

Guide to the Recurrent Budget Report (Financial Management Report)

THE AUSTRALIAN NATIONAL UNIVERSITY RECURRENT BUDGET REPORT							
	A	B	C	D	E	F	G
	Movement for Period	Budget	YTD Movement	Outstanding Encumbrances	Total C+D	Variance to Budget	% Total To Budget E/B
	\$	\$	\$	\$	\$	\$	%
Total Income							
Student Fees	0	626,922	0	0	0	(626,922)	0.00%
Other Income	1,103	0	1,855	0	1,855	1,855	0.00%
Internal Sales	0	0	0	0	0	0	0.00%
Internal Allocations	0	0	0	0	0	0	0.00%
Operating Grant	0	4,300,000	4,300,000	0	4,300,000	0	100.00%
Investment Income	0	0	0	0	0	0	0.00%
Total Income	1,103	4,926,922	4,301,855	0	4,301,855	(625,067)	81.06%
Total Expenditure							
Salaries & Related Costs	220,411	3,080,471	446,668	2,170,438	2,617,106	463,365	84.96%
Equipment - Capital	59,374	0	59,374	359,489	418,863	(418,863)	0.00%
Equipment - Non-Capital	25,098	60,000	25,098	4,161	29,259	30,741	48.76%
Scholars Expenses	0	0	0	0	0	0	0.00%
Other Expenses	357,654	2,222,352	359,386	25,475	384,861	1,837,491	17.32%
Travel Field and Survey Expen	0	0	0	0	0	0	0.00%
Expendable Research Materials	11,395	0	11,395	0	11,395	(11,395)	0.00%
Contingency	0	0	0	0	0	0	0.00%
Total Expenditure	673,932	5,362,823	901,921	2,559,562	3,461,483	1,901,339	55.61%
Current Year Operating Result	(\$672,828)	(\$435,901)	\$3,399,934	(\$2,559,562)	\$840,372	(\$2,526,406)	
Transfers Inflow/ (Outflow)							
Transfer from other	0	380,235	0	0	0	(380,235)	0.00%
Transfers to other	0	0	0	0	0	0	0.00%
Transfers Inflow/ (Outflow)	0	380,235	0	0	0	(380,235)	
Net Current Year Operating Result	(\$672,828)	(\$55,666)	\$3,399,934	(\$2,559,562)	\$840,372	(\$2,906,641)	
Prior Year Cash Result	0	0	0	0	0		
Net Operating Position	(\$672,828)	(\$55,666)	\$3,399,934	(\$2,559,562)	\$840,372	(\$2,906,641)	

Movement for the current period of reporting as recorded in ESP Financials.

Budget Recorded in ESP Financials (FINAL SCENARIO)

Movement for the year to date as recorded in ESP Financials.

Encumbrances (Commitments) recorded in ESP Financials Eg. Payroll, Purchase Orders.

Percentage of total income budgeted for the year which has been received.

+Ve variance indicates that more income has been received than budgeted. (AVAILABLE FUNDS)
-Ve variance indicates income still to be received. (UNAVAILABLE FUNDS)

Percentage of total expenditure budgeted for the year which has been absorbed by actuals + commitments.

+ve variance indicates that the expenditure incurred has been less than budgeted. (AVAILABLE FUNDS)
-Ve variance indicates that the expenditure & commitments incurred have exceeded the budgeted figure. (UNAVAILABLE FUNDS)

= NET FUNDS AVAILABLE to bring you back to a zero cash position, AS AT PERIOD END DATE

= NET FUNDS AVAILABLE to bring you back to your budgeted position, AS AT PERIOD END DATE

Note: This report is from the Peoplesoft General Ledger system, via People Tools - nVision statements (FMR Report W/out Payroll Costing).

What is it?

This report provides guidance on how much money a budget area has earned and spent (in the Recurrent Ledger) compared to budget for a specific time period. Your Finance Team will be able to answer questions, and provide further details, but it is important that you understand this report so you know what questions to ask.

Need more details?

Expand the Report

If you are reviewing a Recurrent Budget Report (Financial Management Report) in Excel, you will notice some "+" signs in margins of the report. If you click on the "+" sign the top margin, you can view the movements for prior periods as well as the current period. If you click on any of the "+" signs on the left hand margin you can view the totals by account

Transaction Downloads

Your finance team can generate transaction downloads to provide even more details of the transactions that make up the report. There is also a "Transactions" worksheet included in the Excel Workbook for the report that lists all transactions for the current period.

Payroll Info

The report can be run with payroll, which will provide you with a report summarising all the transactions (by employee) that make up the salaries costs. This is a useful tool to check whether the right employees are being charged to the right department.

How much money is left?

The **Net Current Year Operating Result** in the **Total** column indicates the funds available to be expended for the remainder of the year (excluding any the prior year cash result). Note a positive value means a surplus or underspend, a negative means a deficit or overspend. The **Net Operating Position** indicates the funds available to be expended for the remainder of the year, taking into account any cash carry forward or carried forward deficit. Note these figures take into account:

- expenditure incurred up to the date of the report
- **encumbrances** recorded in the Finance system (an **encumbrance** is a provision for an expenditure that will be incurred in the future. The finance system automatically records encumbrances for the salary expenses to be incurred for the remainder of the year as a result of employing staff currently on the ANU HR system).

Cash Carry Forwards

Prior year cash result is often referred to as the "cash carry forward", is the surplus (or deficit) left over from the previous year. If your budget area spends more than it earns in the current year it will draw down on (or decrease) the cash result that will be carried forward to next year. If your budget area spends less than it earns in the current year it will increase the cash result that will be carried forward to next year, this is a way for "saving" to fund large purchases anticipated for future years.

About Expenditure

Salaries and related costs: Note that "on-costs" (such as payroll tax, superannuation, workers compensation, etc) are included in this category. On-costs rates are significant (eg. approx 29% of salary costs).

Equipment non-capital: Non capital equipment is equipment costing less than \$5000.

Capital equipment: Capital equipment is equipment costing more than \$5000.

Contingency: A contingency is a provision made in a budget for unanticipated expenditure that may be incurred during the current year. If a contingency is spent down during the year the expenditure will be reflected against the relevant expenditure item (eg. salaries, equipment etc.) and not the "contingency" line. Provisions for expenses in future years should be budgeted for through increasing cash carry forwards and not contingencies.

Not sure where to start?

Some issues you might want to look at:

- A negative value against a income or expense line in the **YTD Movement** column is atypical and may require further investigation. (eg. A negative income value indicates money going out rather than money coming in)
- If it is anticipated that income or expenditure is likely to be earned or incurred evenly throughout the year, you would expect the value in the **% Total to Budget** column to be close to the % of the year elapsed (remember ANU's financial year is the calendar year). Where these percentages differ widely (and in particular the **% Total to Budget** is significantly greater than the % of the year elapsed), and this difference cannot be attributed to timing, the possibility of a potential budget overrun should be investigated.
- Given the system automatically calculates salary encumbrances (ie. the cost of employing the staff on your books for the remainder of the year), the **% Spend to Budget** should be pretty close to 100%. Where this is not the case, further investigation may be required, especially if the **% Spend to Budget** is greater than 100%, which may indicate the potential for a budget overrun. It is worth noting the salary encumbrances will not automatically take into account staff you have not yet employed or casual staffing costs.
- **Transfers to Other** are lump sum transfers of funding from one ANU budget area to fund expenditure that will be paid for by another ANU budget area. Your Finance team will be able to provide more details.

About Income

Student fees: are brought to the ledger by way of a journal entries processed by the Division of Registrar and Student Services twice every year (towards the end of each semester). As the first student fee entry is not processed until the end of semester one, F&BS process a provisional income estimate at the beginning of the year to assist you with reporting up until the time when the actual journal is processed (at which time the provisional journal is reversed).

Operating Grant: At the College level, the YTD movement should equal the budget, as this amount does not change during the year.

Internal Allocations: Income allocated (usually by the Office of the Vice Chancellor), through mechanisms other than the operating grant (eg, financial support from the Development Fund)

Note your Finance Team Contact here: _____