

# Budget Management

UW ADVANCE  
Winter Pre-Tenure Faculty  
Workshop

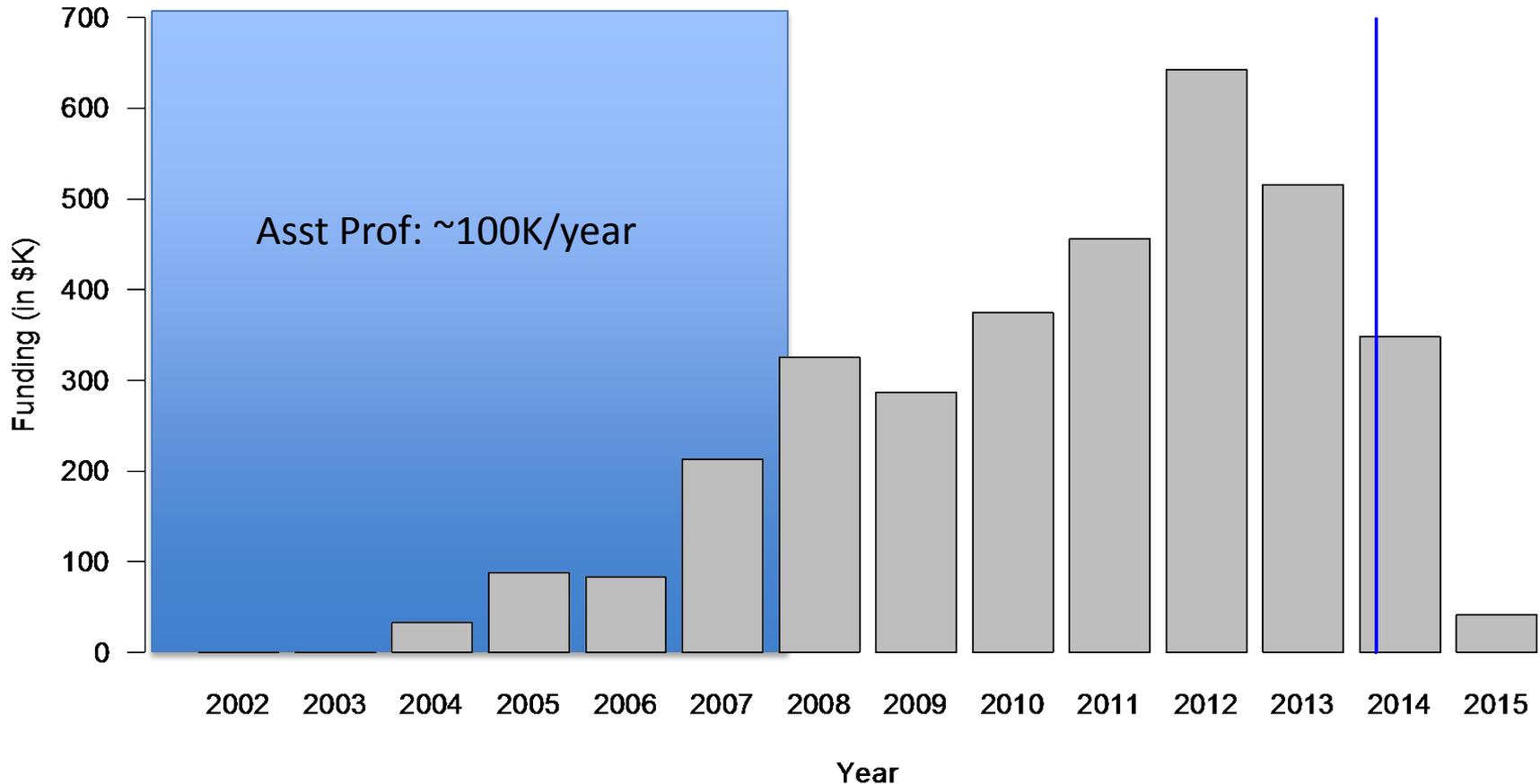
March 18, 2014

**LINDA NG BOYLE**

# My Initial Research Strategy

- My goals during my pre-tenure years
  - Set up my research program
  - Get good graduate students
- Startup funds can help initially, but need to maintain external sources of funding
- My mentor's advice:
  - “Be careful what you wish for because one day, all the proposals you are writing will actually come in”

# My Research Dollars (estimated\*)



\*Based on funds that went directly to me, spread out equally over the period of work

# My Funding Streams

- National Science Foundation
- National Institutes of Health
- National Academies
  - Transportation Research Board
- US Department of Transportation (DOT)
  - FHWA, NHTSA, FMCSA, RITA
- State Organizations (e.g., DOTs)
- Private Industries

# Priority for Spending Research \$\$

1. Graduate Student Appointments
  - Help students (and the faculty) gain and advance knowledge in the area
  - Desirable for project findings to be publishable
  - Multi-year funding if possible
2. Research Equipment/Laboratory
  - Including undergraduate student helpers
3. Conferences/Workshops
4. Summer Support

# Management of Funds

- If possible, assign a PhD student to each project
  - Meet with them on a weekly basis
  - Can help set up experimental protocol, human subject requirements, equipment/software, and undergraduate students needed for project
- Work closely with department fiscal person
  - Can help you keep track of funds,
  - Identify how much is left, and
  - When projects will end



# Planning Ahead

- If you have multi-year projects
  - Try to make sure you can cover stipends for graduate research assistants (GRAs)
- If you have multiple projects
  - Try to spread out the funds; do not lump it into one academic year
  - Might be able to ask for a no-cost extension
- If you have startup funds
  - Can use it to provide bridge funding for a GRA
  - Can use it to set up a proof-of-concept study
- Start working on extending research ideas
  - Some sponsors are very interested in follow-on work



# Lessons Learned

- Establish good relationships with sponsors
- Don't go for funds that do not advance science
- Don't let rejections get you down
  - Keep a file on all ideas not funded, you never know...
- Don't take more than you can chew: SHARE
- Working in interdisciplinary groups can be fun,
  - But oftentimes, academics “speak differently” depending on discipline
  - Making a proposal seem as if it was written by one person can be a challenge
  - Work with people you LIKE (not who they are)



- NOTE: this is based on my PERSONAL experience ONLY, and everyone is different
- Please feel free to contact me if you have any questions

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# KOJAY PAN

# ADVANCE Pre-Tenure Workshop Series Winter 2014 Budget Management

March 18, 2014

Kojay Pan, CEE Administrator

# Different Flavors of Funds

- Start-Up Funds, (75-XXXX or 74-XXXX)
- Grants and Sponsored Projects, (61-, 62-, 63-XXXX)
- Endowed Professorships, (65-XXXX)
- Research Cost Recovery (RCR), (75-XXXX)
- General Operating or State Funds, (GOF), (06-XXXX)
- Discretionary Funds, (64-XXXX)
- Professional Masters Program (PMP), (09-XXXX)
- Self-Sustaining/Auxiliary Operating (14-XXXX)

# How to Track My Money?

- Work with your unit administrator, finance staff, or grant managers
- Review budgets in MyFinancial Desktop
- Develop “Shadow System” using Excel
- Most common expenses –
  - Tuition and Fees
  - Salary and Stipends
  - Benefits
  - Travel
  - Equipment
  - Supplies
  - Indirect Costs

# UW's MyFinancial Desktop

## MyFD Navigation

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Budget Number and Time Period (Fiscal Year or Activity to Date Depending on Budget Type)

MyFinancial.desktop Navigating Finances at the UW

Home > Reports > BUDGET SUMMARY TRANSACTIONS REPORTS QUERIES MORE SYSTEMS

View Budget # 140001 Feb << March >> 2012 >> Apr Go

Reporting Period: March 2012

14.0000 Profile Budget period: 07/01/2011 - 06/30/2013 Status: Open to revenue and expenditures PI: N/A

Click "+" to expand

Extract or Print Extract Print

Blue text indicates activity in current reporting period

Account Code	Description	Budgeted Amount	Total Prior Transactions	Reporting Period Transactions	Remaining Encumbrances	Total Transactions	Remaining Budgeted Amount	% Sp
+ 01	SALARIES AND WAGES		\$572,483.36			\$572,483.36	(\$572,483.36)	
+ 02	CONTRACT PERS.SERVICES		0.00		\$2,929.20	\$2,000.00	(\$4,929.20)	
+ 03	OTHER CONTRACTUAL SERV		1.23	\$871.93	\$49,776.97	\$115,076.16	(\$164,853.13)	
+ 04	TRAVEL			\$27.00	\$25.00	\$27.00	(\$52.00)	
+ 05	SUPPLIES AND MATERIALS		1.89	\$1,645.39	\$49,486.73	\$13,959.28	(\$63,446.01)	
+ 06	EQUIPMENT				\$3,338.98		(\$3,338.98)	
+ 07	RETIREMENT & BENEFITS		\$184,559.82			\$184,559.82	(\$184,559.82)	
<b>TOTAL EXPENDITURES</b>		\$0.00	\$885,561.30	\$2,544.32	\$105,556.88	\$888,105.62	(\$993,662.50)	
<b>TOTAL DIRECT COST</b>			\$885,561.30	\$2,544.32	\$105,556.88	\$888,105.62	(\$993,662.50)	
<b>TOTAL FAC. AND ADMIN. COST</b>								
+ TOTAL REVENUE		\$0.00	(\$916,659.30)	(\$217,616.18)	\$0.00	(\$1,134,275.48)	\$1,134,275.48	
<b>Cumulative Net (Income) or Loss</b>		\$0.00	(\$31,098.00)	(\$215,071.86)	\$105,556.88	(\$246,169.86)	\$140,612.98	

# Shadow System Example

<b>Budget:</b>	63-XXXX			<b>Budget Name:</b>	Research Project X					<b>Report Date:</b>	Feb 2014				
<b>PI Name:</b>	Smith, John			<b>Sponsor:</b>	University of Alaska					<b>IDC Rate:</b>	56%				
<b>Project Start Date</b>	9/1/2013			<b>Grant Number:</b>	ABCDEF-1234										
<b>Project End Date</b>	8/31/2014			<b>Department:</b>	CIVIL & ENVIRONMENTAL ENGINEERING										
		<b>ACTUAL</b>						<b>PROJECTED</b>							
		Sept 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	March 14	April 14	May 14	Jun 14	July 14	Aug 14	Expense Totals	Budget Balance
<b>CATEGORY</b>	<b>BUDGET</b>														
01 Salaries	100,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	5,000	5,000	5,000	100,000	0
02 P. Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03 C. Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03 C. Services sub w IDC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03-62 Sub Contract	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04 Travel	5,000	0	0	0	0	0	0	5,000	0	0	0	0	0	5,000	0
05 Supplies	2,000	75	85	135	145	0	250	125	125	125	125	125	125	1,440	560
06 Equipment	3,500	0	3,500	0	0	0	0	0	0	0	0	0	0	3,500	0
07 Benefits	35,000	1,750	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	1,750	1,750	1,750	35,000	0
08 Tuition & Fees	15,000	5,000	0	0	5,000	0	0	5,000	0	0	0	0	0	15,000	0
37 Restricted Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38 Unallocated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Cost Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>DIRECT COSTS</b>	<b>160,500</b>	<b>11,825</b>	<b>17,085</b>	<b>13,635</b>	<b>18,645</b>	<b>13,500</b>	<b>13,750</b>	<b>23,625</b>	<b>13,625</b>	<b>13,625</b>	<b>6,875</b>	<b>6,875</b>	<b>6,875</b>	<b>159,940</b>	<b>560</b>
<b>INDIRECT TOTAL COST</b>	<b>89,880</b>	<b>6,622</b>	<b>9,568</b>	<b>7,636</b>	<b>10,441</b>	<b>7,560</b>	<b>7,700</b>	<b>13,230</b>	<b>7,630</b>	<b>7,630</b>	<b>3,850</b>	<b>3,850</b>	<b>3,850</b>	<b>89,566</b>	<b>314</b>
<b>TOTAL COSTS</b>	<b>250,380</b>	<b>18,447</b>	<b>26,653</b>	<b>21,271</b>	<b>29,086</b>	<b>21,060</b>	<b>21,450</b>	<b>36,855</b>	<b>21,255</b>	<b>21,255</b>	<b>10,725</b>	<b>10,725</b>	<b>10,725</b>	<b>249,506</b>	<b>874</b>

# Common Mistakes or Hiccups

- Don't forget BENEFITS and TUITION!!! (and that rates changes from year to year)
- Be sure to check before you hire someone!
- Food and alcohol restrictions
- Don't sign contracts!
- You can always correct an expense.
- We are always here to help!!!

# Supplemental Information

# UW Fiscal Context

- University of Washington Fiscal Year 2014 Budget totals \$6 billion
- The UW is the 3<sup>rd</sup> largest employer in Washington, with over 30,200 faculty and staff, and over 4,400 benefits-eligible graduate students
- The UW operates four hospitals – UW Medical Center, Harborview Medical Center, Northwest Hospital and Valley
- Medical Center
- Tuition revenue comprises 69% of University’s general operating fund
- UW receives more federal research dollars than any other public university in the nation. In 2012, this amounted to more than \$1.47 billion (5,029 grants)

# START-UP FUNDS

- Budget Number, 75-XXXX or 74-XXXX
- Allowable Expenditures
  - Supplies
  - Lab Equipment, Instruments
  - Remodels/Facilities Improvements
  - Research Assistants/Graduate Students TA's
  - Associated Tuition and Fees
  - Staff, Hourly Employees, associated benefits
- Un-Allowable Expenditure – ALCOHOL

# Grants and Sponsored Projects (1 of 3)

- Grants and Sponsored Projects, (61-, 62-, 63-XXXX)
- Best Practices
  - Meet with your unit grant/fiscal manager
  - Try to follow your proposal spending plan
  - Share your planning and changes with your grant/fiscal manager

# Grants and Sponsored Projects cont. (2 of 3)

- Have a pattern to your spending!, follow your proposal life cycle
- Avoid spending large amount of funds at the end of your project period (equipment, RA's)
- Goods and services should be received before the project cycle ends
- Check with your unit fiscal staff, some equipment is tax exempt!

# Grants and Sponsored Projects cont. (3 of 3)

- Things to keep in mind
  - Indirect Cost Rate changes from year to year
  - Tuition Rate changes from year to year
  - Benefit Load Rate changes from year to year
  - Your proposal/budget will need to be recalibrated
  - Need to change something? Journal Voucher/Expense Transfers

# My Financial Desktop (MyFD)

<https://f2.washington.edu/fm/myfd/home>

- Access through your Administrator
- Available Training, Classroom, Online Demonstrations, Unit Staff
- Provides budgeted amounts, encumbrances, transaction totals, and budget balances
- Viewable by month, fiscal year, biennium, activity to date
- Allows for tracking and reconciliation of transactions

# Limitations to MyFD

- Limited ability to project expenditures
- Potentially steep learning curve for non-frequent users
- Limited access
- Does not provide “dashboard” view of all projects and budgets

# What's a Shadow System?

*Shadow System is a term used in information services for any application relied upon for business processes that is not under the jurisdiction of a centralized information systems department. That is, the information systems department did not create it, was not aware of it, and does not support it.*

# Shadow System cont.

- Allows for easy view of Budget amounts, by category
- Budget amount should link to your project goals
- For research projects – be sure to include Direct & Indirect Costs
- Provides Actual & Projected expenditures
- Broken out by month for the performance period
- Provides one page view of your budget and your projected balances

# Conclusion

- Meet with your unit grant/fiscal manager on a recurring basis - Keep them informed of spending changes
- MyFD, great tool, but limited
- Shadow Systems as an alternative
- Leverage when you can!

# Contact Information

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The UW College of Engineering is a diverse community of innovators working to dramatically improve the quality of life in our state, our nation, and the world. We do it by leading in engineering discovery, innovation, education, and engagement.

# CONCLUSION