



UNIVERSITY  
OF MANITOBA

## Financial Services

Comptroller's Office  
406 Administration Bldg.  
Winnipeg, Manitoba  
R3T 2N2  
Telephone (204) 474-9668

---

DATE: May 5, 2016  
TO: University of Manitoba Business Officers  
FROM: Carla Buchanan, Manager, Financial Reporting  
RE: Budget-Only Accounts

---

In recent years, Financial Services has undertaken a number of initiatives to improve financial reporting, budgeting and forecasting processes. Our next step in this process is to implement the use of Budget-Only Accounts.

### ***What is the current process?***

It is the responsibility of each Faculty and Unit to decide how best to allocate their revenue and expense budgets, and in a manner that promotes reliable analysis and enables the reporting of useful information.

It has been found that in some cases, Faculties and Units are not allocating their revenue and expense budgets in a manner that is meaningful or useful for reporting and variance analysis purposes. This inhibits both the reporting and forecasting processes, as budget information not allocated in a meaningful way does not always result in reliable information.

A common example of this issue is the practice of allocating all of an expense budget to Account 706710 (Other Materials and Supplies). In doing so, the comparison of actual results in other expense types to budget is impossible and does not result in a legitimate comparison. It limits the ability to properly track certain types of spending and/or available budget, and does not provide reliable information when conducting variance analysis. During the forecasting process, the Budget Accountants in Financial Services often must follow up with the Faculties and Units because of large variances or inconsistencies between budget and actuals, and quite often the underlying reason for the issue is improperly allocated budget. In turn, it results in forecasted information that is less reliable than it could be.

### ***How is the process changing?***

At the Finance Working Group meeting held on November 24, 2015, Financial Services introduced the concept of Budget-Only Accounts. Financial Services has now created this series of accounts at the 3-digit level to help facilitate a more meaningful allocation of the operating budget. The new Budget-Only Accounts are detailed in the attached appendix.

The intention of these new accounts is to set a minimum level of budgeting to the appropriate revenue and expense categories, and ultimately contribute to a more robust system of financial stewardship. One benefit of these accounts is that they will help you plan and track the spending of your Faculty or Unit by providing a better comparison against actual results. Allocating budget to the categories for which they were intended, even at a high level, will also help you conduct variance analysis and provide more useful and relevant information for spending projection or forecasting purposes.

The Budget-Only Accounts have been created and will be available for use in the 2016-17 fiscal year.

***How does this impact my faculty/unit?***

We encourage the Faculties and Units to allocate their budgets to the Budget-Only Accounts at a minimum. If you are already budgeting at a more detailed level than the 3-digit level, we encourage you to continue to do so.

You will also have the ability to allocate carryover to these accounts.

The Budget-Only Accounts will be available in FAST shortly. The accounts are easy to identify as the account numbers end with “BGT”. You will only see them in FAST if you have budget allocated to them.

***What are the next steps?***

Once the 2016-17 budget is loaded, the Budget Accountants in Financial Services will work with you to allocate your budget to the new accounts if you choose to do so. The Budget Accountants will be monitoring your progress and will contact you if you are not allocating your budget to the Budget-Only Accounts at a minimum.

On Monday, May 9, 2016, the Financial Planning Office will be requesting information from the Faculties and Units regarding carryover allocation. The Budget-Only Accounts will be included in the template they send and available for use.

If you have any questions regarding the above information, please contact the writer or your Faculty/Unit’s assigned Budget Accountant in Financial Services.

**APPENDIX – BUDGET-ONLY ACCOUNTS**

<b>Account</b>	<b>Account Title</b>	<b>Account Type</b>	<b>Type Title</b>
501BGT	Degree Tuition & Related Fees Budget	5A	Tuition and Related Fees
510BGT	Non Degree Fees Budget	5A	Tuition and Related Fees
520BGT	External Sales and Service Inc Bdgt	5B	External Sales and Service Income
525BGT	Ancillary Revenue - Budget	5C	Ancillary Revenue
530BGT	Internal Sales and Service Inc Bdgt	5D	Internal Sales and Service Income
540BGT	Gifts and Contributions Non UIT Bgt	5E	Gifts and Contributions
541BGT	Capital In-Kind Donations - Budget	5E	Gifts and Contributions
542BGT	Misc. UIT Income - Budget	5E	Gifts and Contributions
543BGT	Food Services - Budget	5C	Ancillary Revenue
550BGT	Gifts and Contributions UIT - Budget	5E	Gifts and Contributions
560BGT	EAL Revenue - Budget	5G	EAL Revenue
562BGT	Federal Grant Revenue - Budget	5H	Federal Grant & Contract Revenue
564BGT	Provincial Grant Revenue - Budget	5I	Provincial Grant & Contract Revenue
565BGT	Municipal Contracts - Budget	5J	Municipal Grants and Contracts
566BGT	Other Grants - Budget	5M	Other Grants and Contracts
567BGT	Federal Contract Revenue - Budget	5H	Federal Grant & Contract Revenue
568BGT	Provincial Contract Revenue - Budget	5I	Provincial Grant & Contract Revenue
569BGT	Other Contracts - Budget	5M	Other Grants and Contracts
570BGT	Invstmnt & Oth Interest Inc - Budget	5N	Investment Income
571BGT	Investment Inc Intrnl Loans -Budget	5N	Investment Income
579BGT	Overhead - Budget	5O	Overhead
580BGT	Miscellaneous Revenue - Budget	5P	Miscellaneous Revenue
596BGT	Remeasurement Gains - Budget	5X	Remeasurement Gains
61BGT	Academic Salaries Pool – Budget	61	Academic Salaries Pool
65BGT	Support Salaries & Wages – Budget	65	Support Salaries & Wages
66BGT	Student Wages – Budget	66	Student Wages
67BGT	Other Non-Salary Staff Pymts - Budget	6W	Other Non-Salary Staff Pymts
68BGT	Benefits – Budget	6X	Benefits
69BGT	Health and Education Levy - Budget	6Y	Health and Education Levy
700BGT	Travel - Budget	7A	Travel & Hospitality
701BGT	Hospitality - Budget	7A	Travel & Conferences
702BGT	Library Acquisitions - Budget	7M	Capital Asset Acquisitions
704BGT	Printing and Duplicating - Budget	7D	Materials, Supplies and Services
706BGT	Consumable Materials/Supplies Budget	7D	Materials and Supplies
708BGT	Telecommunications - Budget	7D	Materials, Supplies and Services
710BGT	Other Expenses (Nonconsumable) Budget	7D	Materials, Supplies and Services
712BGT	Utilities - Budget	7G	Utilities
713BGT	Insurance - Budget	7G	Utilities, Taxes and Insurance
716BGT	Externally Contracted Serv - Budget	7I	Externally Contracted Services
718BGT	Professional Fees - Budget	7I	Professional and External Services
720BGT	Cost of Goods Sold - Budget	7D	Materials, Supplies and Services
722BGT	Interest on Long Term Debt - Budget	7L	Interest And Bank Charges
724BGT	Bank Charges - Budget	7D	Materials, Supplies and Services
725BGT	Interest on Internal Loans - Budget	7L	Interest And Bank Charges
726BGT	Capital Asset Acquisitions - Budget	7M	Capital Asset Acquisitions
730BGT	Land & Bldg Acq & Improve - Budget	7M	Capital Asset Acquisitions
740BGT	Repairs and Maintenance - Budget	7N	Repairs and Maintenance
745BGT	Amortization Expense - Budget	7O	Amortization Expense
750BGT	Property Taxes - Budget	7G	Utilities, Taxes and Insurance
670BGT	Fellowships Bursaries & Other – Budget	7R	Scholarships Bursaries and Awards
770BGT	Scholarships Bursaries Awards Budget	7R	Scholarships Bursaries and Awards
773BGT	Staff Benefits - Contra - Budget	7S	CDA and Other Contras
774BGT	Actuarial Pension Expense - Budget	7S	CDA and Other Contras
776BGT	Actuarial EE Future Benefits - Bdgt	7S	CDA and Other Contras
793BGT	Year End Contra's - Capital - Budget	7M	Capital Asset Acquisitions
794BGT	Year End Contra's - Budget	7U	Year End Contra's