



THE UNIVERSITY OF BRITISH COLUMBIA

2011/12 Forecasting and Planning Guidelines

Okanagan Campus



Table of Contents

Introduction	1
Building Your Plan	1
System Overview.....	1
Planning Process Overview	1
Plan Preparation Schedule Overview	2
Plan Preparation Deadlines	3
Hyperion Planning Overview	5
Forecast	6
Planning.....	7
Planning Details by Account Type	8
Planning Details by Fund.....	8
Other Planning Considerations.....	10
Check List.....	10
Submission.....	11
Assumptions	12
Questions?	12
Glossary.....	13

Introduction

UBC prepares annual budgets for submission to the Executive Committee, Board of Governors and government. With the introduction of **Oracle Hyperion Planning**, these budgets will now be prepared in the same system that units will be able to use for their own forward planning on an ongoing basis. For the purpose of this document, the 2011/12 (FY12) budget will be referred to as the Plan; 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 and Long Range Forecast;
3. To provide the Executive and Board with a consolidated view of the University's operations for the upcoming fiscal year; and
4. To meet provincial government reporting requirements, which include analysis of the consolidated fiscal and quarterly financial Plan, Forecast and Actuals.

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. If new funding is required to address new initiatives, the expenses should be included to facilitate discussion during the budget review meetings.

System Overview

UBC'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

From December 2010 to January 2011, meetings with the Budget Council will be set for Faculties, Administrative units and Ancillaries to review current year FY11 (2010/11) operations and the FY12 (2011/12) plan. Meeting dates and related requirements will be communicated by the AVP Administration and Finance office shortly. Final recommendations will be made to the Executive in February and to the Board in March.

Hyperion usually updates every month end close with information from the Actuals ledger, which replaces the forecast data entered for the month in question. In order to avoid figures in Hyperion changing in this way during the course of the budget process, the actual data for the months of October and November will not be updated to Hyperion until January 2011.

Units can continue to use Hyperion as a planning tool throughout the current fiscal year for the FY11 year, but FY12 data will be frozen after the budget is submitted until April 2011.

Plan Preparation Schedule Overview

Below is a high level overview of planning activities throughout the FY12 process

October	<ul style="list-style-type: none"> Plan is uploaded with preliminary data
November	<ul style="list-style-type: none"> Faculty and Administrative units update FY11 Forecast and draft FY12 Plan in Hyperion
December	<ul style="list-style-type: none"> Submission deadlines for Faculty and Administrative unit Plans Faculty and Administrative units meet with Budget Council Units update their Plan with information from the budget review meetings Budget Office updates GPO Funding Allocation with information from meetings RTA, VPR and Budget Office prepare Research Plan for approval by Faculties
January	<ul style="list-style-type: none"> Submission deadline for Ancillary Plans Ancillary unit meetings with Budget Council Central Finance prepares Capital Plan, Endowment Revenue, Related Org and University Wide revenues Plan Units to provide variance explanations for FY12 plan Budget Office Consolidates all funds (including Inv. in Cap Assets & Inter-Dept. Services)
February	<ul style="list-style-type: none"> Plan reviewed by Executive and Budget Office makes high level adjustments, if any Plan reviewed by Senate
March	<ul style="list-style-type: none"> Plan Approved by the Board Budget Office "Freezes" the Plan; this version remains fixed and available for variance analysis
April	<ul style="list-style-type: none"> FY12 Plan becomes starting point for FY12 Forecast
May	<ul style="list-style-type: none"> Approved carry forward data is loaded to FY12 Forecast

Plan Preparation Deadlines

The deadlines for the University's Consolidated Budget have been established for the FY12 planning cycle in order to allow for Executive review of operations in February and to submit a budget to the Board of Governors in March 2011.

For Faculties:

FUND	Departmental Plans Submitted	Faculty Plans Submitted	Provost Plans Submitted	VP Plans Submitted
Example	D624100 UBCO Nursing	Health & Social Development	Provost	DVC
Operating Fund (GPO, FFS, CS)	December 2	December 17	December 21	December 24
Specific Purpose	December 2	December 17	December 21	December 24
Endowment	December 2	December 17	December 21	December 24
Awards	December 2	December 17	December 21	December 24

Faculties will have budget review meetings with the Budget Council the week of December 6th and will be required to have their financial Forecast (FY11) and Plan (FY12) prepared for those meetings. Meeting dates and related requirements will be communicated by the AVP Administration and Finance office shortly.

The VP level planning submission deadline (December 24) is a firm date to allow sufficient time to prepare for Executive review and Board submission. It is important everyone complies with the deadlines outlined above because Plans cannot be promoted to each of the levels until the reviewer has received their entire portfolio. If one area is late it will cause a delay in the entire process.

Once units submit their plan, their FY12 data is frozen. FY11 data is not frozen and is available throughout the year for forecasting. Users are advised to print a hard copy or save a FY11 forecast and FY12 plan submission in excel. If changes are required based on the budget review meetings, the data will be re-activated and units can then adjust and resubmit their plans. Adjustments to the GPO Funding Allocation will be made centrally.

For Administrative Units:

FUND	Unit Plans Submitted	AVP Level Plans Submitted	VP Level Plans Submitted
Example	D632600 – UBCO Campus Security	AVP Finance & Admin	DVC
Operating Fund (GPO, FFS, CS)	December 2	December 17	December 24
Specific Purpose	December 2	December 17	December 24
Endowment	December 2	December 17	December 24
Awards	December 2	December 17	December 24
Ancillary		January 14	January 21

All Okanagan and select Vancouver Administration units will have budget review meetings with the Budget Council the week of December 6th and will be required to have their financial Forecast (FY11) and Plan (FY12) prepared for those meetings. Meeting dates and related requirements will be communicated by the AVP Administration and Finance office shortly. If you do not receive further communication your unit is not required to present at the budget review meetings.

The VP level planning submission deadline (December 24) is a firm date to allow sufficient time to prepare for Executive review and Board submission. It is important everyone complies with the deadlines outlined above because budgets cannot be promoted to each of the levels until the reviewer has received their entire portfolio. If one area is late it will cause a delay in the entire process.

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Hyperion Planning Overview

Accounts

In order to fulfill the University's reporting requirements, information is required at the alpha level only (e.g. SECPKG). This represents a summary view of the information, units have the flexibility to choose if they want to plan at the alpha account level (less detail) or at the FMS account level (more detail e.g. 681000). In order to fully utilize the tool for unit planning purposes on an ongoing basis, and to enable units to explain variances more accurately in the future, planning at the more detailed level may be more appropriate if this can be accomplished within the timeframe.

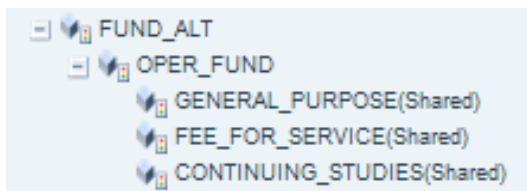
Hyperion combines the accounts from the ALL_ACCOUNTS tree in FMS (Financial Management System) with the alpha accounts which have been used for planning historically. This provides units with the flexibility to plan at a much more detailed level than in the past or to budget at a higher level where appropriate.

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

Funds

Hyperion includes planning for all funds that are part of the University's consolidated statements.

The system also allows for the preparation of reports according to the University's new Operating Fund:



Certain funds will be budgeted centrally: Capital, Research, Related Organization, Invested in Capital Assets and Interdepartmental Services. Units cannot access these funds in Hyperion.

Entity

Hyperion includes all departments included in the ALL_DEPTS tree in FMS.

PG

Hyperion includes all PGs found in FMS.

Program Code

Users can now use Program Codes for planning purposes. Hyperion includes all Program Codes that exist in FMS. Units who do not want to use Program Codes in Planning can select "PC_Default" member from the list of Program Codes and it will always be selected automatically.

Forecast

A Forecast folder exists within Hyperion. When planners first access the FY11 Forecast in November, the data from April to September (closed months) will be pre-populated with information from the Actuals ledger. Data from October to March are populated based on average of April to September. This is a starting point only: users will need to manipulate the open months' data to come up with their best estimate of FY11.

Planners can make high level adjustments to their Forecast by setting the PG dimension to "PG Default" rather than modifying the Forecast for each individual PG.

Once the Forecast is updated, the ending FY11 balance will flow to the Plan as a forecasted carry forward balance. Units should not adjust forecast data between the submission of the FY12 Plan for approval and submission of the budget review template to the Budget Council as this may cause an imbalance in the financial template between the closing carry forward in the Forecast and the opening carry forward in the Plan .

In January 2011, the months of October and November in the Forecast will be replaced with actual data. At that time, the FY11 forecast data which was used for the budget review will no longer be available. As Forecast data changes over time, it is advisable that units print a hard copy or save a version in excel prior to plan submission. This will create a history and enable unit to go back and analyze changes.

Planning

To ease the planning process, data has been pre-populated into numeric account fields of each unit's Plan. **Please note that this data is a starting point only and should be updated based on each unit's best estimate of the activities for the upcoming year.** Units also have the option to delete the preliminary data and start with a blank Plan (with the exception of salary information which is linked to the Position Management System). This data forms the starting point for your planning activities and it is based on the following:

Operating Fund (GPO, FFS, CS), Specific Purpose

Account Category	Basis
Revenues	Same as Forecast: Apr-Sep: FY11 Actuals data + Oct – Mar: average of Apr-Sep
GPO Funding Allocation – Okanagan Campus	Recurring Funding* + Merit and PTR allocations, if applicable + ISI and Summer tuition allocations, if applicable
Salaries & Benefits	Based on Position Management System
Non Salary and Benefit Expenses	Same as Forecast: Apr-Sep: FY11 Actuals data + Oct – Mar: average of Apr-Sep

* Funding may be adjusted based on review of Budget Council. When required, these adjustments will be made by the Budget Office; users will not be able to adjust the GPOF allocations. GPOF allocations will be based on the recurring allocation according to the October 31, 2010 Bolt-on details. Planners will not have the ability to move funding allocations within Hyperion.

Endowment Fund

Endowment non-salary expenses will be pre-populated for April to September with FY11 Actuals ledger data and for October to March with an average of FY11 April to September Actuals ledger data. Salaries & benefits data are pre-populated based on Position Management data. Users cannot change the END spending allocations.

Research Fund

Research plans are prepared at the Faculty level. Revenues are calculated by applying a conversion formula to grants data. Expenses are allocated to various alpha accounts based on historical Actuals ledger data.

Ancillaries

Ancillary non-salary expenses are pre-populated for April to September with FY11 Actuals ledger data and for October to March with an average of FY11 April to September Actuals ledger data. Salaries & benefits data are pre-populated based on Position Management data.

Awards

Non-salary expenses for the award plans are pre-populated for April to September with FY11 Actuals ledger data and for October to March with an average of FY11 April to September Actuals ledger data. Salary and benefit data are pre-populated based on Position Management system data.

Planning Details by Account Type

Salary Costs

For FY12 planning purpose, users should review their existing positions in Workforce Module to ensure that the correct employees are listed and that the salary expense details are correct. Hyperion is populated with hire data for full-time, non-pooled positions and position data for pooled or part-time positions (see Position Management training guidelines for more information).

Users are encouraged to make all changes to existing positions (filled and vacant) within Position Management as there is no direct link from Hyperion Planning back to Position Management System.

Within the plan, the numeric accounts for salary costs will reconcile to Position Management data and these fields will be read-only.

After reviewing existing employees, users can add a new position within the Workforce Module of Hyperion Planning. Alternatively, users can make high level adjustments to their future salary costs within the Plan by using the alpha planning accounts (SALFAC, SALSTF, SALSTD, BENEFT).

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.

Benefits

Benefit percentages are defined within the Position Management System. These will be carried over to the Hyperion Planning system automatically for existing positions. If users need to create a new position within Hyperion Planning, the benefit rate for the new position can be found on the [Planning Assumption Rates](#).

Non-Salary Expenses

For FY12 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. Non-salary expenses have been populated as mentioned previously. Users should conservatively review these amounts as not all expenses are recurring and the Plan should reflect anticipated expenses for FY12.

Planning Details by Fund

General Purpose Operating

Funding

Faculty and administrative units should base their planning on a zero based bottom up approach. Although a zero based model is being used; for convenience, the plan will be pre-populated with figures from the prior year for recurring funding along with specific fiscal allocations for items such as PTR, Merit, and ISI and Summer tuition, if applicable.

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. 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 FY12 including all expenses related to new funding requests and funding transfers.

GPO Funding Transfers

To preserve the pre-populated budget data and avoid confusion, there will be no further recurring budget transfers processed between units. However, recurring transfers within the same faculty/unit and any fiscal transfers between units are allowed after October month end.

Revenues

Starting 2010/11 units are allowed to budget revenues within GPO fund. For more information please refer to [Revenue in GPOF](#) Memo.

Fee for Service (FFS)

Units should not plan any items related to ISI in the FFS fund as these activities are now part of GPO. Carry forward ISI balances as at April 1, 2010 will remain within Fee for Service.

Continuing Studies

Plan should be based on the units' best estimate of revenues and expenses for FY12.

Endowment

Endowment spending allocation for FY12 is based on information available in August 2010. Actual spending allocations for FY12 will be based on the market values as of December 31, 2010 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 units' best estimate of revenues and expenses for FY12.

Ancillary

Effective FY12, ancillary units will use Hyperion Planning system to plan their operations. Hyperion Planning system has full functionalities to prepare a Plan for the Balance Sheet and Income statement. Units are requested to use these features in preparation for review meetings. Ancillary units should continue their long range plan by use of the Hyperion Planning Long Range Forecast module. Large ancillaries are expected, from time to time, to present their long range plan before the Board of Governors.

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.

Effective FY12, research overhead revenues will be reflected within the General Purpose Operating (GPO) Fund. Carry forward research overhead balances as at April 1, 2011 will remain within Research 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.

Other Planning Considerations

Interfund Transfers

Within the Fund Plan folder, Hyperion Planning allows interfund transfers between different funds. The system allows users to initiate transfer out only; so users must ensure proper communication to the other parties such that funding can be transferred in as they expect. Hyperion enables the interfund transfers by way of business rule. When the rule is run, it will automatically ensure that both sides of transfers are in balance. These details are necessary in order to reconcile the transfers to \$0 during the consolidation process. The transfer rule must be completed by an authorized user from the unit moving the funds 'out' and will be posted to both units' Plans once the receiving unit accepts the transferred funds. Interfund transfers are for planning purposes only; these funds will not be transferred in PeopleSoft FMS.

Cost Recoveries

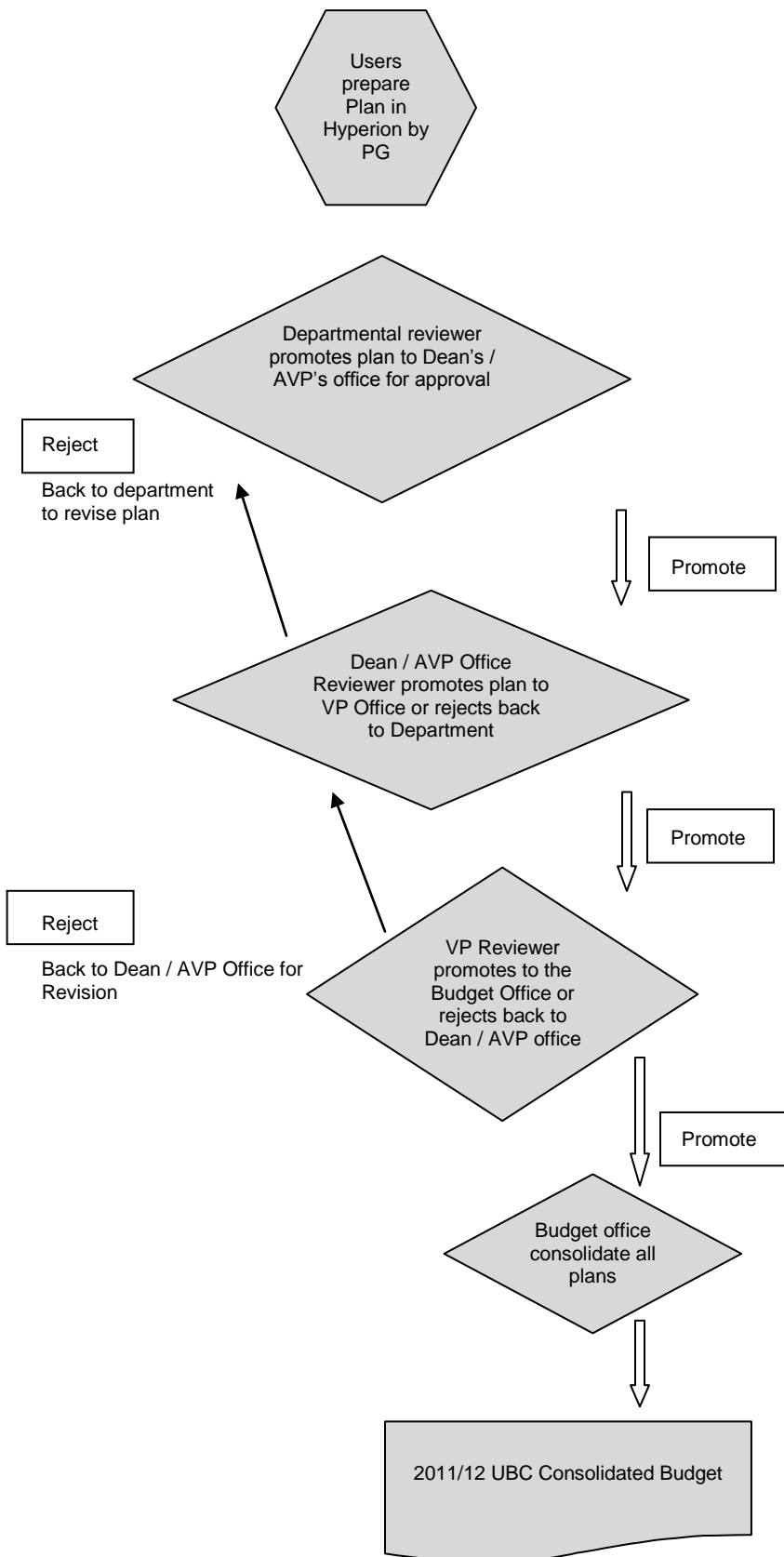
All costs should be budgeted against the DeptID / Fund / account category that you are anticipating they will be expensed to by fiscal year end. All accounts should be planned net of any cost recoveries. For example: If you normally charge courier costs to 123456 / G0000 / 12G34567 / 64xxxx and then re-allocate the courier expenses to other PGs prior to fiscal year end, you should not plan these expenses under 123456 / G0000 / 12G34567, but rather under the PGs where the costs will be expensed.

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 your unit.
- Review your unit's Position Management data.
- Are there duplicate positions within Position Management?
- Update, add, or delete positions as required to maintain Position Management. All vacant positions from current activities/funding should be added to Position Management.
- Include all approved new positions within Position Management. All non-approved new positions should be added Hyperion Workforce Module.
- Review current year data, is it going as per 2010/11 plan? Update the FY11 Forecast as required.
- Review forecasted carry forwards.
- Update FY12 plans, including, interfund transfers out.
- Accept pending interfund transfers in, if appropriate.
- Review Hyperion Basic mode's task list to ensure all planning items are covered.
- Request approvals.
- Review plan acceptance. If the plan is rejected, make changes as per approver's request.

Submission



Assumptions

Below is a list of Assumptions for FY12 plan:

- [Planning Assumption Rates](#)

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 the unit's 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. This includes actual data for the months that are already closed. 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; in the interim, our revisions are consistently improving our estimate of how the current year will end.
FY11	Fiscal year 2010/2011, the current fiscal year.
FY12	Fiscal year 2011/2012, the upcoming fiscal year.
GPO Funding Allocation	This represents the unit's allocation of the University's overall GPO revenue. GPO Funding allocations are loaded to the Central Ledger in PeopleSoft FMS and are represented in the Allocation column of nQuery Ledger Summary reports.
Endowment Spending Allocation	The Endowment Spending Allocation represents, the funding available to be spent in a given Endowment PG based on the University's Endowment Management Policy.
Carry Forward	A carry forward is a surplus or deficit remaining from prior year. All carry forward surpluses require Board approval.
Forecasted Carry Forward	A forecasted carry forward represents the available surplus or the deficit projected for the end of the current year.
Operating Fund	The Operating Fund is a combination of General Purpose, Fee for Service, and Continuing Studies funds.
Task List (Hyperion)	A listing of all outstanding items to complete the planning process. The task list may contain instructions, due dates, completed dates and alerts. Basic mode in Hyperion allows users to complete their Plan by navigating through the tasks.
PG	Project grant is used to track assets, liabilities, revenues, and expenses to a specific activity/grant/contract, for actual, planning and forecast transactions. A PG is from FMS system generally in the following format 12X12345.
Entity	It is the same as a Department from FMS system. In Hyperion Planning system, an entity has a prefix with a "D" e.g. D321000. An entity is any academic or other organizational unit that has defined fiscal, administrative and planning responsibility.
Position Management	A Human Resources system which captures all employee data by position.
Interfund Transfer	A transfer of amounts between two different funds.

**Workforce Planning
(Hyperion)**

A series of forms in Hyperion Planning specifically designed for the planning of salary and benefit expenses.

Central

Operations are managed by specific department on behalf of UBC. A central entity will start with "D9" or "D69".

**Web- Analysis
(Hyperion)**

A web-based analytical reporting tool that enables users to perform quick and ad hoc analysis by running reports from within the Hyperion Planning application.

**Financial Reporting
(Hyperion)**

A reporting tool that allows users to run highly-formatted financial and operational reports within the Hyperion Planning application.