation that Faculties and Administrative units will plan FY13 in Hyperion. Once Faculties and Administration units are satisfied with their revenue, funding, expenses and transfers, they can save their work instead of submitting the plan to their AVP or VP in Hyperion. Once we reach the Hyperion "locked" date in late January, the data will be considered updated and finalized.

Hyperion Planning Overview (FY13)

Accounts

Hyperion combines the numeric accounts (e.g. 681000) from the ALL_ACCOUNTS tree in FMS with the alpha accounts (e.g. SECPKG) which have been used for planning historically.

The plan data is required only at the summary level (alpha accounts); however, Faculties and Units can either plan at the alpha level (less detail) or numeric level (more detail).

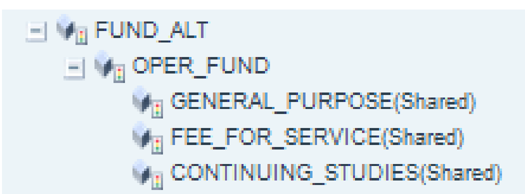
Not every account will apply to all departments. Some accounts, such as Deferred Capital Contributions, Endowment Revenue and Depreciation will be budgeted centrally; therefore these accounts are not available to units in Hyperion.

Please note that a simplified ALL_ACCOUNTS tree will be available in FMS early October. This tree will eliminate hundreds of existing accounts and add some new ones. Therefore we recommend not starting the FY13 Plan in Hyperion until the new tree takes affect in the beginning of October.

Funds

Hyperion includes planning for all funds that are part of the University's consolidated financial statements. Certain funds will be budgeted centrally: Capital, Research, Related Organization, Invested in Capital Assets and Interdepartmental Services. Units cannot access these funds in Hyperion.

The system also allows for the preparation of reports according to the University's new Operating Fund, which consists of General Purpose Fund, Fee for Services Fund and Continuing Studies Fund:



Entity

Hyperion includes all departments in the ALL_DEPTS tree in FMS.

PG

Hyperion includes all PGs in FMS.

Program Code

Hyperion includes all Program Codes in FMS. Users can choose to use Program Codes for planning purposes.

Planning Data

The table below provides an overview of what data will be pre-populated and what will be left blank by fund. Faculties and Administrative Units are required to forecast and plan for any of the fund types included in the table below unless otherwise stated.

Funds to be planned	Pre-populated data	Blank data fields	Comments
Ancillary	Salary data	Revenue Non-salary data	
Awards	Salary data	Revenue Non-salary data	
Capital	N/A	N/A	Major projects planned centrally; minor capital purchases planned by units on cash basis
Continuing Studies	Salary data	Revenue Non-salary data	
Endowment	Funding Allocation Salary data	Revenue Non-salary data	Planned spending allocation is based on information available in August 2011
Fee for Services	Salary data	Revenue Non-salary data	
General Purpose Operating	Funding Allocation Funding Transfers Salary data	Revenue Non-salary data	
Specific Purpose	Salary data	Revenue Non-salary data	

Planning Details by Type

As a general guideline, plan for all the revenue and expense accounts that are anticipated for FY13.

Revenue

Plan should be based on best estimates for FY13. Units can use FY12 forecast as reference.

Funding allocations (GPO & Endowment) will be pre-populated by the budget office for GPO, Recurring FY12 funding transfers and confirmed FY13 one-time and recurring funding transfers (via ALOGPO).

Units can use account ALOPLAN for planned transfers if they wish to make the real funding transfers later in FY13. ALOPLAN will be reflected as funding on the Budget Review Template. All ALOPLAN will have to balance to $0 at the consolidated level. ALOPLAN transfer forms can be submitted to frank.mueller@ubc.ca.

The ALOPLAN line will include a planning estimate for PTR, Merit, ISI, and Summer Tuition allocations if applicable. These estimates will be loaded by the Budget Office in early October.

Salary Costs

The University is currently negotiating with the Provincial Government on collective agreements, please refer to Human Resources website for up-to-date information.

As Merit and PTR funding allocations are provided within the GPO allocation, units are expected to incorporate these salary related expenses into their plans. As in prior years, units are expected to manage M&P progress to mid-point and BCGEU step increments within existing budgets. No new funding will be provided for these salary related expenses.

Users should review their existing positions in Workforce to ensure data has been accurately captured from Position Management. For detailed information on how the data flows from Position

Management to Workforce, please refer to Position Management website http://www.hr.ubc.ca/administrators/erecruit/position-management/.

Users are encouraged to make all changes within Position Management as there is no direct link from Hyperion back to Position Management.

Within the Plan, the numeric accounts for salary costs will reconcile to Position Management data and these fields will be read-only. Users can make high level adjustments to their future salary costs by using the **alpha** planning accounts (i.e.,SALFAC).

Benefits

Benefit percentages are defined within the Position Management system. These will be reflected in Hyperion automatically for existing positions. Benefits should be considered when planning for new positions and salary increases. Users can make high level adjustments to their future benefit costs by using the **alpha** planning account (BENEFT).

Non-Salary Expenses

For FY13 planning purposes, units should plan their non-salary expenses to align with their unit objectives for the fiscal year, reallocating current resources and identifying cost saving opportunities where possible. All accounts should be planned net of any cost recoveries.

Interfund Transfers

For FY13 planning purposes, interfund transfers can be made in **FundPlan.** The real interfund transfers will need to be made in FMS. Users can initiate **Transfers Out** only, proper communication is essential between initiating units and receiving units to ensure funding transferred as expected. All interfund transfers have to balance to $0 at the consolidated level.

Planning Details by Fund

General Purpose Operating

Funding

Faculty and administrative units should base their planning on a zero based bottom up approach. The only items that will be pre-populate in the Plan will be the recurring funding as well as specific fiscal allocations for items such as PTR, Merit, and ISI and Summer tuition, if applicable. Users can use their forecasted expenses in FY12 as a reference when building their Plan for FY13.

Planers cannot adjust the GPO Funding Allocation within the Hyperion application. Funding will be adjusted, if required, by the Budget Office following the budget review meetings.

Request for Funding

Units with new initiatives that require additional funding (one time or recurring) should make their requests at the budget review meetings. Units must be able to demonstrate that they have considered all current resources and re-allocations prior to asking for additional funding at the meetings. New requests will be reviewed and allocated in accordance with Place and Promise and the Okanagan Campus Strategic Action Plan. If approved, the Budget Office will update the funding allocations.

Units are expected to submit their planned expenses based on their best estimates for FY13 including all expenses related to new funding requests and funding transfers.

Revenues

Units should make their best estimate of externally generated revenues within GPO fund and budget within the appropriate revenue account line.

Fee for Service (FFS)

Plan should be based on the unit's best estimate of revenues and expenses for FY13.

Continuing Studies

Plan should be based on the unit's best estimate of revenues and expenses for FY13.

Endowment

Endowment spending allocation for FY13 is based on information available in August 2011. Actual spending allocations for FY13 will be based on the market values as of December 31, 2011 therefore there will be differences between the planned and actual spending allocation resulting from market value differences on those dates. If this results in a material change in the Endowment Spending Allocation the Budget Office may update the Plan accordingly.

Specific Purpose / Award

Budgets should be based on the unit's best estimate of revenues and expenses for FY13.

Ancillary

Ancillaries can use Hyperion to continue to update their forecast and build their plan for FY13. Further information regarding the templates and requirements for the budget meetings on January 6th will be sent out at a later date.

Research

Research funds will be planned at a consolidated level for the Faculty. Research award projections will be developed by RTA, VP Research and International, and the Budget Office. These projections will be reviewed by the Dean's Office of each Faculty and adjusted as appropriate.

Research overhead revenues will be reflected within the General Purpose Operating (GPO) Fund. Faculties and units should plan for discretionary activities within GPO. Units should budget for interfund transfers to research fund only where the overhead share is being allocated to an individual researcher for research purpose.

Capital

Capital funds will be planned centrally for major capital projects. Units will continue to plan minor capital purchases on a cash basis in their respective units.

Plan Check List

Below is a listing showing what users should do before submitting the plan for approval.

- Discuss with Dean/AVP on strategic direction of the unit
- Review unit's Position Management data and ensure no duplicates
- Update, add, or delete employees' positions to maintain Position Management data current
- Add all approved new positions within Position Management; add new positions that are not yet approved in Hyperion Workforce
- Review and update current year forecast data
- Review forecasted carry-forwards (if any)
- Plan FY13 revenue and expenses, including interfund transfers
- Accept pending interfund transfers and GPO funding transfers, if applicable
- Review Hyperion task list to ensure all planning items are covered
- Review Hyperion budget reports before submission

Forecast (FY12)

Units can continue updating their FY12 forecast in Hyperion. The FY12 Approved Plan is the starting point for FY12 Forecast. Actual data from FMS replaces Plan data monthly. For example, FY12 Forecast after August month end close will consist of actual data from April to August, plus forecast data from September to March.

To adjust Forecast data, units have the flexibility to either make high level adjustments by setting the PG dimension to “PG_Default”, or to make adjustments at each individual PG level.

Forecasted FY12 ending balance will flow to the FY13 Plan as forecasted carry forward. As Forecast data changes over time, it is recommended that units keep a snapshot of FY12 Forecast as the backup for the FY13 Plan that’s presented to the Budget Review Committee.

Questions?

Should you have any questions regarding the preparation of your forecast and plan, please contact:

- Curtis Morcom
  - Phone: 807-8103
  - Email: Curtis.Morcom@ubc.ca
- Frank Mueller
  - Phone 807-8726
  - Email: Frank.Mueller@ubc.ca

System related questions, please contact budget@finance.ubc.ca

Glossary

Plan	The Plan is the unit's best estimate of their operations for the upcoming fiscal year. The plan is prepared and approved before the beginning of the fiscal year.
Forecast	The Forecast is an updated estimate of the unit's operations for the current fiscal year. It keeps getting updated by actual data from FMS after month end close. Theoretically, on the first day of the year the Forecast is equal to the Plan and on the last day of the year the Forecast is equal to the Actuals.
FY12	Fiscal year 2011/12 - the current fiscal year
FY13	Fiscal year 2012/13 - the upcoming fiscal year
GPO Funding Allocation	This represents the unit's share of the University's GPO revenue.
Carry Forward	This is a surplus or deficit remaining from prior fiscal year. All carry forward surpluses require Board approval.
Forecasted Carry Forward	This represents the available surplus or the deficit projected for the end of the current fiscal year.
Operating Fund	It includes General Purpose Operating Fund, Fee for Service Fund, and Continuing Studies Fund.
Entity	An entity is an academic or operational unit that has defined planning responsibility. In Hyperion Planning system, an entity has a prefix with a "D", e.g. D321000.
Position Management	A Human Resources system which captures all employee data by position.
Workforce Planning	A series of forms in Hyperion specifically designed for the planning of salary and benefit expenses.