Presentation to
New Chairs, Heads, and Directors

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Humphrey Institute of Public Affairs
February 22, 2007
Fiscal Management from the Departmental Point of View
Fiscal Management Responsibilities

Day – to – Day
• Accounting (especially document processing)
• Payroll/HR
• Grants Administration

Management, Oversight, Planning
• Budgeting
• Management information
• Certified Approver
What is the Chair’s Role in Fiscal Management?
SCHMERDLY, THE DEPARTMENT CHAIR

... AS SEEN BY THE DEAN'S OFFICE

... AS SEEN BY HIS DEPARTMENT

... AS SEEN BY SCHMERDLY
Overview of a Department Budget

- Fund Accounting
- CUFS = College & University Financial System
- “Sources and Uses” Example
CUFS Account Structure

**Fund-**Area-Org

Fund: A 4-digit number that answers the question, “Where are the funds coming from?” It is the first four digits of an account string.

Examples: 1003 General Operations and Maintenance
1856 U of MN Foundation
CUFS Account Structure
Fund-Area-Org

Area: A 3-digit number that answers the question, “Who is responsible for these resources?” It is the second part of a CUFS account string.

Examples: 501 Art
331 Industrial Relations
CUFS Account Structure
Fund-Area-Org

Org: A 4-digit number that answers the question, “What project or program are these resources being used for?” It is the third part of a CUFS account string.

Examples: 1005 New Faculty Setups
3000 McMillan Travel
CUFS Account Structure
Fund-Area-Org

1043 - 452 - 1400, translated, means:

Indirect Cost Recovery funds in the department of American Indian Studies, used for faculty setups.
### Department of Alchemy

**Fiscal Year 2000 (1999-00)**

#### RESOURCES

<table>
<thead>
<tr>
<th>fund type</th>
<th>1003</th>
<th>1043</th>
<th>1198</th>
<th>1856</th>
<th>1898</th>
<th>totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>carryforward from previous year</td>
<td>$22,000</td>
<td>$(500)</td>
<td>$(16,000)</td>
<td>$27,000</td>
<td>$89,000</td>
<td>$121,500</td>
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<tr>
<td>state support (central allocation)</td>
<td>$950,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$950,000</td>
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<tr>
<td>transfers in</td>
<td>$75,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$75,000</td>
</tr>
<tr>
<td>donated funds</td>
<td>$-</td>
<td>$-</td>
<td>$60,000</td>
<td>$-</td>
<td>$-</td>
<td>$60,000</td>
</tr>
<tr>
<td>Donald Trump endowment</td>
<td>$-</td>
<td>$-</td>
<td>$165,000</td>
<td>$-</td>
<td>$-</td>
<td>$165,000</td>
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<tr>
<td>student lab fees, other misc.</td>
<td>$-</td>
<td>$-</td>
<td>$28,000</td>
<td>$-</td>
<td>$-</td>
<td>$28,000</td>
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<tr>
<td>ICR</td>
<td>$-</td>
<td>$12,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$12,000</td>
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<tr>
<td>TIP Interest on balances</td>
<td>$-</td>
<td>$-</td>
<td>$100</td>
<td>$200</td>
<td>$300</td>
<td>$600</td>
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<tr>
<td>TOTAL resources during Fy00</td>
<td>$1,025,000</td>
<td>$12,000</td>
<td>$28,000</td>
<td>$60,000</td>
<td>$165,000</td>
<td>$1,290,000</td>
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<tr>
<td>Total + carryforward</td>
<td>$1,047,000</td>
<td>$11,500</td>
<td>$12,000</td>
<td>$87,000</td>
<td>$254,000</td>
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#### USES

<table>
<thead>
<tr>
<th></th>
<th>1003</th>
<th>1043</th>
<th>1198</th>
<th>1856</th>
<th>1898</th>
<th>totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>academic salaries</td>
<td>$625,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$75,000</td>
<td>$700,000</td>
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<tr>
<td>academic fringe</td>
<td>$171,875</td>
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<td>$-</td>
<td>$-</td>
<td>$20,625</td>
<td>$192,500</td>
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<tr>
<td>grad assistant salaries</td>
<td>$70,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$18,000</td>
<td>$88,000</td>
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<tr>
<td>grad assistant fringe</td>
<td>$35,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$9,000</td>
<td>$44,000</td>
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<tr>
<td>staff salaries</td>
<td>$65,000</td>
<td>$4,000</td>
<td>$-</td>
<td>$-</td>
<td>$10,000</td>
<td>$79,000</td>
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<tr>
<td>staff fringe</td>
<td>$18,135</td>
<td>$900</td>
<td>$-</td>
<td>$-</td>
<td>$3,000</td>
<td>$22,035</td>
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<td>student aid</td>
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<td>$-</td>
<td>$-</td>
<td>$32,000</td>
<td>$-</td>
<td>$32,000</td>
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<tr>
<td>supplies &amp; printing</td>
<td>$12,000</td>
<td>$-</td>
<td>$1,000</td>
<td>$-</td>
<td>$-</td>
<td>$13,000</td>
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<tr>
<td>phone - local</td>
<td>$12,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$12,000</td>
</tr>
<tr>
<td>phone - long distance</td>
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<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$2,000</td>
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<td>travel</td>
<td>$5,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,500</td>
<td>$6,500</td>
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<td>computers</td>
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<td>$2,500</td>
<td>$6,500</td>
<td>$-</td>
<td>$-</td>
<td>$16,000</td>
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<tr>
<td>equipment</td>
<td>$4,000</td>
<td>$3,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$7,000</td>
</tr>
<tr>
<td>space rental &amp; other misc.</td>
<td>$8,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$8,000</td>
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<tr>
<td>transfers out</td>
<td>$3,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$3,000</td>
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<tr>
<td>TIP Interest charged on deficits</td>
<td>$-</td>
<td>$-</td>
<td>$400</td>
<td>$-</td>
<td>$-</td>
<td>$400</td>
</tr>
<tr>
<td>TOTAL USES</td>
<td>$1,038,010</td>
<td>$10,400</td>
<td>$7,900</td>
<td>$32,000</td>
<td>$137,125</td>
<td>$1,225,435</td>
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</table>

#### BALANCE

<table>
<thead>
<tr>
<th></th>
<th>1003</th>
<th>1043</th>
<th>1198</th>
<th>1856</th>
<th>1898</th>
<th>totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,990</td>
<td>$1,100</td>
<td>$4,100</td>
<td>$55,000</td>
<td>$116,875</td>
<td>$186,065</td>
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</tbody>
</table>
What to Expect from Your Financial Staff

• Regular reports on the status of departmental finances
• Projections for the next fiscal year
• Preparation of annual budget in the spring for the next fiscal year
• Assistance with locating and interpreting financial policies
• Knowledge of all departmental CUFS accounts and foundation fund accounts
• Pro-active approach in bringing issues of concern to your attention
• Avoid deficits, but be clear what resources are available
• Any sponsored project issues
Donated Funds

- U of MN Foundation
  - Demand
  - Quasi-endowment
  - Endowment
- Asset Management
  - Quasi-endowment
  - Endowment
- CUFS Accounts
- Stewardship Responsibilities
Grants Management

• Role of Department Head
• Role of Certified Approvers
Tools and Resources

• Financial Oversight Reports for Grants
  www.financial.reports.umn.edu

• Management Reports for Budgets, HR, Enrollment Data
  www.umreports.umn.edu

• Data
  www.irr.umn.edu
A Few Final Suggestions

• Build relationships
• Create a departmental fact sheet