We are recording. Attendees have been placed on mute.

We will address questions throughout the meeting.

If you have questions for the presenters, please use the Q&A function.
University Finance and Administration
Guiding Principles and Values

Support & Collaboration
Understanding & Trust
How We Work
Strategic Alignment
Accountability
Agenda

TRENDS IN HIGHER EDUCATION
FAFSA Implementation Issues
J. Michael Gower

POLICY UPDATE
Service Center & Core Facilities
Research Core Services
A. Chea Smith &
Jeetendra Eswaraka

BUDGET UPDATE
Fiscal Year 2024 Forecast
Budget Development Fiscal Year 2025
David B. Moore

WRAP UP
Q&A
All presenters

Conclusion
J. Michael Gower
Executive Vice President-Chief Financial Officer & University Treasurer

Mike is the Executive Vice President - Chief Financial Officer & University Treasurer at Rutgers where he leads financial management and planning, procurement, and strategic administrative system initiatives. As part of his role at Rutgers, Gower was responsible for the financial integration of former units of the University of Medicine and Dentistry of New Jersey (UMDNJ) into the university.

On the Agenda

Higher Education Trends: FAFSA Implementation Issues
Trends in Higher Education
A Better 2024–25 FAFSA® Form

The 2024–25 FAFSA form is now available. We’ll begin sending submitted applications to colleges and states in the first half of March. Learn more about 2024–25 FAFSA updates.

2024–25 FAFSA® Form

Start New Form  Access Existing Form

Need to access last year’s form? Start or Edit a 2023–24 FAFSA Form
Rutgers’ Response to FAFSA Challenges

Scarlet Hub
The hub provides student information regarding financial aid, billing and payment, registration, records, admissions, and upcoming deadlines.

Rutgers Extends Deadline to Accept Admissions Offers to June 1

FAFSA submission deadline extended to March 15

https://scarlethub.rutgers.edu/afsa-simplification/
NACUBO webinar on the FAFSA Implementation

Today! 2-3pm

Panelists

Tashni-Ann Dubroy, executive vice president and chief operating officer, Howard University

Russ Hannah, chief financial officer, Arkansas State University

Melanie Storey, director of policy implementation and oversight, Office of Federal Student Aid, U.S. Department of Education

Kara D. Freeman, president and CEO, NACUBO (moderator)
Policy Updates
A. Chea Smith, CRA
Associate Controller, Cost Analysis, Reporting, & Property Management

Chea oversees costing functions related to the F&A/fringe cost rate proposals, service centers, all F&A/fringe monitoring & reporting, space surveys, external reporting, and capital equipment inventory, among other duties. She has over 15 years of research administration experience, including managing cost analysis at UNC Charlotte and post-award management at Georgia Tech. Chea has a B.A. in Economics and is a Certified Research Administrator. Active in NCURA and other organizations, Chea presents on topics related to her expertise in research administration and management.

On the Agenda

Policy Update:

40.2.25 Service Center Policy / Core Facility Policy
Meet the Presenter

Jeetendra Eswaraka, DVM, Ph.D., DACLAM
Vice President, Universitywide Core Services
Office for Research

Jeetu serves as vice president, university core services, within the Office for Research. He previously served as associate vice president for the Rutgers Animal Care program and has over 18 years of experience leading in the laboratory animal field. Prior to Rutgers, he spent more than 15 years directing animal care programs at both small biotech (GTx Inc.) and larger pharmaceutical companies (Pfizer and Amgen). He is a board-certified laboratory animal veterinarian and has a Ph.D. in Molecular Virology and pathogenesis from the University of Tennessee.

On the Agenda

Policy Update:

90.3.1 Research Core Services
An operating unit within an institution that provides:

goods or services (commonly in support of research activities)
on a recurring basis (not one-time occurrences)
to customers (primarily within the university but may be external)
for a fee to recover the costs of providing the good/service.
Other internal charging units (not covered by new policies): Internal Fee-For-Service Unit, Centers & Institutes, Auxiliary Service Units
Since many Service Center users are paying with federal sponsored dollars, rates charged must adhere to cost principles established by the federal Office of Management and Budget's "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," commonly referred to as the Uniform Guidance (UG).

- **Uniform Guidance 2 CFR 200 Subpart E**, in conjunction with Appendix III & IV, contain the cost principles for determining costs both direct & indirect to grants, con

- **Uniform Guidance 2 CFR 200.468 – Specialized Service Facilities**

- **DCA Best Practices Manual** -

- **FAQs for Costing of NIH-Funded Core Facilities** for other federal funding considerations -
As a recipient of federal-sponsored funding, Rutgers must provide assurances that we have a system of internal controls.

- Sponsors are not being double charged.
- All costs charged are consistent with the operation of the service center.
- There is a review process of rates.
- There is an effort for the service center to break even.
- There is a process to identify and correct issues.
- There are approval, monitoring, & oversight process.
- There is policy and/or procedure guidance.
Operational Challenges

- Invoice promptly
- Manage receivables
- Consider operations’ impact on cash requirements

★ Be solvent to stay in business, while meeting budgetary, operational, and compliance expectations

Finance

Compliance

Charge all users established rates
- Don’t discriminate against federal awards
- Account for subsidies properly when necessary

Operations

- Do not offer free services
- Consider allowability of costs when incurring operational costs
- Don’t perform undocumented/non-contracted services
★ Don’t bill if service has not been performed
Service Centers/Core Facilities Policy (40.2.25)

- Definitions
- Policy statement referencing Uniform Guidance and other applicable regulations
- Establishment & approval process
- Rate establishment & review frequency
- Break even over time
- Pricing consistency between user types
- Equipment/depreciation reserves
- Tracking/recording of subsidies
- Accounting – chart of accounts distinguishes between departmental & recharge activities and internal/external revenues
40.2.25 Service Center Policy / Core Facility
https://policies.rutgers.edu/B.aspx?BookId=12984&PageId=464840&Search=service%20center
(links to Research Cores Policy contained within policy document)

Accounting for Service Centers & Core Facilities
Our Vision
The Rutgers Office for Research seeks to be the most innovative and trusted research office among all research universities, empowering faculty, students, and staff to achieve excellence.

Our Mission
Rutgers’ Office for Research supports the research, scholarship, and creative endeavors of ALL Rutgers faculty.
Our Values

RESPECT
We are transparent and collaborative, treat everyone with dignity and respect, and give every person a voice and opportunity to succeed.

SIMPLICITY
Our services must be as easy to understand and use as possible.

COLLABORATION
We partner and convene to achieve shared goals for the common good.

EXCELLENCE
We strive to be effective, efficient, and innovative in all we do.
Research Cores seek to advance research excellence of ALL Rutgers faculty through providing access to cutting edge technologies and expertise in a cost-effective manner through operational efficiency, effective financial management and a transparent data-driven operation.

Vision For Cores
State of Rutgers Core Services

- Outdated Core Policy
- Challenges with financial sustainability
- Lack of accessibility to research cores
- Equipment outdated

RISK OF CORES CLOSING AND AFFECTING RESEARCH PRODUCTIVITY
Recent Internal Audit of Core Services

Recommendations

- Need an updated inventory of Rutgers Research cores
- Clarity governance structure, roles, and responsibilities
- Documentation on rate reviews
Research Core Services Policy (90.3.1)

Office for Research (OfR)

- Defines the different Rutgers research cores
- Defines roles and responsibilities
- Outlines research core governance structure
- Defines how to start and decommission a core

A companion to the Service Center policy
## Two Types of Research Cores

<table>
<thead>
<tr>
<th>Centrally Managed</th>
<th>Locally Managed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
</tr>
<tr>
<td>• Partnership between the Office for Research and one or more CLUs, Decanal Units, or Institutes</td>
<td>• The local unit determines the strategy</td>
</tr>
<tr>
<td>• Governed by an executive oversight committee</td>
<td>• The local unit determines oversight</td>
</tr>
<tr>
<td>• Requires a MOU</td>
<td>• The local unit determines the type of user group</td>
</tr>
<tr>
<td>• Must have a major user group</td>
<td></td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td></td>
</tr>
<tr>
<td>• The Office for Research manages the finances and website</td>
<td>• The local unit manages the finances and website</td>
</tr>
<tr>
<td>• Staff report to the Office for Research</td>
<td>• The staff report to the local unit</td>
</tr>
<tr>
<td>• Space assigned to Office for Research</td>
<td>• The space is assigned to the local unit</td>
</tr>
<tr>
<td>• <strong>Required to use iLab</strong></td>
<td>• <strong>Use of iLab is recommended</strong></td>
</tr>
<tr>
<td>• <strong>Must have an approved rate structure</strong></td>
<td></td>
</tr>
<tr>
<td>• <strong>Must have a business plan</strong></td>
<td><strong>Must have an approved rate structure</strong></td>
</tr>
<tr>
<td>• <strong>Must have standard operating procedures</strong></td>
<td><strong>Must have a business plan</strong></td>
</tr>
<tr>
<td>• <strong>Operated by a core director</strong></td>
<td><strong>Must have standard operating procedures</strong></td>
</tr>
<tr>
<td></td>
<td>• <strong>Operated by a core director</strong></td>
</tr>
</tbody>
</table>

*Bold Items are common for both types of Research Cores*
Next Steps

Recommendations

• Partnership between Chancellor-Led Units (CLUs) and OfR
• Communicate updates to the Rutgers community
• Training and education for Core Directors in partnership with UFA
• Full implementation by July 1, 2025
Potential Topics for Education and Training

• Uniform Guidance and Core Compliance
• Research Core Finance 101
• Developing a Business Plan
• Using iLab software
• Rate Review Development and Process
• Developing and Working with a Major User Group
• Developing and Working with an Executive Oversight Committee
Communicate Changes

- Universitywide announcement
- Communication with Research Leaders
- Communication with Faculty
- Communication with Business Leaders
- Discussions with current and future Core Directors
Questions?
David B. Moore
Vice President for Financial Planning and Analytics – Chief Budget Officer

David and his team develop and implement comprehensive financial strategies that support the mission, strategic plan, and core academic and administrative objectives of Rutgers University. He provides universitywide leadership and broad strategic oversight of financial planning, budgeting, and data analytics that will advance the transformation of the university’s financial functions, shaping how the university makes decisions, and impacting long-term planning for the university.

On the Agenda

Fiscal Year 2024 Forecast

Budget Development Fiscal Year 2025
FY 2024 Forecast Information
Rutgers’ annual budget reflects the values of the university in fulfilling its core priorities of outstanding teaching, research, service, and clinical care, while providing the best academic experience for our students.

The university’s fiscal year (FY) 2024 expense is forecasted to be approximately $19.7 million more than the adopted budget.
The expenses in FY24 are forecasted to be $19.7 million more than what was budgeted.

77% is projected to be spent on our core missions of student instruction, research, public service, and patient care

15% is projected to be spent on administration, operations, and maintenance

5% is projected to be spent on auxiliary enterprise

3% is projected to be spent on athletics
Classroom instruction and academic support includes faculty compensation and staff support for academic units, libraries, and deans’ offices: Forecasted to be $1.9 billion, or 35%

Student services and scholarships include financial aid admissions and social/cultural events: Forecasted to be $626.6 million, or 12%

Sponsored research and other sponsored programs include funds spent on research associated with federal, state, and nongovernmental grants and contracts: Forecasted to be $672.6 million, or 13%

Public service, extension, and patient care include agricultural extension programs, delivery of health care, support for health clinics, and community services provided throughout the state: Forecasted to be $933.7 million, or 17%
General Administration includes support for central administrative offices such as research administration, finance, human resources, procurement, legal, and the office of the university president: Forecasted to be $587.3 million, or 11%

Operations and Maintenance of all Rutgers buildings include insurance, fuel, upkeep, and utility costs: Forecasted to be $246.8 million, or 5%

Auxiliary Enterprise includes housing and dining operations as well as parking and transportation costs: Forecasted to be $253.5 million, or 4%

Athletics includes the 24 men’s and women’s Division 1 sports programs at RU-New Brunswick: Forecasted to be $169.9 million, or 3%. The Athletics program generated approximately 73% of this amount in program revenues
**Total University Revenue**

Where does the funding come from?

- **Tuition and Fees**: 27.4% Estimated % of FY24 Total Budget, 27.0% Estimated % of FY24 Q2 Forecast
- **State of New Jersey**: 21.4% Estimated % of FY24 Total Budget, 21.3% Estimated % of FY24 Q2 Forecast
- **Patient Care Services**: 20.8% Estimated % of FY24 Total Budget, 20.3% Estimated % of FY24 Q2 Forecast
- **Miscellaneous Sources**: 15.1% Estimated % of FY24 Total Budget, 15.1% Estimated % of FY24 Q2 Forecast
- **Sponsored Research**: 15.1% Estimated % of FY24 Total Budget, 15.1% Estimated % of FY24 Q2 Forecast

*"Miscellaneous Sources" primarily includes Auxiliary Enterprise, Student Aid, Athletics, Gifts and Contribution, and Endowment and Investment Income.*
Budget Development FY25
Rutgers University Budget Process

**Budget Planning**
*July-December*

- Unit Budget Preparation
  - UBO provides guidance to Central and Chancellor local service units
  - Central and Chancellor local service units begin developing budget

- Review and Recommendations
  - Review Central service unit budgets with Budget Advisory and University Budget Committees
  - Decisions made; allocation letters sent to central service unit to complete budgets in System

**Budget Development**
*January-June*

- Academic and Auxiliary Unit Budget Development and Consolidation
  - Academic and Auxiliary units develop budgets, prepare for Chancellor meetings
  - Academic and Auxiliary units meet with Chancellors’ offices to review, refine budget
  - Chancellors’ offices submit Academic and Auxiliary unit budget to UBO, review with EVP-CFO for university consolidation
  - Proposed budget for next fiscal year presented to F&F Committee and Board of Governors

Legend for acronyms used in this visualization:
- EVP-CFO – Executive Vice President-Chief Financial Officer
- F&F – Facilities & Finance
- UBO – University Budget Office
State of New Jersey Budget Process

Budget Development
July-March

Agency Budget Preparation
Gov./OMB review priorities, update economic forecast, set preliminary revenue estimates
Rutgers generates and submits Budget Initiative Form requests

Review and Recommendations
Gov./OMB review, analyze agency budget requests; develop recommendations
Gov. makes final decisions, introduces budget to Legislature

Budget Deliberation
February-June

Legislative Action
Review, analyze budget
Review, analyze, revise revenue estimates
Review, analyze, refine recommendations for appropriations

Gov Review
Gov. signs, vetoes/returns to Legislature with amendments
Gov. signs final Appropriation Bill into Law

Legend for acronyms used in this visualization
Gov. – Governor
OMB – State of NJ Office of Budget and Management
Questions?
Ask the Experts Open Office Hours

10:30 AM – 3:40 p.m. via Zoom

Research Financial Services
10:30-11:10 a.m.

University Ethics & Compliance: Enterprise Risk Management
11:15 – 11:55 a.m.

Controller’s Office: Financial Information Systems (Reporting)
12:00 – 12:40 p.m.

Controller’s Office: Accounting/Cost Analysis
12:45 – 1:25 p.m.

University Procurement Services: Travel, Card, & Expense Reporting
1:30 – 2:10 p.m.

University Procurement Services: Purchasing & Accounts Payable
2:15 – 2:55 p.m.

University Budget Office
3:00 – 3:40 p.m.
Finance Town Hall

ACCOUNTABILITY ★ SUPPORT ★ COLLABORATION ★ UNDERSTANDING ★ TRUST ★ STRATEGIC ALIGNMENT ★ HOW WE WORK

Thank you!