



Memo

To: Directors and Department Heads
Budget and Finance Managers

From: Robert Eaton, Director, Budget, Planning & Analysis, Central Budget Office

CC: Michael P. White, Vice President for Finance, Chief Financial Officer
Tim Fater, Associate Vice President for Financial Strategy and Planning
Maureen Moran, Director, Gifts and Endowments

Date: September 29, 2023

Subject: FY24 Fall Forecast Guidance and Review of EN & GFT Balances

Thank you for your continued partnership as we begin the FY24 Fall Forecast period. Adaptive Planning will open from **Monday, October 2nd through Friday, November 3rd** for departments to develop your FY 2024 Fall Forecast. Please reference this memo to help assist with the development of your forecast.

The Office of Financial Planning and Strategy (OFSP) will be hosting a **[Budget Open Forum via Zoom on Thursday, October 5th from 1-2 PM.](#)** The Open Forum will be an opportunity to review the Technology Request guidance that was distributed on Thursday, September 28. OIT representatives will join us to review, discuss and answer questions. OFSP will review the FY24/FY25 Financial Planning Timeline, FY24 Fall Forecast Guidance, and Preliminary FY25 Budget Guidance. While this Open Forum is primarily intended for budget and financial managers at the local level, we have extended the invitation as optional to senior staff, including deans and vice presidents.

In advance, please see the below key dates and deadlines for planning purposes:

September 2023	October 2023	November 2023	Dec. 2023 - January 2024	February 2024	March – May 2024
<ul style="list-style-type: none"> 9/28: FY25 Technology Request Process Guidance Issued (#1) 9/29: FY24 Fall Forecast Guidance Issued (#2) 	<ul style="list-style-type: none"> 10/2: Adaptive Opens for FY24 Fall Forecast 10/5: Open Forum <ul style="list-style-type: none"> FY24/25 Financial Planning Timeline FY24 Fall Forecast Preliminary FY25 Budget Guidance (incl. Technology Requests) 10/25: FY25 Technology Requests Due (OIT) 	<ul style="list-style-type: none"> 11/3: Adaptive Closes for FY24 Fall Forecast <ul style="list-style-type: none"> EN & GFT balance responses due to Maureen Moran 11/21: FY25 Budget Guidance Issued (#3) 11/29: Open Forum <ul style="list-style-type: none"> FY25 Budget Guidance 	<ul style="list-style-type: none"> 12/8: Adaptive Opens for FY25 Budget & FY24 Winter Forecast 12/11: URC votes on FY25 tuition and salary pools 	<ul style="list-style-type: none"> 2/9: Corporation votes on FY25 tuition and salary pools 2/16: Adaptive Closes for FY25 Budget <ul style="list-style-type: none"> FY25 Budget and FY24 Winter Forecasts due, including Budget Narratives 	<ul style="list-style-type: none"> March/April: Budget Review Meetings with Provost and EVP May: URC and Corporation Review & Approval of FY25 Budget

* Dates are subject to change

Endowment & Spendable Gift Balance - Action Plan Submissions

New to the Fall Forecast period, departments with significant unspent restricted gift and endowment fund balances will be asked to develop action plans on how this available funding will be utilized in the current fiscal year or over the next two to three years. Maureen Moran, Director, Gifts and Endowments, will be contacting departments individually to provide a list of funds that meet this criteria. She will collaborate with departments to review gift purpose terms and develop appropriate plans for fully utilizing balances. **Input will be due to Maureen by the end of the Fall Forecast period on Friday, November 3, 2023.**

The “first-dollar principle” guides us to spend restricted funding first before available unrestricted funding. It is important to utilize these resources for stewardship purposes. Gifts and endowments were generously given and exist in support of priorities that advance academic excellence, increase access to a Brown education, and fund research expansion and campus growth. The first-dollar principle allows us to more carefully manage unrestricted resources, which in turn provides departments and the University more financial flexibility.

Departments are asked to no longer use the generic worktags in Adaptive (Endowment (generic) and Spendable Gift (generic)) for the FY24 Fall Forecast and to include assumptions at specific worktag level. This will help in understanding how balances will be utilized.

Maureen is available for gift and endowment support any time of the year, particularly during the budget process. Please feel free to reach out to Maureen directly at Maureen_moran@brown.edu.

FY24 Fall Forecast Guidance

The Fall Forecast is critical to help ensure personnel and operating projections and information are accurate. OFSP utilizes this information to inform the university-wide consolidated forecast presented to senior leadership and the Brown Corporation. It is important that we continue to closely monitor year-to-date financial results and project future fiscal conditions to guide decision-making and limit surprises compared to the approved FY 2024 budget. This information is also valuable as it will seed FY 2025 budget values in Adaptive.

- Any proposed adjustments and known changes to your approved FY 2024 budget should be captured through the FY 2024 forecast process. Proposed and material forecast changes should be communicated to your OFSP budget liaison or financial analyst. Ultimately, we will refer to three primary financial markers: the budget, forecast, and year-to-date actuals. Comparing expected and unexpected variances between these markers will support our financial planning and reporting.
- FY 2024 forecasts should be developed by reviewing FY 2024 budgets and year-to-date actuals, adjusting pre-populated amounts as necessary to reflect expected annual revenue and expenses. Materiality should be considered in evaluating and developing your current forecast. Adaptive users should run budget reports from Adaptive using the version “FY24 Fall Forecast (Working).”
- Forecasts should include all funds and should plan for maximizing the use of restricted funding sources whenever possible. Endowments and spendable gifts should be projected at the worktag level and not use the generic worktag. Please utilize the “Endowment Income Report” and “Spendable Gift Report” in Workday to provide updated yields and available balances with these restricted funds. The “other revenue” sheet should include restricted revenue forecasts that equal the restricted expense forecasts.
- Compensation forecasts should be completed at the position level and should reflect expected actual spending.

- o All compensation sheets must be reviewed for accuracy.
- o Regular and fixed-term positions should be planned using the annual salary on the salary sheet, driving the budget/forecast using the Effective Start and Effective End dates on the salary sheets.
- o Faculty and staff salary sheets have been updated to reflect FY 2024 salaries for filled positions as of 8/31/2023. Departments should review and adjust salaries with “Effective Start” and “Effective End” dates to reflect the period the position is expected to be filled. You should include any assumptions for position(s) that were/or are expected to be vacant for any period during the fiscal year.
- o Positions filled or approved by the Staff Hiring Committee that were not included in the FY 2024 budget submission will need to be added manually by departments. Positions need to be added to the salary sheet (using the full year salary and corresponding Effective Start and Effective End Dates) as well as adding to allocation sheets.
- o FY 2024 merit and equity pools have been removed globally with the assumption that these funds were fully utilized during the annual salary increase process. Departments should zero-base budgets to reflect any unspent amounts from these pooled amounts that they expect to spend in the fiscal year.
- Regarding vacancy savings, please reference the [Staff Compensation Vacancy Savings Policy](#) when determining if temporary or permanent salary savings are available to repurpose.
- Revenue forecasts should reflect any anticipated changes including those related to updated enrollment projections or program/service changes.

OFSP will load department’s forecasts into Workday by mid-November and departments will be notified shortly thereafter.

Adaptive Planning System Enhancements & Training

- New to the Fall Forecast period, OFSP has worked to consolidate the number of sheets in Adaptive Planning.
 - o Sheets that have been consolidated and will no longer be available for inputs, however, they will be available for reporting data prior to the FY24 Forecast. The sheets that were consolidated include: Supplies & General, Purchased Services, Internal Services, Internal Transfers, Travel, Events, Sponsored & Departmental Research, Capital, Property, and Plant.
 - o Travel & Events - data for these sheets has been converted to the same format as data under "Other Expenses." It's important to note that we will no longer have the option to budget at the higher level as in the past. You will need to create individual lines for each spend category. Trips, for example, would not be on a single line as before. The description field can be used to categorize the data based on your needs.
- Reports have been configured to allow multi-select options within parameters. For additional information, please refer to the Workday Adaptive Planning User Guide - Version 4.0.
- Adaptive will be available to financial managers who have completed Adaptive training beginning the week of October 2, 2023. To request Adaptive training for new or existing users, please complete the [Adaptive Planning Training Request](#).
- Attached to this guidance are two (2) reference documents:
 - o “Workday Adaptive Planning User Guide - Version 4.0”
 - o “List of Adaptive Planning Reports” that have been updated to support the FY 2024 forecast process. Please note that FY 2025 budget values will currently show as \$0 on reports as this version of Adaptive is currently not available.

Please reference the OFSP [website](#) for more information on the FY 2024 forecast and FY 2025 budget development process and deadlines.

Thank you in advance for your continued support and partnership. As always, OFSP is available to work with you and your financial manager(s) to support the development of your forecast(s). Please reach out to your financial analyst or budget liaison if you need additional assistance. For a list of budget contacts, please visit our [website](#).