

# Budgeting and Forecasting Procedure

## Section 1 - Purpose and Scope

(1) This Procedure outlines the budgeting and forecasting process that contributes to The University of Queensland's (UQ) preparation of its annual budget.

(2) This Procedure supports and should be read in conjunction with UQ's [Financial Planning and Budgeting Policy](#), and applies to all UQ staff involved in the financial budgeting and forecasting process. Additional detailed information about the UQ budgeting and forecasting process is available from the [Finance and Business Services website](#).

### Context

#### Budget

(3) UQ's budget is an estimate of revenue and expenditure for all activities of UQ. Once the budget has been approved and finalised it remains fixed for the period.

#### Forecast

(4) A forecast is a revision of the budget and is undertaken bi-annually at UQ as part of the Mid-Year Review and the Full Year Review.

#### Timeframes

(5) UQ's financial year is based on a calendar year. UQ's budget and forecast periods (including the indicative timeframes for budget submissions and review meetings) are outlined in section 3.

## Section 2 - Process and Key Controls

(6) UQ's operating budget is prepared through submissions from Faculties, Institutes and Central Portfolios (FICs). Submissions are compared to modelling prepared by Financial Planning and Analysis and Corporate Finance, which incorporates known modelled revenue streams (including Commonwealth Supported Places, Tuition Fees and Research Block Grants), known expenditure and trend analysis for other revenue and expenditure categories.

(7) The budgeting and forecasting process requires that each FIC portfolio must make a Full Year Review and Mid-Year Review budget and forecast submission.

- a. The submission must be in the format outlined in UQ's [budget guidelines](#) and be loaded into UQ's financial reporting system Reportal using the [Budget and Forecast Workbook](#).

(8) Full Year Review and Mid-Year Review meetings are to be held to enable each FIC to review their budget and forecast with the Provost and Chief Financial Officer.

(9) Management Accountants, Senior Management Accountants and Professional Services Team (PSt) must undertake the required training specified in this Procedure.

(10) UQ's annual budget is approved by Senate. Only under exceptional circumstances will a budget (Faculty, Institute or Central Portfolio) be approved to be changed and this approval must be by the Provost and/or the Chief Financial Officer. These changes must remain within the Senate approved budget. Any changes to the UQ Budget must be resubmitted to Senate for approval.

## Section 3 - Key Requirements

### Budget and Forecast Workbook

(11) The Budget and Forecast Workbook is the tool used to load budget and forecast submissions into UQ's financial reporting system Reportal. The workbook must cover the budget period and be configured to enable the budget and forecast to be completed in accordance with UQ's budget guidelines. Detailed instructions on how to use the workbook are available from the [Finance and Business Services website](#).

### Budget and Forecast Submissions

(12) Budget and forecast submissions are required at school/division level to enable a consolidated FIC submission. Submissions are made within local FIC dates and on the basis of guidelines/requirements provided by the PSt Finance Manager.

(13) Budget and forecast submissions must incorporate the following information:

#### Commentary

(14) Submissions must include a written commentary addressing items as listed in UQ's [budget guidelines](#). Commentary must contextualise the Mid-Year Review and Full Year Review meeting reports (refer to 'Review Meeting Reports' provisions below).

#### Contribution Model

(15) The Contribution Model shows the allocation of student load income (Commonwealth Supported Places and Tuition Fee) and Research Block Grant income to FIC level, and FIC contribution to the central funding pool.

- a. The model must be prepared to school level to assist FICs with allocating to school/division level.
- b. FICs are not required to distribute to schools per the Contribution Model and may apply their own allocation method.
- c. FICs must reconcile to the Contribution Model at FIC level by account.

#### Load Modelling

(16) Commonwealth Supported Places and Tuition Fee income must be produced via a rigorous method of substantiation with the best estimates of the future based on the best available information at the time (e.g. understanding of drivers, course profiles, UQ Strategy). The tool used for this is the 'load model' prepared and managed by UQ's Planning and Business Intelligence Unit.

(17) The load model must reflect:

- a. UQ's course offerings;
- b. local area input;
- c. executive level input (e.g. high level and strategic guidance).

## Staff Plan

(18) Budget and forecast salary estimates must be substantiated. All salary costs must be entered into the 'Staff Plan' tab of the Budget and Forecast Workbook to enable variance analysis via the Reportal (staff variance report) and analysis of full-time equivalent staff numbers.

(19) The Staff Plan must be prepared in accordance with [Budgeting and Forecasting Workbook](#).

## Fund Groups

(20) FIC portfolios must prepare budgets to activity level (i.e. Fund Groups), as outlined in UQ's budget guidelines.

## Chart Strings

(21) Budgeting and forecasting must be to chart string level. If a chart string has an actual it must have a budget (if within the budget submission timeframe) and/or a forecast (if outside the budget submission timeframe).

## Research Projects

(22) Budgeting and forecasting for individual research projects is mandatory. The following requirements apply:

- a. Individual projects must be budgeted and forecast at chart string level to facilitate reporting via MyBalance.
- b. Within a year, where the budget submission date has passed (and the budget cannot be changed), only forecasting is required.
- c. A forecast/plan must be established for all new projects prior to expenditure being incurred.
- d. Forecasts at project level must be for the income of the project and 'known expenditure commitments'.
- e. Where expenditure for a project is expected, but not a firm commitment, this is to be shown as a 'project' level expense by forecasting at project 999999 rather than the specific project.
- f. Forecasts must be copied to 'Plan' as directed by the Chief Investigator.
- g. Chief Investigators must advise Management Accountants to update the forecast/plan as soon as they are aware of material changes.

(23) Detailed guidance about completing this information in the Budget and Forecast Workbook is available in the MyBalance Workbook guides ([MyBalance Training for Management Accountants](#)).

## Central Allocation

(24) The Provost will manage the process to call for requests for funding for central areas in addition to their current base budget.

- a. The form and timing of this request will be determined by the Provost.
- b. This is to occur prior to the budget review meeting. If this is not finalised in time for the budget review meetings the Provost or Chief Financial Officer must provide direction to central areas regarding how to budget for any additional requests.

(25) The Provost will advise the central allocation by portfolio.

## Review Meetings

### Mid-Year Review

(26) Mid-Year Review meetings are held with the Provost, Chief Financial Officer and the Faculty Executive Dean, Institute Director or Central Portfolio Director (as applicable), supported by the Finance PSt Finance Manager. Review

meetings are held to enable discussions on how the FIC portfolios are tracking against budget and enable any issues to be identified and solutions implemented in a timely manner.

- a. The timing of the review is after the first semester census date. This is the first point that confirmed student numbers are available.
- b. The review analyses year-to-date actuals against budget year-to-date and how the revised forecast for the current year compares against budget.
- c. Review submission requirements are outlined in the 'Budget and Forecast Submissions' provisions above and in UQ's [budget guidelines](#).
- d. The outcome of the review will be documented as:
  - i. No change required.
  - ii. Monitoring – an improvement is required by the next review meeting.
  - iii. Changes required – the FIC must submit a revised forecast in line with the agreed result.

### **Full Year Review and Annual Budget**

(27) Full Year and Annual Budget Review meetings are held with the Provost, Chief Financial Officer and the Faculty Executive Dean, Institute Director or Central Portfolio Director (as applicable), supported by the Finance PSt Finance Manager. Review meetings are held to enable discussions on the FIC's expected end of year result and budget for the next 3 years.

- a. Indicative timeframes for UQ budget submissions and review meetings are outlined in the 'UQ Budget Submission Timeframes' provisions below.
- b. Review submission requirements are outlined in the 'Budget and Forecast Submissions' provisions above and in UQ's [budget guidelines](#).
- c. The submission covers the current year and 3 future years. The approved budget is for the next year only.
- d. The focus of the review meeting is on the following year's budget. Year 2 and 3 of the submission is to guide the future direction of the unit.
- e. The outcome of the review will be documented as:
  - i. No change required.
  - ii. Monitoring – an improvement is required by the next review meeting.
  - iii. Changes required – the FIC must submit a revised forecast and/or budget in line with the agreed result for the current year (revise forecast) or approved budget (revise budget).
- f. Any changes required from the review meeting must be finalised within 2 weeks after the review meeting. Submissions will inform the Budget Paper which must be submitted to the November Senate Finance Committee meeting.

### **Review Meeting Reports**

(28) The reports to present at review meetings are outlined in UQ's [budget guidelines](#). Review meeting reports must be published on the Reportal and satisfy the requirements as outlined in UQ's budget guidelines.

### **UQ Budget Submission Timeframes**

(29) The following tables outline indicative timeframes for budget submissions and review meetings. Confirmed dates are published in the UQ budget guidelines.

### **Mid-Year Review**

Submission Date	Review Meeting
May 15 Business days after April month end	2 week period after submission

## Full Year Review and Budget

Unit	Submission Date	Review Meeting
Central	September 15 working days after August month end	2 week period after submission
Institutes	October 5 working days after September month end	1 week period after submission
Faculties	October 15 working days after September month end	2 week period after submission

## Training Requirements

(30) Staff involved in the budgeting and forecasting process are required to undertake the training outlined below. Staff that do not regularly use the Budget and Forecast Workbook or the Management Reporting Framework are advised to complete the relevant training annually.

Course	Management of Accountants	Senior Management Accountants	Finance Managers
Chart of Accounts: Overview of Guidance	X	X	X
Budgeting and Forecasting: An Overview	X	X	X
Budgeting and Forecasting: Workbook Level 1	X	X	X
Budgeting and Forecasting: Workbook Level 2	X	X	
Budgeting and Forecasting: Workbook Update Functions	X	X	
Management Reporting Framework – Level 1	X	X	
Management Reporting Framework – Level 2	X	X	X
Management Reporting Framework – Intro for Managers			X

# Section 4 - Roles, Responsibilities and Accountabilities

## Senate Finance Committee

(31) Senate Finance Committee is responsible for the following:

- ensuring the UQ Budget is prepared in accordance with the [University of Queensland Act 1998](#); and
- reviewing and approving the UQ Budget.

## Provost

(32) The Provost is responsible for:

- chairing Mid-Year Review and Full Year Review meetings;

- b. approving FIC Budget; and
- c. approving any changes to the budget and forecast process (e.g. changes to Contribution Model).

## **Chief Financial Officer**

(33) The Chief Financial Officer is responsible for facilitating and supporting UQ's budgeting and forecasting process by providing the following:

- a. the framework for the budget and forecast review submissions;
- b. technical advice and recommendations to the Provost;
- c. confirmation to FICs of their approved budget;
- d. advice to Executive Deans / Institute Directors / Divisional Heads on strategies to reduce financial impact of unforeseen events; and
- e. guidance to the Provost on the derived budget position in light of differences between 'bottom up' and 'top down' submissions.

## **Financial Planning and Analysis**

(34) The Financial Planning and Analysis Unit, within the Finance and Business Services Division, is responsible for supporting the Chief Financial Officer throughout UQ's budgeting and forecasting process, including undertaking the following:

- a. meeting regularly with PSt Finance Managers to discuss the financial performance of the FIC they service; and
- b. managing the administrative and system processes of the UQ Budget process to enable a submission to be prepared and submitted by the FIC for review and approval.

## **Corporate Finance**

(35) Corporate Finance is responsible for preparing UQ's:

- a. 'top down' budget submission and working with Financial Planning and Analysis to derive a budget number in light of any differences between the 'bottom up' and 'top down' budget submissions; and
- b. capital expenditure forecast in conjunction with Property and Facilities Division.

## **Executive Deans / Institute Directors / Divisional Heads**

(36) Executive Deans / Institute Directors / Divisional Heads are responsible for:

- a. approving their Organisational Unit's load model numbers and budget and forecast submission; and
- b. implementing the approved budget and strategies to address their Organisational Unit's financial position arising from events that result in a worsening financial position.

## **Professional Services Team (PSt) Finance Managers**

(37) Professional Services Teams (PSt) are responsible for servicing the FIC through advice and technical transposing/completion of the budget and forecast. PSt Finance Managers are responsible for:

- a. co-ordinating, reviewing and contributing to the preparation of the budget and forecast submission;
- b. submitting the budget and forecast submission to the Chief Financial Officer using UQ's financial reporting system;
- c. providing advice and direction to Senior Management Accountants on requirements for budget and forecast

submissions;

- d. managing FIC completion of the load model (refer to 'Load Modelling' provisions above);
- e. providing technical advice to the Executive Dean and Executive Officer (or Institute and Central equivalent);
- f. reconciling or amending FIC numbers to the agreed numbers from review meetings; and
- g. providing a monthly variance analysis to the Chief Financial Officer.

## **Senior Management Accountants**

(38) Senior Management Accountants are responsible for:

- a. preparing the budget and forecast submission for the school/division in partnership with the client group and with guidance from the PSt Finance Manager;
- b. completing the Budget and Forecast Workbook and loading required data into the finance/reporting system by the dates advised by the PSt Finance Manager;
- c. submitting the school/division's budget and forecast submission to the PSt Finance Manager;
- d. on a quarterly basis, reviewing chart strings that have actuals but no forecasts and:
  - i. if actuals were coded in error – journaling the transactions to the correct chart string; or
  - ii. if the chart string is correct – updating the forecast.

## **Management Accountants**

(39) Management Accountants are responsible for:

- a. preparing research project level budgets and forecasts;
- b. updating the Plan for Chief Investigators as required;
- c. loading the Budget and Forecast Workbook into the Finance/Reporting system by dates advised by the Senior Management Accountant or the PSt Finance Manager; and
- d. meeting with Chief Investigators on a regular basis to ensure Plans and forecast are based on the latest available information.

## **Chief Investigators**

(40) Chief Investigators are responsible for providing data to Management Accountants to enable Plans and forecasts to be prepared, and advising Management Accountants of any material revisions to Plans immediately a variation becomes known.

## **Planning and Business Intelligence Unit**

(41) The Planning and Business Intelligence Unit is responsible for the following:

- a. building and maintaining the load model and the system hardware for loading budgets and forecasts;
- b. managing the load model process;
- c. building reports based on the load model as requested by FICs;
- d. working collaboratively with the Financial Planning and Analysis Unit throughout the budgeting and forecasting process; and
- e. providing technical input regarding the preparation of review meeting reports.

## **Contract and Grants Accounting**

(42) Contract and Grants Accounting is responsible for providing to PSt Finance staff quarterly income reports of

income projections recorded in the Grants/Project module of Unifi.

## Section 5 - Monitoring, Review and Assurance

(43) Financial Planning and Analysis is responsible for administering UQ's budgeting and forecasting via the systems and processes outlined in this Procedure. Financial Planning and Analysis will monitor and assess compliance with this Procedure via a range of mechanisms, including checking that:

- a. checking that all FICs have completed a submission;
- b. checking that schools and divisions have loaded their budgets and forecasts;
- c. checking that all chart strings have a forecast as a minimum; and
- d. validating that submissions agree to the approvals/confirmation letters issued by the Provost and Chief Financial Officer.

## Section 6 - Recording and Reporting

(44) UQ's budgeting and forecasting data will be recorded in the Budget and Forecast Workbook and reported in UQ's financial reporting system by the due date. PSt Finance Managers are responsible for saving a copy of the final workbook for each submission on the UQ central directory (to be advised in the guidelines).

(45) Financial Planning and Analysis will report to the Chief Financial Officer:

- a. FICs that have not submitted within the due date have information that remains outstanding; and
- b. FICs that have submitted contrary to this Procedure or UQ's budget guidelines.

## Section 7 - Appendix

### Reference Guides

(46) Further information for staff managing the budgeting and forecasting process is available from the [Finance and Business Services website](#).



## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	10th March 2021
<b>Review Date</b>	10th March 2026
<b>Approval Authority</b>	Chief Financial Officer
<b>Approval Date</b>	10th March 2021
<b>Expiry Date</b>	Not Applicable
<b>Policy Owner</b>	Gail Jukes Chief Financial Officer
<b>Enquiries Contact</b>	Finance and Business Services