Office of Planning and Budget  
FY12 Quarterly Forecast Instructions

BACKGROUND  
Recent and continuing ABOR requirements for the provision of highly detailed budget and forecast information are driving the need for institution-wide strengthening of our budgeting and forecasting efforts. ABOR asks each university to submit a Quarterly Financial Status Update Report with information for the current year and comparative data for the previous year. With financial data, the report includes explanations for significant differences between projected results and original budget figures as well as explanations for differences between projected results and last year’s actual performance.

The ABOR report format includes the following revenue line items: state appropriations, tuition and fees, grants and contracts, financial aid grants, private gifts, Technology and Research Initiative Fund (TRIF), auxiliary revenues, and other revenues. Expense line items include salaries and wages, benefits, all other operating, scholarships and fellowships, depreciation, and interest on indebtedness. Due to the increasingly detailed reporting and oversight requirements, improving the accuracy of forecasts and capturing a greater level of financial detail are necessary.

The purpose of this quarterly exercise is fourfold:
1) To provide accurate forecasts of revenues and expenses by line item for the university
2) To gain a greater understanding of the differences between year-end forecasts and FY12 state and local budgets as entered in STAR
3) To understand differences between forecasts and FY11 actual financial results, and
4) To provide an opportunity to maintain up-to-date budget information in STAR in anticipation of the FY13 budget process.

In addition to quarterly reporting requirements, we are following an accelerated FY13 state and local budgeting process. The process began on February 6 and ends on April 20. The accelerated FY13 budgeting process uses FY12 projected ending fund balances as the beginning balances for FY13 budgeted accounts.

STAR Admin has developed a forecast input schedule that is similar to the schedule used for annual budgeting. Detailed instructions for using the schedule are included below.

DEADLINE
To complete the forecast in time to provide Financial Services with updated projections used to inform the March 31 ABOR Quarterly Financial Status Update Report, the deadline for STAR input is

Wednesday, April 11.

GUIDELINES
In general, forecasts should be updated to reflect your best estimate of revenues and expenses by line item for accounts within your area. Estimates should be based on actual year-to-date amounts plus projected activity for the remainder of the year. Guidelines for specific line items follow.
**B - Beginning Balance**
The beginning balance amount in the Year End Forecast has been pre-populated with actual beginning balances. Consequently, forecast changes are not allowed for this line.

**I - Transfers In**
The Transfers In/Out Input Schedule is not used for the forecast process. Consequently, it is not necessary to provide updated details regarding transfers in. Forecasts should reflect actual year-to-date transfer amounts plus anticipated transfers for the remainder of the year. If you anticipate receiving a transfer from another unit, please confirm the amount with the offsetting entity. Overall, transfers in and out for the university as a whole should not to zero.

**X - State Appropriations**
For state accounts, State Appropriations in the Year End Forecast column reflect budget changes made in Advantage through the previous month. As a result, forecast changes are not allowed for this line item. Future budget changes will be updated once transactions have been approved and processed in Advantage. During quarterly forecast periods, State Appropriations will be updated on a daily basis.

**T - Tuition and Fees**
This line item includes on-campus and online tuition, differential tuition, special program fees, special class fees, mandatory fees, and other student fees. Summer Sessions residuals are transferred to units by the Provost’s Office and should be included on the I - Transfers In line.

If tuition and fee revenue was budgeted at the object level, please enter updated forecasts at the same level. Please ensure that tuition and fee revenue not included in the budget, but occurring in actuals, is reflected in the forecast.

**G - Grants, Contracts and Gifts**
If revenue from grants, contracts and gifts was budgeted at the object level, please enter updated forecasts at the same level. Please ensure that revenue not included in the budget, but occurring in actuals, is reflected in the forecast. Private gift revenue from the ASU Foundation should be forecasted separately on the 539005 – ASU Foundation line in the Forecast Input Schedule.

**539005 - ASU Foundation**
This line enables the university to budget and forecast private gift revenue received from the ASU Foundation separately from other sources. Please ensure that revenue not included in the budget, but occurring in actual, is reflected in the forecast. If ASU Foundation revenue was included in the budget for other grants, contracts and gifts, please adjust the amount on the G – Grants, Contracts and Gifts line.

**J - Technology & Research Initiative Funds**
Technology and Research Initiative Fund revenue is derived from a percentage of state sales tax revenues. Forecasts for this revenue source are entered by the Office of Knowledge Enterprise Development and the Office of Planning and Budget. Other units should not enter forecasts for this line item.
S – Sales and Services
If sales and services revenue was budgeted at the object level, please enter updated forecasts at the same level. Please ensure that sales and services revenue not included in the budget, but occurring in actuals, is reflected in the forecast.

M – Miscellaneous and Other
If miscellaneous and other revenue was budgeted at the object level, please enter updated forecasts at the same level. Please ensure that miscellaneous and other revenue not included in the budget, but occurring in actuals, is reflected in the forecast.

H – Other Additions
This line item includes endowment and investment income posted to accounts. Please ensure that revenue not included in the budget, but occurring in actuals, is reflected in the forecast.

O – Transfers Out
The Transfers In/Out Input Schedule is not used for the forecast process. Consequently, it is not necessary to provide updated details regarding transfers out. Forecasts should reflect actual year-to-date transfer amounts plus anticipated transfers for the remainder of the year. For anticipated transfers to accounts within your area, please ensure the forecast includes corresponding transfers in. Overall, transfers in and out for the university as a whole should net to zero.

P – Personal Services
The Salary Input Schedule, which is used to budget personal services by position, is not used for the forecast process. Updated forecasts for personal services are entered by account using the Forecast Input Schedule.

The forecast for personal services should include salaries and wages paid to date plus estimated salaries and wages for the remainder of the year. As a result of vacancy savings, projected salaries and wages may differ significantly from budgeted amounts.

Year-to-date information compared to prior year experience may be helpful in projecting salaries and wages for the current year. Both the Monthly Year-end Forecast Report and the Monthly Budget Forecast Report (Entity) can be used to view actuals including encumbrances for personal services. These reports are discussed below in the “Pertinent STAR prep info” section.

E - Employee Related Expenses (ERE)
The Salary Input Schedule, which is used to budget ERE by position, is not used for the forecast process. Updated forecasts for ERE are entered by account using the Forecast Input Schedule. Expenses for TA/RA employee tuition benefits are entered on separate lines in the Forecast Input Schedule.

If forecast changes are made to personal services, changes should be made to ERE as well. Current ERE rates are follows: 30.7% for faculty, 40.0% for staff, 9.0% for RAs/TAs, 8.7% for non-benefits eligible positions, and 1.5% for student wages. To avoid detailed calculations by position, you may use the actual year-to-date ERE rate for the account to estimate ERE. This rate can be calculated by dividing actual ERE by actual personal services for the current year and then multiplying the resulting rate by personal services to arrive at a projected ERE figure. This approach assumes the mix of positions remains the same during the rest of the year. So, if you anticipate a change in position types, you will want to take this factor into consideration when developing your projection.
Local accounts were budgeted using preliminary ERE rates that were higher than approved rates. Depending on the amount of personal services, ERE forecasts can be updated using actual year-to-date rates for the account rather than detailed position calculations.

**720049/720048 – TA/RA Employee Tuition Benefit Flat**

Amounts for TA/RA employee tuition benefits should be projected on these lines. The current flat rate for RA/TA tuition remission is $13,000 per academic year for 0.5 full-time equivalent or greater positions.

**A – All Other Operating**

If all other operating expenses were budgeted at the object or expenditure code level, please enter updated forecasts at the same level. Expenses for utilities should be entered on the separate line in the Forecast Input Schedule. Forecasts for all other operating expenses should include debt service and lease/purchase payments that appear under “objects with no appropriation unit code.”

In many instances, actual operating expenses are less than budgeted amounts. So please ensure the forecast reflects an accurate assessment of projected expenses for this line item.

**7350 – Utilities**

Please insure that utilities not included in the budget, but occurring in actual, are reflected in the forecast. If utility expenses were included in the budget for all other operating, please adjust the amount on the A – All Other Operating line.

**790001 – Administrative Services Charge (ASC)**

The Forecast Input Schedule does not automatically calculate ASC. For material changes to personal services, ERE, utilities, and other operating expenses, please adjust the ASC forecast accordingly. The current ASC rate is 8.5% of applicable expenditures.

ASC allows local agency/orgs to share in the cost of university administrative services that benefit local agency/orgs. ASC is not charged to state accounts. Please see FIN 206: Administrative Services Charge for university policies regarding ASC.

**731012 – Risk Management Insurance Assessment**

The Risk Management Insurance Assessment distributes the cost of self-insurance provided by the State of Arizona to university activities. The Forecast Input Schedule does not automatically calculate the Risk Management Insurance Assessment. For material changes to personal services, please adjust the Risk Management Insurance Assessment accordingly. The current risk management rate, which applies to local accounts only, is 1.35% of personal services.

**731020 – Technology Fee**

The Forecast Input Schedule does not automatically calculate the Technology Fee (or network communications charge). For material changes to personal services, please adjust the Technology Fee accordingly. The current Technology Fee, which applies to both state and local accounts, is 1.2% of personal services.
D – Direct Cost of Sales
Typically, this line item is used by auxiliary activities to record the cost of goods purchased for resale to another party. This line item should not be used for state accounts.

F – Financial Aid
This line item includes grants and scholarships, stipends, and other student support paid on behalf of students for which services are not required. These kinds of expenses are not permitted on state accounts and therefore should not be included in the forecast for state accounts. If financial aid or student support expenses were included in the budget for all other operating, please adjust the amount on the A – All Other Operating line.

Pertinent STAR prep info
A useful tool for this forecast exercise is the STAR Monthly Year-end Forecast Report which summarizes by fund your unit’s:
- FY12 Original Budget
- FY12 Year End Forecast
- FY12 Year-to-Date Actuals
- FY11 and FY10 information
This report is found in STAR’s internal web report directory: Reporting & Analysis > Open an existing report > Company > FY12 Reports > Monthly Year-end Forecast Report

A helpful companion report to the Monthly Year-end Forecast Report is the Monthly Budget Forecast Report (Entity), which can be found in the same location. For the line item (or object) selected in the Current View, this report shows all accounts containing data for that line item. The columns in the report are the same as the Monthly Year-end Forecast Report.

User access
For third quarter forecasting, all users with budget input access into the Financial application also have write access for forecasting to accommodate budgeting requirements better. If data input write access for forecasting is desired for additional staff, then please let your OPB Analyst know (cc STAR Admin) who needs what access for forecasting.
STAR Forecast Input Schedule Instructions

In summary:
1) Use the Financial application to enter forecast changes. (The Salary application and Transfer worksheet are not used for the forecast process.)
2) Use the forecast input schedule for both State and Local accounts.
3) Do not forecast Sponsored accounts. Sponsored forecasts are entered by the Office of Planning and Budget at the university level.
4) Refresh the schedule after each time you send data (extremely important to remember).
5) You may forecast to move previously budgeted funds from a closed account.

Following is the procedure for making changes to your forecast. The process is similar to budget input:

Part 1: Open the Forecast Input Schedule
1. From the right-hand Action Pane menu links, under ‘Getting Started – BPC for Excel,’ click on ‘Data Input’.
2. Choose ‘Open an existing schedule.’
3. Click on the Forecast folder (The name of the folder may get cut off depending on your monitor resolution and it might say ‘Forecas’ – that’s okay).
4. Select the Forecast Input Schedule. It may take several seconds to open the schedule. Please be patient.
Part 2: Use the Input Schedule following the steps at the top of the worksheet:

<table>
<thead>
<tr>
<th>FY12 QUARTERLY FORECAST INPUT SCHEDULE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STEP 1:</strong> Double-click red Cell to Select an Account ---&gt; populated in your account in Entity in Current View and press Enter</td>
</tr>
<tr>
<td><strong>STEP 2:</strong> Click Button to Refresh ---&gt; Refresh</td>
</tr>
<tr>
<td><strong>STEP 3:</strong> Enter new dollar amount that you forecast into Column Y (light yellow cells for input)</td>
</tr>
<tr>
<td><strong>STEP 4:</strong> Click Button to Save/Send Forecast to Database ---&gt; Save Data</td>
</tr>
</tbody>
</table>

**Step 1: Populate the Input Schedule**

1. Select your Entity/Account: You can do this either by double-clicking on the Cell U28 (or by typing it in Entity in the Current View then pressing Enter).

**Step 2: Refresh**

1. After selecting your Entity, STAR will perform an initial refresh, but the first refresh is never a sure thing. Please refresh manually to be certain you have all of the data by clicking on the ‘Refresh’ Button. Please be patient. This can take a minute.

   (If you get a message for “Expand options” to “clear input”, just click OK. Sometimes you will and sometimes you won’t – it’s always OK.)

**Step 3: Enter Your Forecast Data**

1. Column X (the grey column) is already populated: Your forecast currently is equal to either your Original Budget or estimate previously entered into the database.
2. Enter any changes to the forecast in Column Y (the yellow column). Like budgeting, you do enter the entire dollar amount you would like to see in the forecast. For instance, if you had originally budgeted $450,000 into Personal Services, but now you think it will be $500,000, then enter $500,000 into cell Y56 (Expense P, yellow Column Y). Since this is not budgeting, you do not need to enter data in the Salary application or in the Transfers worksheet.

**Step 4: Save (Send) the Data**

1. Click the ‘Save Data’ button.
2. Just as with budgeting, send (and refresh) Active Worksheet. (Remember – workSHEET.)
3. This may take a minute. Please be patient.
4. Success! Your forecast has been sent. Click the ‘Refresh’ button at the top of the page again (Step 2) and you can see your updated forecast data in the gray column X.

**Note:**
Remember that whatever you enter into revenue or expense objects down below will get added into what’s above. So, if you see a number that’s not quite right in AOO, scroll down through the input schedule to see if you have data at multiple levels.

Need help?
For business purpose questions, please contact your unit’s OPB Liaison.
For STAR technical assistance, please contact STAR Admin at staradmin@asu.edu or 480-727-0669.