Guidance on ... budgets available to Academic Departments that are outside their main core cost centres

Introduction

The majority of expenditure that is funded from budget provided by the University (via Faculties) is recorded in Core Cost Centres grouped under the long established 3 letter departmental abbreviation code. For example, “CIV” for Civil and Structural Engineering. Users of either the Budget Usage Report or Cost Centre-Actual/Plan/Commitments Report can therefore obtain an overall departmental core budget and expenditure report by entering their 3 letter departmental abbreviation code in the selection field “Funds Center” for Budget Usage or “Cost Center Group” for the Actual/Plan/Commitments Report.

However, departments do also have made available to them other sums of University budget that are derived from processes outside the Resource Allocation process. In order to ensure that it is clear that these sums of budget do not directly relate to core income that the department must generate, the cost centres that these budgets are held in are NOT grouped under the 3 letter departmental abbreviation code as described above. For example, awards of budget made under the Academic Development Committee Biddable equipment fund are held in a separate group of cost centres so that they can be tracked and monitored separately from mainstream academic departmental budget. This also ensures that the calculation of Prior Year Adjustment is not distorted by any under/over use of these separate budget sums.

Below is a list of the areas of budget that can be made available to Academic Departments, their abbreviation code for input when running uBASE reports and some notes on how these budgets are allocated and must be used.

ADC Biddable Equipment Fund – Abbreviation code “SHEBEQU”

These are awards made from the Academic Development Committee (no longer in operation since Faculty Structure in place) to support items of academic departmental equipment expenditure that could not be funded from their annual budget. Cost Centre descriptions should reveal the nature of the bid and allowable expenditure but, if required, more information is available from Andrew Isaac in Planning & Governance Services. Budgets can only be used in relation to expenditure outlined in the original bid and any under use of the originally awarded budget is not available for departments to use on other initiatives. It is expected that most cost centres in this area will be closed by 31 July 2010 as the funds are not available in perpetuity. Any overspend against a budget awarded in this area must be cleared by the appropriate sum of expenditure being moved by journal transfer to another funding source (usually a core cost centre).
Vice Chancellor Start Up Packages for named Academic Staff – Abbreviation code “VCOVCA”

These are sums of budget awarded/made available directly via negotiated agreement with the current or previous Vice Chancellor. The budgets are usually for start-up costs and can include studentships, consumables, travel and occasionally staff posts. Equipment costs are not usually covered in start up packages as these are covered in the category below. The budget figure is set according to the written agreement specified and/or the Finance Department’s assessment of the appropriate sum for the cost of a studentship or a staff post. Although many of these awards do not have a time period specified in which they must be used, it is clearly inappropriate for a “Start up package” to still be unspent, say, three years after the initial award date or appointment date of the academic who negotiated the sum with the VC. The intention is not for any unused budget to be available in perpetuity and hence departments should help in the timely use and/or closure of these cost centres. Any overspend against a budget awarded in this area must be cleared by the appropriate sum of expenditure being moved by journal transfer to another funding source (usually a core cost centre). Any queries in relation to these cost centres should be directed to the appropriate Faculty Finance Manager or Assistant Finance Manager.

Vice Chancellor Professorial Equipment Fund – Abbreviation code “VCOPEREQ”

These are also sums of budget awarded/made available directly via negotiated agreement with the current or previous Vice Chancellor. The budgets are intended only for Equipment costs. The budget figure is set according to the written agreement specified. Although there is not usually a future date specified by when the sum must be used, it would be unusual for a bid for an item or items of equipment to still be unspent, say, three years after the initial award date or appointment date of the academic who negotiated the sum with the VC. The intention is not for any unused budget to be available in perpetuity or for other non-equipment items and hence departments should help in the timely use and/or closure of these cost centres. Any overspend against a budget awarded in this area must be cleared by the appropriate sum of expenditure being moved by journal transfer to another funding source (usually a core cost centre). Any queries in relation to these cost centres should be directed to the appropriate Faculty Finance Manager or Assistant Finance Manager.

PGR Enhanced Fees – Abbreviation code “SHEENHFEE”

Following the agreement a number of years ago to return to Academic Departments a budget sum equivalent to 100% of the Enhanced Fee element of PGR Tuition Fees, these cost centres were established to record the budget and necessarily incurred and related expenditure. Under the main abbreviation code “SHEENHFEE” there are abbreviations for the Academic Departments who generate PGR Enhanced Fee income. For example, “CIVENHFEE” for Civil and Structural Engineering. Some Departments then have sub cost centre structures for each year’s cohorts and even cost centres for individual students. Departments should be actively using these cost centres to record the expenditure in relation to the enhanced fee and it is not the intention for any unused budget for cohorts or students that have left the University to be available in perpetuity or to be transferred to other cost centres. Hence departments should help in the timely use and/or closure of these cost centres. Any overspend against a budget awarded in this area must be cleared by the appropriate sum of expenditure being moved by journal transfer to another funding source (usually a core cost centre). Any queries in relation to these cost centres should be directed to the Cross Faculty Accounting team.
Pay and Reward Research Fund (Former GE07) – Abbreviation code “SHEPRRES”

These cost centres were created in order to record the University funding provided to Academic Departments to help them mitigate any unrecoverable costs when the revised pay structure for staff was implemented and this (in many cases) increased the employment costs of people funded from research grants and contracts accounts. There is no sub structure under the main abbreviation code and each department simply has a single cost centre in their name. The original budget sum made available for each department was derived from a calculation made by Research Finance colleagues of the anticipated unrecoverable cost on a number of research projects that they had active at the time the new pay structure was implemented. Research Finance colleagues are therefore monitoring when those accounts reach their project end date and how much (if any) of the mitigation budget held in the cost centre is needed in order to balance the research project to £0. Once the whole portfolio of those affected research accounts have been closed, it was previously agreed that the budget remaining in these cost centres would be made available to the department. This should be done by viring the residual budget into the core area rather than charging expenditure that does not relate to the new grading structure to these (former GE07) cost centres. Hence departments should help Research Finance colleagues in the timely use and/or closure of these cost centres. Any general queries in relation to these cost centres should be sent to Alex Hanson in the Research Finance team.

Research Committee Projects – Abbreviation code “RSGCOMM”

These cost centres hold sums of budget awarded by the Research Committee for specific projects. The cost centre description reveals the Academic Department 3 letter abbreviation then the name of the person in receipt of the award. Project budgets can span over financial years and colleagues in the Research Finance team monitor these cost centres to report to Research Committee on progress with anticipated expenditure. Hence departments should help in the timely use and/or closure of these cost centres. Any overspend against a budget awarded in this area must be cleared by the appropriate sum of expenditure being moved by journal transfer to another funding source (usually a core cost centre). Any queries in relation to these cost centres should be directed to Alex Hanson or Jean Bingham in the Research Finance team.

Curriculum Development Fund – Abbreviation code “CDF”

These cost centres hold sums of budget awarded by the Teaching and Learning Committee for curriculum development activities. There is a sub structure under the main abbreviation code “CDF” for allocations made in 2006/07, 2007/08, 2008/09 and pre 2006/07. In each of the more recent years, the CDF activities are then further split by sub programmes such as “Learning and Teaching Development Grants” or “Senate Awards”. Departments can then see in the cost centre description the surname of the award recipient. Any queries in relation to the timeframe for using these awards should be sent to Louise Woodcock in LeTS and questions about the budgets or balances should be directed to either Artemis Kapranos or Julie Marples.