

Florida Atlantic University Steering Committee Financial Review Model (FRM) January 12, 2016

Meeting Agenda

PentaGroup

- Overview / Update on the Project
- Communication Plan Development / Status Update
- Key Decisions to be Made in the Model
 - What are the Reporting Units to Use in the Model?
 - What are the Margins to Use in the Model?
- Other Issues
- Next Meeting



Project Governance Structure

Steering Committee:

- Establish overall scope, expectations and objective(s)
- Provide guidance and support
- Guide the communication plan and the roll-out of reporting
- Approve recommendations/assumptions proposed by working committee
- Ensure that the model output and methodology is relevant and valued

Working Committee:

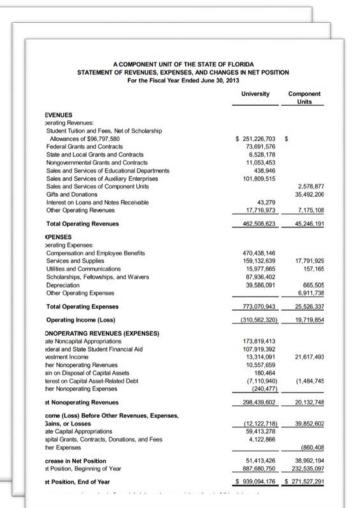
- Provide input for the model leveraging data and university knowledge
- Assist in understanding the data and its linkage to colleges, students, etc.
- Provide recommendations to the steering committee on assumptions, etc
- Review model output for reasonableness, completeness and accuracy
- Sign-off on final model before implementation

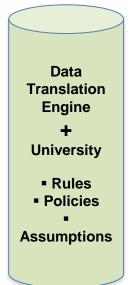
Overview of the Model



- Not a Measure of Quality
- Tool to Provide Financial Insight Grounded in the Financial Statements of the University
- Some Other Schools Look at Information Part of 5 Pillars
 - Mission
 - Demand
 - Quality
 - Service
 - Cost Effectiveness

Transform Financial Data Into [P] Information- Academic Example





College Income Statement

Department Income Statement

Program Income Statement

Major Income Statement

Course Income Statement

Student Income Statement

Different Views of Information



The Analysis is Done for Subjects and Student Majors

Subject Summary

- Revenues and Expenses of the Subject -Regardless of the Major of the Student Who Takes Classes in that Particular Subject.
- E.g., What are the Revenues and Expenses for teaching Undergraduate Accounting classes?

Major Summary

- Revenues and Expenses of the Major Regardless of Where the Students Take Their Classes
- E.g., What are the Revenues and Expenses for teaching Undergraduate Accounting Majors?



Communication Plan Development

- What is the communication plan around the project and the model?
 - Are there specific groups that we should be providing updates or information to throughout the project?
- How is information distributed or communicated?

Other communication questions / issues?

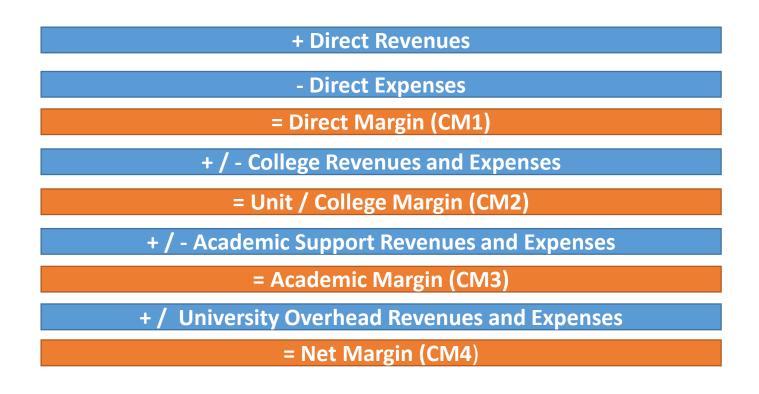
What are the Key Decisions to be Made in the Model?



- What are the Reporting Units in the Model? (1/12/16)
- What are the Margins to be Reported in the Model? (1/12/16)
- How are Faculty and Instructional Costs Allocated? (2/9/16)
- How are other Non-Instructional Costs Allocated? (2/9/16)
- How are Restricted Funds / Grants Handled? (2/9/16)
- How is Net Tuition Revenue Allocated in the Model? (3/8/16)
- How are Space Costs Allocated within the Model? (3/29/16)



Proposed 4 Margins for Reporting



Where do Allocated Space Costs Fit Within the Margins?

What Is A Reporting Unit in the Model?



Structure within the FRM Reporting Tool that accumulates revenues and expenses for purposes of measuring and reporting the net margin of an operating unit. **For example:**

Academic Units	Non-Academic Units
☐ College / Division	☐ Dining
□Department	☐ Student Housing
□Major	☐ Conferences
□Program	☐ Development
□Student	☐ Bookstore
□Subject	☐ Athletics
□Course	☐ Parking
Section	



Examples of Sample Reporting Unit Summaries and Margins



Other Issues



Next Meeting (2/9/16)