

## NUPlans

## NUPlans Forecasting Overview

### Overview

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# About Forecasting

Forecasts that you prepare for your budget group and Prep Files are aggregated in NUPlans Forecasting and made accessible to Department Administrators, Area Finance Offices, and the Office of Budget and Planning.

At a University level, information that you provide is analyzed and compiled in reports to the Northwestern University Trustee Executive and Finance Committees.

At all levels inside the University, forecasting can enhance budgeting and planning:

- Forecasts during the year can inform next year’s budget.
- Forecasts can surface changes in plans and improve our response to changes.
- Forecasts enable you to differentiate performance-related financial activity in NUFinancials from financial activity related to fund balances.
- Surpluses and deficits may lead to decisions related to the use or buildup of fund balance.
  - Surpluses may lead to investments in capital projects and endowment principals.
  - Performance deficits may require a use of fund balance to cover expenses.

## About the NUPlans Forecasting System

NUPlans facilitates forecasting with a default forecasting method called “Use Budget.” The method assumes that the budgeted amount may be the best forecast in many cases. That assumption enables you to focus on exceptions and on changes in plans since the budget was approved.

Prep File users within each Area may (1) change the system default method with a preferred method, per Prep File, per forecasting period, and (2) preload methods, per budget grouping, per level, and per fund, to give forecasters a head start. Given the system default and the ability of your area to define preferences, the calendar below can be customized to facilitate area-specific goals.

When this month (period) closes, month-end data is imported into NUPlans Forecasting	The calendar date may lie somewhere in...	Forecasting Period is...	Forecasting System Default Method is...
September	October	September	Use Budget
October	November	October	Use Budget
November	December	November	Use Budget
December	January	December	Use Budget
January	February	January	Use Budget
February	March	February	Use Budget
March	April	March	Use Budget
April	May	April	Use Budget
May	June	May	Use Budget
June	July	June	Use Budget
July	August	July	Use Budget
August	Sept-Oct-Nov	NA	Total Actuals

A forecast is a projection of actuals that will be received and spent through year-end. Therefore, the forecast equals total actuals at year-end.

## NUPlans Forecasting System Architecture

NUPlans Forecasting connects forecasters to the University budget hierarchy and to the budget groupings (groups of chart strings) for which they are responsible.

As each accounting period closes throughout the year, NUPlans imports the budget and actuals (posted transactions and encumbrances) from NUFinancials and opens a new forecasting period.

Each forecasting period is named after the previous closed month. Therefore, the work of forecasting on any calendar date references the previous closed accounting period and looks forward through the end of the year. For example, on any calendar date in February, the forecasting period is January. The forecasting period changes to February when the February accounting period is closed.

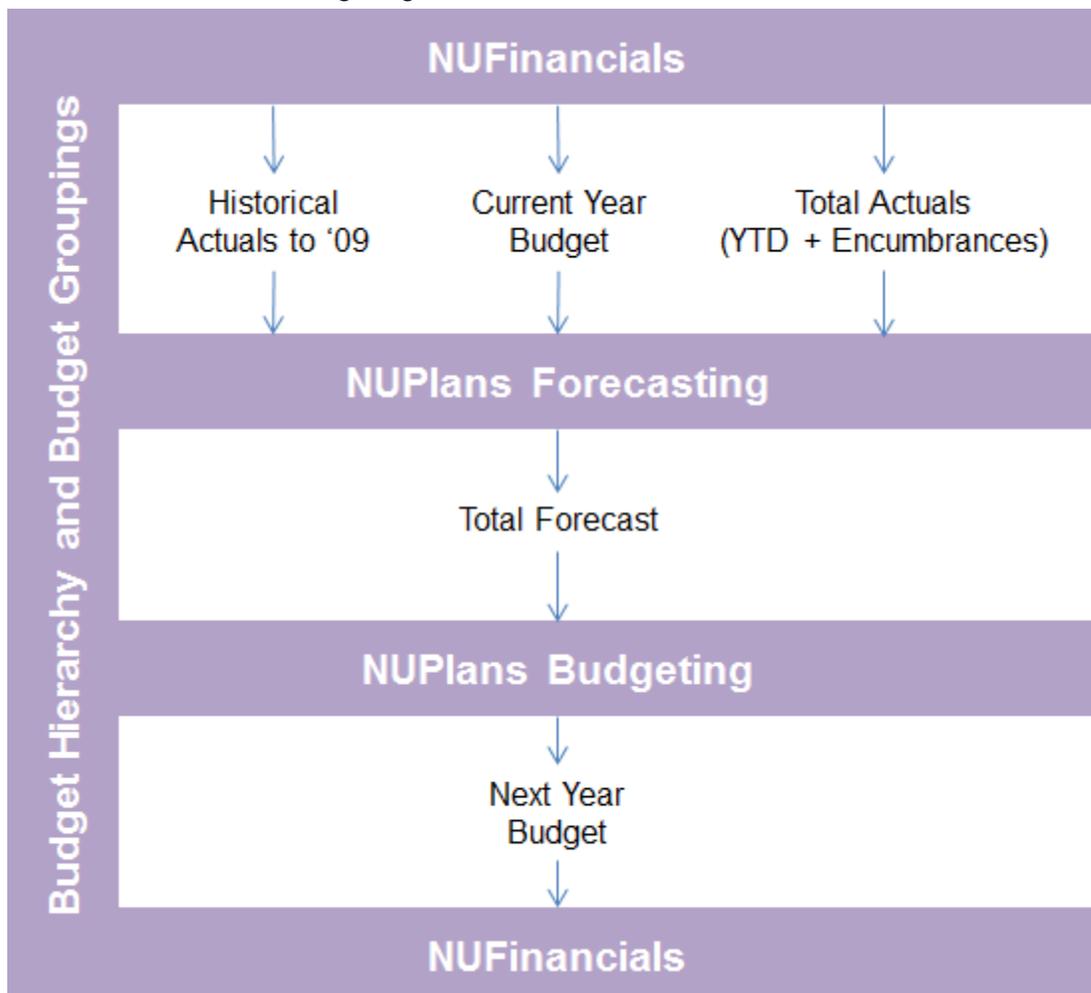
### Imported from NUFinancials

The diagram below focuses on NUPlans Forecasting and the primary inputs and outputs.

From NUFinancials, NUPlans Forecasting receives historical actuals back to 2009. Though only two years of history are displayed in the default layout, the prior years are available to view. On a monthly basis, NUPlans receives the current year budget (original, recurring, and non-recurring adjustments) and month end total actuals – year to date (YTD) transactions and encumbrances.

### Exported to NUPlans Budgeting

On a nightly basis during the budget preparation season, NUPlans Forecasting exports the Total Forecast to NUPlans Budgeting.



## Forecasting at System Launch

At system launch in March of 2014, there was no prior forecast in NUPlans.

Therefore, in the February forecasting period, end users see zero (0) in the Previous Forecast column of NUPlans. In prior forecasting periods, “No Forecast Default” appears in the Default Source column.

Forecasting Period(s)	Calendar Timeframe	System Default Method
All Prior Periods in FY 2014	Past	No Forecast Default
February	March 25 <sup>th</sup> through March month end close	Use Budget

## Systematic Uses of the Forecasting Method

Area Prep File Managers have area-wide control over two columns in NUPlans Forecasting: the Default Source column and the Method column. Below are two examples that illustrate how the control can be used to maximize productivity over time and between funds.

### Example 1: Forecasting Over Time

Though forecasting periods are monthly, the frequency of forecasting may vary between areas. For example, forecasting may be a quarterly endeavor. That leads to the question of how areas may manage forecasting efforts when it is not monthly.

Suppose that (1) an area forecasts in March with the intention of forecasting again in June, and (2) the area decides the March forecast should form the basis for the June forecast.

Because the system default is “Use Budget,” NUPlans would not copy the March forecast into April, May, and June, unless the area Prep File Manager(s) change(s) the default source.

In this example, the area overrides “Use Budget” with “Use Previous Forecast” in April, May, and June.

Forecasting Period	Default Source of the Forecast
March	Use Budget
April	Use Previous Forecast
May	Use Previous Forecast
June	Use Previous Forecast

### Example 2: Forecasting Differences between Funds

Suppose the most-used method in some funds is likely to be something other than “Use Budget.” Area Prep File Manager(s) may “preload” a method in the Method column that is more applicable. In both examples below, preloading maximizes productivity by allowing forecasters to focus on exceptions.

- In Gift Funds where actual gift receipts are sometimes unpredictable or unbudgeted, Prep File Manager(s) may preload the method “Use Total Actuals” in the Method column.
- In Cost Share Funds where often there is no budget and where most expenses are compensation, Prep File Manager(s) may preload “Use Total Actuals.”

Fund	Preloaded Method
Gift Funds	Use Total Actuals
Cost Share Funds	Use Total Actuals
All Other Funds	None

## Application Descriptions

Application	Description
Administrative	Administrative functions are contained in this folder. All forecasters can add accounts to chart strings. Prep File users can change the default source of the forecast (Default Profiles), preload forecasting methods, and copy adjustments.
Detailed Forecasting	Forecast at the account level for a chart string, by fund. See fund variances: Net Budget (without planned use or buildup of reserves) compared to Net Total Forecast. <i>Law and Feinberg forecasters work primarily at the account level in Detailed Forecasting views.</i>
Chart String Forecasting	Forecast at the revenue/expense level per base chart string. One view is filtered by management level. One view shows all management levels.
Summary Forecasting	Forecast at the account category level. Views are constructed by fund and filtered by management level.
Grant Forecasting	Grant Forecasting for sponsored project chart strings.
Salary Forecasting	Salary Forecasting with user-defined salary placeholders for salary related expenses not included in the budget or actuals imported from NUFInancials.
Tuition Forecasting	Tuition Forecasting with flexible user-defined tuition programs.
Adjustments	Adjustments are financial activity related to fund balance that should be excluded from performance calculations. Areas with full or base chart strings that are designated for activity related to fund balance can identify those chart strings. Amounts intended to impact fund balance can be identified and excluded from performance.
All Funds Performance	All Funds Performance is a summary of financial performance and fund balance activity per budget grouping and per area. Performance Input enables forecasting at the all funds level for a budget grouping or prep file.
Reports	Reports include a read-only version of All Funds Performance and other reports essential for analysis and review.
Workflow	Workflow includes email notification form for submitting budget groupings and a summary of all notifications.
Reference	Reference includes the home page, links to relevant resources, and export forms for the budget grouping hierarchy, grant account categories, and summary account categories. Users can run a process to be emailed budget grouping assignments for departments matching their security authorization.

## Forecast Levels and Data Flow

Level	Data Flow within NUPlans Forecasting	Data Flow to NUPlans Budgeting
Detailed Forecasting	<p>Enter forecasts by account (full chart string).</p> <ul style="list-style-type: none"> <li>• Amounts flow upward into Detail Forecast columns of Chart String Input and Summary Input views.</li> <li>• Amounts flow upward into account categories in Summary Forecasting views.</li> <li>• Amounts flow upward into All Funds Performance and reports.</li> </ul>	<p>Forecasts flow nightly to NUPlans for aid in budget preparation.</p>
Chart String Forecasting	<p>Enter forecasts for revenue and expense in aggregate.</p> <ul style="list-style-type: none"> <li>• Forecasts here flow upward into the Detail Forecast column of Summary Input views.                             <ul style="list-style-type: none"> <li>▪ If your method uses the Amount column, the amount will appear in the row category “Other Forecast” and will be associated with the Default Source “Chart String Forecast.”</li> <li>▪ If other methods are used, the methods are applied to account codes behind-the-scenes, and the result flows to Summary Forecasting views.</li> </ul> </li> <li>• If the method used is “Add Amount to Detail Forecast,” the amounts flow back into the Detailed Input views where they are inserted as rows marked “Adjustment” and associated with a Default Source of “Chart String Forecast.”</li> </ul>	<p>Forecasts do <b>not</b> flow to NUPlans for budget preparation.</p>
Summary Forecasting	<p>Enter forecasts for account categories in aggregate.</p> <ul style="list-style-type: none"> <li>• Amounts flow upward to All Funds Performance views and reports.</li> </ul>	
All Funds Performance	<p>Enter forecasts by fund in aggregate.</p> <ul style="list-style-type: none"> <li>• All data from lower levels flow into this view.</li> <li>• If you enter data in the Performance Input column, use Net performance, if revenue is applicable.</li> </ul>	