

Report Overview

Funds Center Summary for a Funds Center Group (Monthly E-Mail)

Each month a report is sent to users who are department heads (e.g. deans, chairs, directors) listing all funds centers that are a part of the department (funds center group), regardless of who is primarily responsible for each funds center. The report lists all funds centers for the group and a summarized budget to actual comparison.

The following is an example of the report:

Funds Center		User ID	Responsible Person		Budget	Actual or Committed	Variance (minus sign is bad)	% of Budget Spent or Received
4005XXX01	Department #1	40XXJIM	Smith, J	Uses	\$ 30,000.00	\$ 10,000.00	\$ 20,000.00	33.3 %
4005XXX02	Department #2	40XXJIM	Smith, J	Uses	\$ 30,000.00	\$ 32,000.00	-\$ 2,000.00	106.7 %
4012XXX01	Designated #1	40XXSAM	Jones, S	Uses	-\$ 7,000.00	-\$ 3,000.00	-\$ 4,000.00	42.9 %
				Uses	\$ 4,000.00	\$ 1,500.00	\$ 2,500.00	37.5 %
4012XXX02	Designated #2	40XXJANE	Brown, J	Sources	-\$ 15,000.00	-\$ 17,000.00	\$ 2,000.00	113.3 %
				Uses	\$ 15,000.00	\$ 16,000.00	-\$ 1,000.00	106.7 %

The funds center number and name appear in the first two columns. The person primarily responsible for the funds center appears in the user ID and Responsible person columns. The next column indicates whether Uses (expenses and transfers-out), or Sources (revenues and transfers-in) are being reported.

The amount columns display the budget, actual or commitments (i.e. open orders), a variance to the budget amount, and the percentage of budget spent or received (in the case of sources). All amounts are for the indicated fiscal year as of the date the report was run.

Let's review the examples on the report, in order to better understand the balances and the calculations of Variance and Percent of Budget.

Department #1 – Spending is within budget

Funds Center		User ID	Responsible Person		Budget	Actual or Committed	Variance (minus sign is bad)	% of Budget Spent or Received
4005XXX01	Department #1	40XXJIM	Smith, J	Uses	\$ 30,000.00	\$ 10,000.00	\$ 20,000.00	33.3 %

Department #1 is showing a \$30,000 uses budget with only \$10,000 spent. That means the variance of \$20,000 is how much budget is available to be spent. The 10,000 spent is 33% of the budget for Department #1.

Department #2 – Spending is over budget

Funds Center		User ID	Responsible Person		Budget	Actual or Committed	Variance (minus sign is bad)	% of Budget Spent or Received
4005XXX02	Department #2	40XXJIM	Smith, J	Uses	\$ 30,000.00	\$ 32,000.00	-\$ 2,000.00	106.7 %

Department #2 is showing a \$30,000 uses budget; however, in this case \$32,000 has been used. The variance of -\$2,000 is unfavorable (spending is over the budget). The 32,000 spent is 106.7% of the budget for Department #2.

Designated #1 – both a sources and a uses budget

Funds Center		User ID	Responsible Person		Budget	Actual or Committed	Variance (minus sign is bad)	% of Budget Spent or Received
4012XXX01	Designated #1	40XSAM	Jones, S	Uses	-\$ 7,000.00	-\$ 3,000.00	-\$ 4,000.00	42.9 %
				Uses	\$ 4,000.00	\$ 1,500.00	\$ 2,500.00	37.5 %

Designated funds center #1 is showing both a sources and a uses budget. Designated funds will have a revenue source and/or transfers to fund the expenses of the funds center. In this case the expected sources are \$7,000.

Why do the budget and actual amounts for sources show up as a negative? This is an unfortunate and often times confusing aspect of many accounting systems. In the case of sources, the negative indicator really means a credit. Credits are good; therefore, the -\$7,000 in the budget column, and the -\$3,000 in the actual column indicate expected sources and actual sources, respectively.

A negative in the variance column is always unfavorable. The variance column has been set up so that a negative amount is always an unfavorable situation, no matter if it's a source or a use. The sources variance of -\$4,000, means that there is still \$4,000 to be received. The \$3,000 received so far is 42.9% of the expected sources (budget). This could be because it is early in the year and revenues will eventually be received, or it may be that the revenues expected from operations are less than expected. If revenues appear to be falling short of expectations, you should take steps to reduce expenditures or take other corrective measures.

Designated #2 – sources are favorable, uses are unfavorable

Funds Center		User ID	Responsible Person		Budget	Actual or Committed	Variance (minus sign is bad)	% of Budget Spent or Received
4012XXX02	Designated #2	40XJANE	Brown, J	Sources	-\$ 15,000.00	-\$ 17,000.00	\$ 2,000.00	113.3 %
				Uses	\$ 15,000.00	\$ 16,000.00	-\$ 1,000.00	106.7 %

Designated funds center #2 is showing a favorable sources variance, with an unfavorable uses variance. While the funds center is over budget for uses, more sources were received than expected. The overall picture of this funds center is favorable because the positive \$2,000 sources variance is greater than the \$1,000 negative uses variance.

Frequently Asked Questions:

Why do some funds centers only have a uses row and others only have a sources row? The report will only present information with actual balances. For example, if a funds center has only a uses budget, a sources row will not be printed.

Why is a funds center missing from the report? It could be that the funds center does not have balances in the current year. This could happen early in the year, or with grants or designated funds that have been closed at the end of the previous year. It could also mean that the funds center has been assigned (in the system) to another group. There are web reports to show the assignment of funds centers, or you can contact the accounting office to verify the assignment.

Can the grants be removed from the report? One purpose of the report is make sure there are no surprises due to “hidden” or “lost” funds centers. Though you may not have oversight responsibly for grants in your department, other department heads may have this responsibility, or may have an interest in the grants. In order to ensure that all funds centers are accounted for the designated and restricted funds centers must remain on the report.

Can the report to be sent to my secretary? Department heads must remain as recipients, but other recipients may be added to the report. This report may be sent to any other employee of IUP. To add or remove recipients to the report send an e-mail to Randall.LeBlanc@iup.edu requesting the change. Please remember to request a recipient to be removed when staff changes occur.

How can I see the report more frequently with more detail? The regular SAP system is always available for online reporting. There is also a [web based report system](#) which has a variety of reports that can be customized by the user. Please note that while this e-mailed report is intended to provide a regular overview of balances, **it is not intended to be a replacement** for the information available in either the regular SAP system or the web based reports.

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