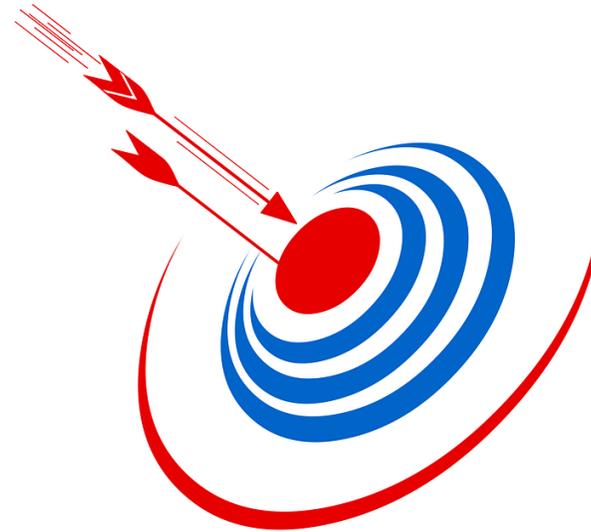# Updating Controlling (CO) Plans for Operating Budgets

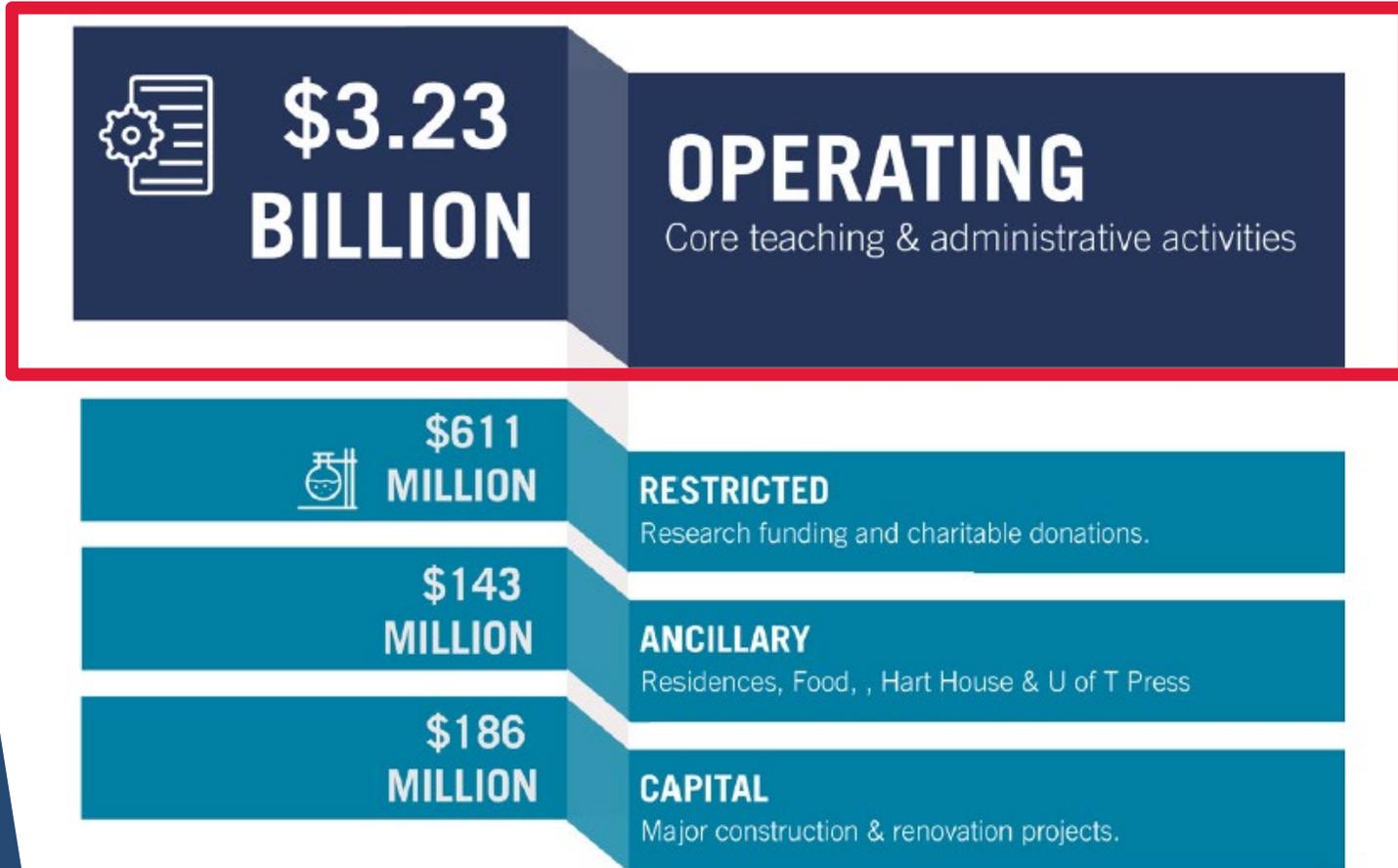## *Operating Funds Centers*

FIS Workshop

Learning Objectives

o Understand the planning and budget process for Operating Funds Centers

o Understand how the Linking Table impacts the planning and budget process

o Generate reports to determine links between Funds Center/Cost Center

o Enter and update plans in Cost Centers & Internal Orders

o Check/reconcile CC plans with budget amounts in Funds Centers

o Troubleshoot common issues with the planning & budget process

Link to Workshop Material

Workshop Focus

$3.23 BILLION
OPERATING
Core teaching & administrative activities

$611 MILLION
RESTRICTED
Research funding and charitable donations.

$143 MILLION
ANCILLARY
Residences, Food, , Hart House & U of T Press

$186 MILLION
CAPITAL
Major construction & renovation projects.

Our focus in this class will be on the entry of the divisional/department al target budget letter.

This represents your unit's piece of the University's operating budget.

Link to Planning and Budget website
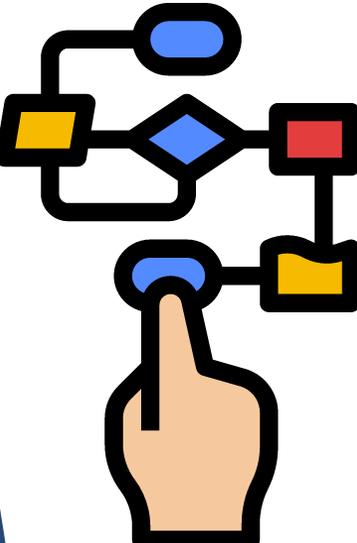
The University's Operating Budget Model

> *"The budget allocation process is a primary tool for the implementation of the university's academic plans and academic priorities"*
>
> **- University of Toronto Budget Model Report**

Link to Planning and Budget website

Components of an Operating Budget in Operating Funds Centers

There are 2 components of the Operating Budget in a Funds Center:

1. **Original budget**

2. **Carryforward/Operating Reserve budget (i.e., residual budget surplus/deficit)**

Take our **Year-End Operating Reserves** workshop, presented **every April** to learn more about **#2**!

Compensation Planning Tool (CPT)

Compensation tends to account for the largest portion of a unit's operating budget spending.

The **Compensation Planning Tool** (formerly B6), was developed to assist departments with determining and budgeting for their salary and benefits commitments for the next fiscal year.

For questions regarding the CPT, **please contact Dennie Ip in Planning & Budget.**

Target Budget Letter

The **Target Budget Letter** (TBL), also known as the Divisional Budget Schedule is provided to academic divisions, campuses and administrative shared services units outlining their initial operating budget, prior to review and incorporating salary increases determined using the Compensation Planning Tool (CPT).

Divisions will then review the budget and determine how much will be allocated to departments, who will then enter **their departmental TBL amount using the CO Plans**.

Example Target Budget Letter – Shared Services/Administration

2023-2024 DIVISIONAL BUDGET LETTER

Division A - B: - portfolio detail:	Dept A	Dept B	Total
Net Budget for 2023-2024	$ 260,000	$ 3,500,000	$ 3,760,000
One-Time-Only Budget for 2023-2024	-	-	-
TOTAL NET BUDGET FOR 2023-2024	260,000	3,500,000	3,760,000
BUDGET CHANGES:			
Cost Containment	(8,000)	(113,000)	(121,000)
Balance of Prior Year's Salary/Benefit Increase	39,920	154,436	194,356
Adjustments: Contractual / Budget Model			-
ALL DIVISIONS-			
Transfers in			-
Transfers out			-
Expense Offset by Additional Divisional Revenue			-
(Increase) Decrease in Divisional Revenue			-
TOTAL	31,920	41,436	73,356
ONE-TIME-ONLY BUDGET CHANGES:			
Adjustments: Contractual / Budget Model	-	62,842	62,842
ONE-TIME-ONLY BUDGET CHANGE	-	62,842	62,842
Net Budget for 2023-2024	291,920	3,541,436	3,833,356
OTO Budget for 2023-2024	-	62,842	62,842
TOTAL NET BUDGET FOR 2023-2024	**291,920**	**3,604,278**	**3,896,198** [A]
DIVISIONAL REVENUE (INCL. RECOVERIES)			
Endowment Income:			-
External Income:	25,000	2,650	27,650
Internal Recoveries:			-
External Recoveries:		67,863	67,863
Negative Approp.:			-
TOTAL DIV REVENUE (INCL. RECOVERIES)	25,000	70,513	95,513 [B]
GROSS EXPENSE BUDGET FOR 2023-2024	$ 316,920	$ 3,674,791	$ 3,991,711 [A+B]
Accumulated Deficit Repayment	$ 5,000	$ 62,000	$ 67,000
CFC	100XXX	100YYY	

These figures represent the **net amount** to be **entered in** the **CO plans.**

If the dept. anticipates they will bring in more revenues than what is listed on the TBL, include the new **revenue amt**., under the appropriate revenue Cost Elements, in the plan. Ensure that same amt. is included in the **expense** plans.

Doing so will offset the new revenue amount and ensure that the net total will match the TBL net budget.

If you're at the divisional level the net amount should **match** the **FM version 99 Budget.**

2023 -2024 Target Budget Letter and Long Range Budget Projections
Faculty A

Projected Budget	Line Ref.	2022 -2023	2023 -2024	2024 -2025	2025 -2026	2026 -2027	2027 -2028
Provincial Grant Revenue	(A)	275,000	264,000	265,000	263,000	270,000	271,000
Tuition Revenue		375,000	345,000	355,000	370,000	380,000	390,000
Investment Income		11,000	4,000	5,000	11,000	12,000	14,000
Other Income		63,000	65,000	63,000	63,000	63,000	63,000
SUBTOTAL - Revenue for UF Contribution		$ 724,000	$ 678,000	$ 688,000	$ 713,000	$ 725,000	$ 738,000
Provincial Scholarship Grants	(B)	5,000	3,000	4,000	4,000	4,000	4,000
Endowment Revenue		150,000	-	120,000	200,000	250,000	260,000
Canada Research Chairs	(C)	-	-	-	-	-	-
Overhead on Research		-	-	-	-	-	-
TOTAL ATTRIBUTED REVENUE		$ 879,000	$ 681,000	$ 812,000	$ 917,000	$ 979,000	$ 1,002,000
University-Wide Costs		350,000	400,000	400,000	425,000	450,000	460,000
Cost of central funds distributed 2012-13	(D)	3,000					
Total University-Wide Costs		$ 353,000	$ 400,000	$ 400,000	$ 425,000	$ 450,000	$ 460,000
University Fund Contribution	10%	72,400	67,800	68,800	71,300	72,500	73,800
Student Aid Set-Aside	(E)	165,000	205,000	220,000	230,000	240,000	250,000
NET REVENUE		$ 288,600	$ 8,200	$ 123,200	$ 190,700	$ 216,500	$ 218,200
Adjustments to reflect sources of funds:							
Endowed Chairs (to Divisional Income)		(400)	-	-	-	-	-
CRC Revenue (to Restricted Funds)		-	-	-	-	-	-
Fed Indirect Costs (25% to Restricted Funds)		-	-	-	-	-	-
Research Overhead Reserve		-	-	-	-	-	-
ADJUSTED NET REVENUE		$ 288,200	$ 8,200	$ 123,200	$ 190,700	$ 216,500	$ 218,200
Prior Year University Fund Allocation		1,500,000	1,501,000	1,500,000	1,500,000	1,500,000	1,500,000
Prior Year Allocations from Central Funds		10,000	1,500				
Costs moved from line (D)		(11,000)	(2,500)				
Prior Year Transfers in/out		-	-				
University Fund Allocation		2,000	-				
Total University Fund Allocation		$ 1,501,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
Total Budget before in-year transfers		$ 1,789,200	$ 1,508,200	$ 1,623,200	$ 1,690,700	$ 1,716,500	$ 1,718,200
Allocations from Central Funds		1,500	1,400	-	-	-	-
Transfers In		-	-	-	-	-	-
Transfers Out		-	-	-	-	-	-
Expense Offset by Additional Divisional Revenue		64,500	-				
(Increase) Decrease in Divisional Revenue		(64,500)	-				
NET BUDGET		$ 1,790,700	$ 1,509,600	$ 1,623,200	$ 1,690,700	$ 1,716,500	$ 1,718,200
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income :		-	-				
External Income :		100,000	100,000				
Internal Recoveries :		200,000	200,000				
External Recoveries :		-	-				
Negative Appropriation :		-	-				
TOTAL DIV REVENUE (INCL. RECOVERIES)		$ 300,000	$ 300,000				
GROSS EXPENSE BUDGET		$ 2,090,700	$ 1,809,600				

Whichever format the Academic TBL takes, revenue (if applicable) and expense CO Plans must net to the "**Net Budget**" total for the upcoming fiscal year.

IMPORTANT:
Divisional Revenue is suggested from the previous year's totals; adjust as necessary for the upcoming FY.

Updating Cost Center/Internal Order (CO) Plans

CO (i.e., Cost Center and Internal Order) plans are updated for two primary reasons:

1. Required as part of the annual Operating Budget process for operating Funds Centers.

2. Used as a reporting tool throughout the fiscal year. It provides an option to monitor **actual spending patterns as compared to planned spending patterns**.

The Linking Table – Essential to the Entry Process

The **Commitment Accounting Assignments** report, also known as the Linking Table outlines which Cost Center(s) and Internal Orders are linked to which Funds Centers.

Reviewing the Linking Table helps you understand:

- which CCs are linked to which FCs

- inform how the budget is distributed and entered in FIS

- Identify linkage errors
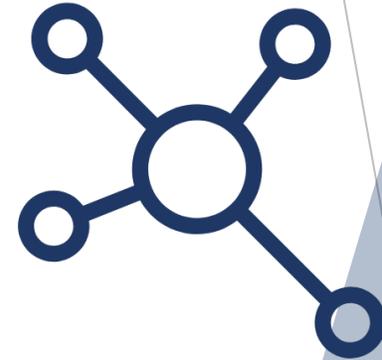
Link to Linking Table reference guide

Example Linking Table

All CO plans entered in the Cost Centers listed will be loaded as Original Budget to the Funds Center(s) listed on the left.

University of Toronto

Commitment Accounting Assignments
Fiscal Year: 2025
Funds Center: 100654 Funds Center Hierarchy: Selected

Page : 1 of 1
Program : ZFTR050A /QS1
User : PARAMRAM
Date : 14/02/23
Time : 20:04

Funds Center	Fund	Cost Center	Order	FYear	Per
100654	Fin:Financial Servic	10490		10998	000
		13497		1998	000
		13492		1998	000
		19493		1998	000
		17494		1998	000
		14955		2003	000
				2015	000
105750	FIN:Clear	*****		20012	000
Total:	6				

If a Cost Center has a plan entered, but the Cost Center **IS NOT** linked to a Funds Center, the Budget **will not** be loaded.

Additionally, if a Cost Center has a plan, and it is **linked to the wrong** Funds Center, the Budget will be loaded in the incorrect Funds Center.

Exercise 1 – Confirm Account Links using Linking Table

<u>Instructions</u> (approx. 5 minutes)

Run the ZFTR050A - Commitment Accounting Assignments (Linking Table) and answer question #1.
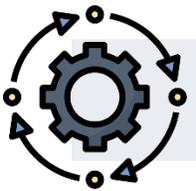
Reference Guide for the Linking Table

Entering or Updating your CO Plans

Once the account linkages have been verified and errors fixed, departmental administrators can begin to enter their CO Plans.

There are 2 methods to enter your CO Plans:

1. **Manual Entry/Update –** Enter/update Cost Center/Internal Order plans directly in FIS at the Cost Element (i.e., G/L Account) level

2. **Spreadsheet Upload** - Enter/update **individual** *or* **multiple** Cost Center or Internal Order plans, which have been created in a spreadsheet format. Plans are entered or pasted to a standard template and uploaded to FIS.

Links to:
- Reference guide for KP06 – Change Cost Element screen
- Cost Center Plan Upload Template (Excel)
- Internal Order Plan Upload Template (Excel)

Example of CO Plan – Manual Entry

Reference guide

Example of CO Plan – Manual Entry

UNIVERSITY OF TORONTO

Change Cost Element/Activity Input Planning: Overview Screen

Line items   Change Values

| Version	1		Original Plan
Period	1	To	12
Fiscal Year	2026		
Cost Center	29440		FACULTY OF FIS

The initial view of this screen will be blank.

To get this view, enter the Cost Element and Total Planned Costs and click "**ENTER**".

To delete an existing line, highlight the line and click on 🗑

Cost element	Text	Total Planned Costs	A	Dist...	Long Text	Details
736030	Divisional NonCredit Course:A_	8,200.00-	*	1	☐	☐
801010	Pay:Academic Compensation	961,047.00	*	1	☐	☐
801015	Pay:Administration/Clinical S_	25,000.00	*	1	☐	☐
801050	Pay:Union Compensat___	115,203.00	*	1	☐	☐
801270	Pay:Teaching Assistant	111,423.00	*	1	☐	☐
801910	Pay:Benefits Appointed	272,559.00	*	1	☐	☐
801920	Pay:Benefits Non Appointed	11,142.00	*	1	☐	☐
821420	Equip:Copiers:Leased	6,226.00	*	1	☐	☐
825000	Supplies:General	7,000.00	*	1	☐	☐
835000	Services:general	5,530.00	*	1	☐	☐
840010	Employee Field Trip:Airfare	2,670.00	*	1	☐	☐
*Cost elem	Total	1,509,600.00				
			*	1	☐	☐
			*	1	☐	☐
			*	1	☐	☐
			*	1	☐	☐
			*	1	☐	☐

Exercise 2 – Enter Cost Center Plan

Instructions (approx. 15 minutes)

In the KP06 – Enter or Update CO Plans screen, enter the plan in the exercise sheet into your assigned Cost Center.
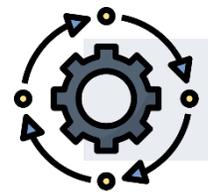
Reference Guide for entering a Cost Center plan manually in KP06.

Checking Plan Totals vs. FM Budget

The ensure that the plans were entered correctly and match the Target Budget Letter (TBL). You can run it version 1, 0 or 99 of the FM budget.

Two approach:

- Budget to Plan Reconciliation report (see reference guide)

- ZSO3 – Cost Center without and with Internal Orders (Plan vs. Actuals) report (see reference guide)

Exercise 3 – Generate the Cost Center Plan vs. Actual Report

Instructions (approx. 5 minutes)

Generate the ZSO3 – Cost Center without IO Plan vs. Actuals report for Plan version 1 to verify that the plan entries are correct.
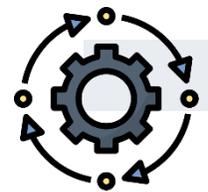
Reference Guide for ZSO3 report

Learning Objectives

UNIVERSITY OF TORONTO

o Understand the planning and budget process for Operating Funds Centers

o Understand how the Linking Table impacts the planning and budget process

o Generate reports to determine links between Funds Center/Cost Center

o Enter and update plans in Cost Centers & Internal Orders

o Check/reconcile CC plans with budget amounts in Funds Centers

o Troubleshoot common issues with the planning & budget process

Link to Workshop Material

Contact Information & Additional Resources

- **FAST General Mailbox** – fast.help@utoronto.ca
- [Faculty FAST Team Representatives List](#)

- [**GTFM Policy – Purchasing & Payments to Vendors**](#)
- [**Knowledge Centre**](#)
- [**Documentation & Support**](#)

We are always looking for ways to improve.

[**Click here**](#) **and take a moment to complete our course evaluation.**