



UEM Implementation

Presentation by

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Agenda

- Gross Revenue Model
- Professional Services Costs
- University Wide Costs
- DVC Programs
- Businesses



Gross Revenue Model

- CSP Revenue
 - Commonwealth Grant Scheme (CGS)
 - Student Contribution (HECS) – (To be reported under Student Fee Income)
- Student Fee Income
 - International (UG, PG & PGR)
 - Domestic (PG & continuing UG)
 - Summer & Winter School
- Research Training Scheme (RTS) Funding
- Institutional Grant Scheme (IGS) Funding ((replaced by Joint Research Engagement (JRE) Funding)
- RIBG



Gross Revenue Model (cont.)

CSP (Commonwealth Supported Places) Revenue

- Comprises
 - CGS (Commonwealth Grant Scheme)
 - HECS – Student Contribution (To be reported under Student Fee Income)
- Faculties will receive grossed up CSP revenue broken down into CGS and HECS
- Two new class codes for budgeting Gross CSP Revenue
 - CGS **2042**
 - HECS **2203**

Student Fee Income

- Faculties will receive gross Student Fee Income excluding Capital Component of International fee Income
- Capital Component will be credited to a Program account within CIS
- Existing Class Codes will continue to be used for budgeting and accounting Gross Student Fee Income



Gross Revenue Model (cont.)

Institutional Grant Scheme (IGS) (replaced by Joint Research Engagement (JRE)

Funding)

- Faculties will receive gross IGS/JRE revenue
- Net amounts for 2010, calculated on the basis of 2009 funding model principles, will be grossed up to calculate the revenue distributions to the faculties
- New class code **2046** to be used for budgeting Gross IGS revenue

Research Training Scheme (RTS) Funding

- Gross RTS Funding to faculties
- Net amounts for 2010, calculated on the basis of 2009 funding model principles, will be grossed up to calculate the revenue distributions to the faculties
- New class code **2044** to be used for budgeting Gross IGS revenue

RIBG

- Faculties will receive grossed up RIBG Revenue
- New class code **2103** to be used for Gross RIBG Revenue

Revenue Distribution

- Phased out as appropriate /Faculty Unallocated Account for holding undistributed revenue /Project codes in faculties for L&T, Research and RIBG



Professional Services / Functional costs

- Major changes are proposed to the way we budget & manage professional services/functional costs in the 2010 Budget. As part of the UEM implementation, costs relating to PSs are to be determined & budgeted separately from other activities.
- This is applicable to Faculties, PSs and CAPs
- In faculties typically these are recurring operational activities that form their support services e.g. Student services & costs relating to these activities are embedded in the general operating accounts
- In the 2010 budget, PSs costs (Salary and Non Salary) in Faculties, Central PSs and CAPs are to be moved out from General Operating "00000" to a set of new Specific Project Codes created. There are a number of new project codes created for this.
- Salary calculations will be based on General Staff FTEs relating to the performance of the functions. Non-salary costs can be estimated using historical trends/costs or \$ per FTE taking into account costs such as staff training, consumables, computer leasing etc.
- Decision on selecting the right project code for an activity will be made on the basis of what function/service that activity belongs to primarily e.g. Finance & Marketing in the International office needs to be coded to Finance & Marketing project codes & not International Services. Similarly, IT services provided for research work need to be coded to IT account & not RIBG.



Professional Services / Functional costs (cont.)

- Through this, the University will be able to know the total costs relating to each of the professional services and manage these costs more efficiently (with targets)

e.g.

| | Centre | Faculties | Total |
|------------------|--------|-----------|-------|
| Student Services | ----- | ----- | ----- |
| Marketing | ----- | ----- | ----- |

- Central PSs & CAPs (services) will be basically cost centers. No budget income allocations will be given to Central Service areas. Income received by them from other sources will be posted to the accounts and netted against costs e.g. ICT recoveries



Professional Services / Functions & definitions

| Service/Function | Definition |
|--|---|
| External Relations | |
| External Relations - Alumni & Community | Alumni Relations activities aimed to establish, among students and graduates, life-long associations and involvement with the University. |
| Library | All activities relating to the University library and associated faculty based libraries are grouped under the broader service category library |
| Communications | Activities relating to internal and external communication such as Media office, Digital & Print Media are treated as Communications |
| Marketing | Activities relating to attracting and recruiting students, creating/developing & maintaining markets for University Degree programs, and Brand Development and Management can be included under marketing. Marketing function covers both domestic & International marketing |
| Student Services | A range of services including student enrolment, student admission, counselling and providing student advice, career counselling, time tabling, graduations, scholarship services etc that assist students constitutes student services. This include international office, student centre and student support services in faculties. |
| International | International ambassadorial and international relations activities, work relating to student exchanges etc are broadly considered grouped under International services. |
| Campus Infrastructure | |
| CI Operations | Represents CIS operating costs but does not include costs included under UWCs |
| CI OPEX Projects | Capital infrastructure projects that are not part of the R&M program and are of revenue nature and expensed are treated as OPEX projects |
| CI Repairs & Maintenance | All preventative and corrective repair and maintenance activities are regarded as Repair & Maintenance. |



Professional Services / Functions & definitions

| Service/Function | Definition |
|---|--|
| Financial Services | Activities relating shared financial services (A/P, Receipting, A/R etc), financial accounting , budgeting, reporting, costing, business analysis and modelling, management accounting, provision of financial advice, decision support etc represent Financial Services |
| Governance Services | |
| Legal | Represents the operations of the Office of the General Counsel but does not include University Wide external legal expenses. |
| Internal Audit | Represents audit and risk management operations. Insurance costs is a University Wide Cost |
| Procurement | Represents all operational activities of the University procurement services |
| Human Resources | Represent all HR activities which include recruitment, HR services, Payroll processing, OH&S, Staff Learning & Development etc |
| Information Technology | |
| IT Operations | All operational activities relating to the delivery of ICT services including shared services constitute IT Operations |
| IT OPEX Projects | IT projects that are not capital but expensed are covered by IT OPEX projects |
| IT Repairs & Maintenance | All IT R&M expenses come under this category |
| Management Services | |
| VC & Executive Mgt | Represents VC's office and Executive Management |
| Strategic Planning | Activities relating strategic planning, statistics etc are grouped under Strategic Planning |
| Professional Services Administration | Activities that do not fall in to any of the above functions/service categories are to grouped under Professional Services Administration. |



University Wide Costs

- University Wide Costs (UWCs) are managed by central Service Units (PSs and CAPs)
- UWCs generally are non salary costs. But there are some exceptions e.g. cleaning, security etc
- Different cost saving strategies and benchmarking exercises are used for managing these costs
- University Wide Costs include:

| | |
|---|-------------------------------------|
| Utilities (Electricity, Water, Gas etc) | Telephone Expenses |
| Software Licenses (ICT) | Hardware Leasing (ICT) |
| Finance Costs | Audit Fees |
| Patent Costs | University Wide External Legal Fees |
| Insurance Costs | Prof Pension |
| International Agency Fees | Security |
| Cleaning | |

- UWCs are essentially cost centres and will not have budget income allocations. Income from other sources can be posted to the UWC accounts and netted against costs e.g. Parking fees and Fines.
- New Project code **57001** will be used for UWCs with specific RCs for budgeting and managing costs



Programs – Academic & Resources

- Programs is a new segment/component in the UEM which differentiates professional services from other major activities undertaken in DVC portfolios
- Programs include;
 - L&T, Research and other projects and programs initiated and controlled by DVCs which are of strategic nature and have strategic outcomes e.g. TIES, Scholarship Index, New Appointment Scheme, PRSS, UPA etc
 - Academic units which are not part of any of the faculties e.g. EMU, Centre for the Mind, Koori Centre etc
 - Units undertaking academic activities within DVC portfolios required University funding e.g. Learning Centre, Mathematics Learning Centre etc
 - Programs funded by Commonwealth Grants e.g. APA, Equity and Merit Scholarships etc
- Programs will have internal revenue allocations and revenue from external sources. Unspent funds in program accounts can be carried forward to be used in the following year
- Internal revenue allocations for DVC programs will be contributed by Faculties on the basis of current arrangements. DVCs will allocate these funds back to the faculties (e.g. PRSS, TIES) and also will spend on centrally managed programs (UPRA).
- New Class codes will be available for budgeting Contributions by faculties to DVC Programs and Allocations from DVCs to faculties



Businesses

- Central commercial units with business focus have been grouped under Businesses in the UEM Framework
- These include Centre for Continuing Education, Centre for English Teaching, Unistaff, University Printing Services, Darlington Centre, Investment and Capital Management, Card Services etc
- Businesses will function as profit centres
- Project Code 11111 is to be used with Responsibility Centres designated for individual Businesses