

SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

WPG #7a: Incorporate University-wide financial analysis, not just Appropriated and Income Funds, so it includes the following major fund groups (est. 45% of budget):

- Grants & Contracts – 14.9% of FY24 Budget
- Indirect Cost Recovery - <1% of FY24 Budget
- Revenue Bond Operations – 14.1% of FY24 Budget
- Self-Supporting Activities – 15.7% of FY24 Budget

WPG #7b: Financial reporting should be monthly and comprehensive, providing a statement of financial position, statement of activities, budget-to-actual, financial projections/forecast along with narrative highlights. Incorporate KPIs that drive and measure fiscal performance to help make fiscal reporting more understanding.

WPG #19: Simplify the budget forecast process.

Recommendation (7a, 7b, and 19): Beginning with the 2Q25 forecast, the University Budget Office has implemented Total Budget forecasting. The workgroup acknowledges the importance of simplifying the budget forecasting process, while ensuring that the data remains accurate and timely to support effective institutional decision-making.

The following recommendations are made for the University Budget Office to enhance and streamline the forecasting process:

- In conjunction with WPG #28, develop monthly financial forecasts and reporting for all accounts within the Power BI data dashboard currently under development.
- Continuously refine processes, reports, and key metrics to enhance the accuracy of financial reporting. Reports, metrics, and KPIs shared with administration should be driven by factors that impact the university's overall financial position.
- Conduct variance analysis by comparing forecast submissions to prior-year actuals and previous forecasts, identifying unexpected increases or decreases, and driving deeper analysis and explanation.
- Provide actionable recommendations to improve the financial outlook, highlighting areas of concern and achievement.
- Publish forecasts and reports on the financial data dashboard for easy access and transparency.

SOUTHERN ILLINOIS UNIVERSITY

EDWARDSVILLE

- Enhance communication with campus budget directors to ensure clarity and alignment.
- Offer targeted training, including individualized, small group, and large group sessions, on new systems and financial reporting initiatives.
- Refine the forecast reports presented to the Chancellor's Council, focusing on key metrics for decision-making, such as net tuition revenue, net change, cash position, and other critical data that highlight both strengths and areas of concern.
- Request only the necessary data from campus budget directors to develop high-level metrics and key performance indicators.

This streamlined approach will improve efficiency by eliminating the passing Excel spreadsheets between the University Budget Office and campus budget directors, while also improving the accuracy of forecasts providing more reliable year-end projections across all fund groups.

WPG #38a: Budget analysis should be performed monthly so that Chancellor, Chancellor's Cabinet, and the Board can make informed decisions that potentially prevent significant budget deficits. Monthly reporting may better enable managing revenue and spending trends for appropriate strategic adjustments.

Recommendation: The committee agrees that more frequent communication can improve current budget reporting and help mitigate budget deficits. The workgroup recommends that the University Budget Office review the Summary Funds Available Report, starting at the Vice Chancellor level, e.g., Academic Affairs, and drill down to the School/College level, e.g., College of Arts and Sciences. The review will include budget to actual comparison of overall adherence to budget. Any budget overages will be highlighted and sent to the appropriate VC Budget Director for an explanation and a plan to correct the overage. Corrective actions may include but are not limited to: reducing spending in other units within their control to cover the overage; providing evidence of anticipated budget transfers in; providing historical trend analysis of anticipated revenues to offset the spending deficit.

By performing this analysis monthly, the University Budget Office and Budget Directors in VC areas should be able to identify repeat over-spenders and the rationale. It may be that certain units are systemically underfunded whereby a change to the base budget might be

SOUTHERN ILLINOIS UNIVERSITY

EDWARDSVILLE

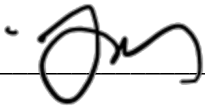
recommended to the Chancellor. The analysis may also uncover that some units budget more accurately at the School/College level than at the department level. As SIUE moves toward more accurate and timely budget reporting, the expectation is that the budget will be accurate and adhered to at all levels.

WPG #38b: Analysis provided at the Vice Chancellor level for review does not provide detailed information for leaders to drive corrective actions within the departments.

Recommendation: The workgroup recommends that the University Budget Office communicate expectations that each VC Budget Director will further distribute the report (see #38a) to the School/College level for additional explanation and plans for corrective action. Additionally, it is recommended that the School/College level drills down to the department level and requests similar information from fiscal officers of individual accounts.

Distributing and reviewing these reports monthly creates increased accountability for units and fiscal officers in managing their budget. It is recommended that the University Budget Office and the appropriate VC Budget Director meet with departments that regularly overspend. Consequences for repeat over spenders may include: suspension of PCards in the unit; removal of fiscal officer authority in the unit and moving it to the School/College level or relevant Vice Chancellor for higher levels of scrutiny on spending; holding of SPA requests until plans to bring spending in line with budget have been demonstrated.

The financial data dashboard (see #9, 16, and 28) under development is also a significant effort to improve access to information at the leadership level. Improvements in access to relevant, timely data will drive the ability to make corrective actions.



WPG #7a, 7b, 19, 38a, 38b

Approved: James T. Minor, Chancellor

March 26, 2025

Date