

University Finance and Administration

Finance Town Hall



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

MARCH 2024



We are recording. Attendees have been placed on mute.



We will address questions throughout the meeting.

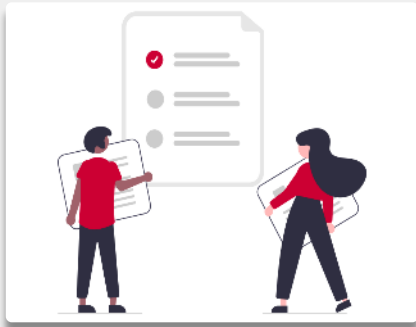


If you have questions for the presenters, please use the Q&A function.

University Finance and Administration

Guiding Principles and Values

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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





Meet the Presenter

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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

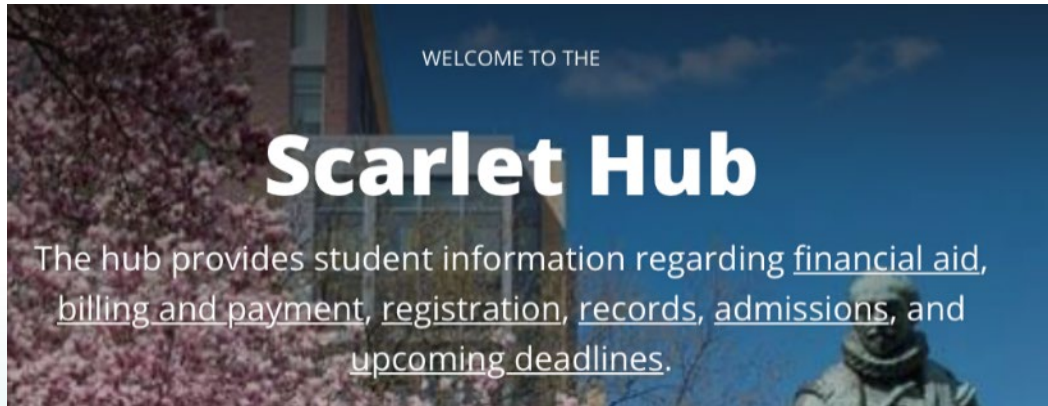
Access Existing Form

Need to access last year's form? [Start or Edit a 2023–24 FAFSA Form](#)



Rutgers' Response to FAFSA Challenges

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RUTGERS TODAY

Administration

Rutgers Extends Deadline to Accept Admissions Offers to June 1

FAFSA submission deadline extended to March 15



Rutgers Priority Filing Deadline for the 2024-2025 FAFSA is March 15, 2024

R | RUTGERS-NEW BRUNSWICK
One Stop Student Services Center

R ONE STOP | One Stop Student Services Center at Rutgers-New Brunswick
11 marto at 10:03 · 🌐

A reminder that the Rutgers priority filing date for the 2024-2025 FAFSA is March 15. Find out more at <https://scarlethub.rutgers.edu/fafsa-simplification/>

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Cornerstone Open Forum – April 2024

All administrators, faculty and staff are invited to join and hear updates on the Cornerstone project portfolio, ask questions, and share feedback with senior leaders and project team members.

Monday, April 1, 2024
2:30 – 4 p.m.

Meeting link: <https://rutgers.zoom.us/j/94771268696?pwd=SFFkciFobnBoNitQaEhVZlprOXpmdz09>

Passcode: 621848

One tap mobile: +13126266799,,94771268696# US (Chicago)
+16465588656,,94771268696# US New York

Speakers

J. Michael Gower, Executive Vice President - Chief Financial Officer and University Treasurer
John Fahey, Vice President for UFA Operations and Project Executive

Guest Speaker

Vivian Fernández, Senior Vice President, Human Resources

Agenda

Cornerstone Project Portfolio Updates
Human Resources / Payroll Transformation Initiative
Q&A

Update on the Department of Education’s “Better FAFSA” Implementation

March 26, 2024 | 2–3 pm ET | Online

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



Meet the Presenter

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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

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Jeetendra Eswaraka, DVM, Ph.D., DAACLAM

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

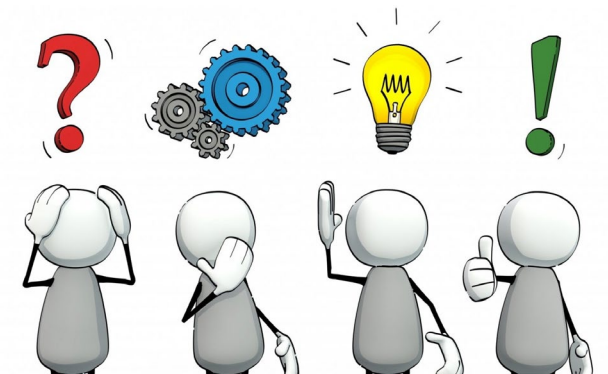
An operating unit within an institution that provides:

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.



Recharge Unit

- Provides goods and **services** to the university community, including externally sponsored awards, internal departments, and (incidentally) external customers.
- Usually non-academic; annual activity does not exceed \$25,000.
- Internal user rates only include direct costs associated with providing the **services** for internal users (including sponsored awards).
- External user rates include direct/indirect costs.

Service Center/ Research Core Facility

- Provides goods and **services** to the university community, including externally sponsored awards, internal departments, and (incidentally) external customers.
- Academic or non-academic; also sometimes referred to as “Research Core Facilities”
- As referenced in policy 90.3.1. **Service Center**, rates only include direct costs and its allocable share of indirect costs associated with providing the **services** for internal users (including externally sponsored awards) and have annual activity exceeding \$25,000.
- External user rates will include direct/indirect costs and may not be charged less than internal users.

Specialized Service Facility

- Provides highly complex specialized **services** and equipment with annual revenues greater than \$1,000,000 and significant expenditures to/revenues from federal awards (50% or more).
- Provide equipment, technical and administrative support, repository capabilities, consultation and/or training **services** in a specific scientific area for a fee to all investigators within the institution and possibly to external customers.
- Develops rates that include direct and its allocable share of indirect costs (as deemed appropriate) depending on the type of user associated with providing the **services**.

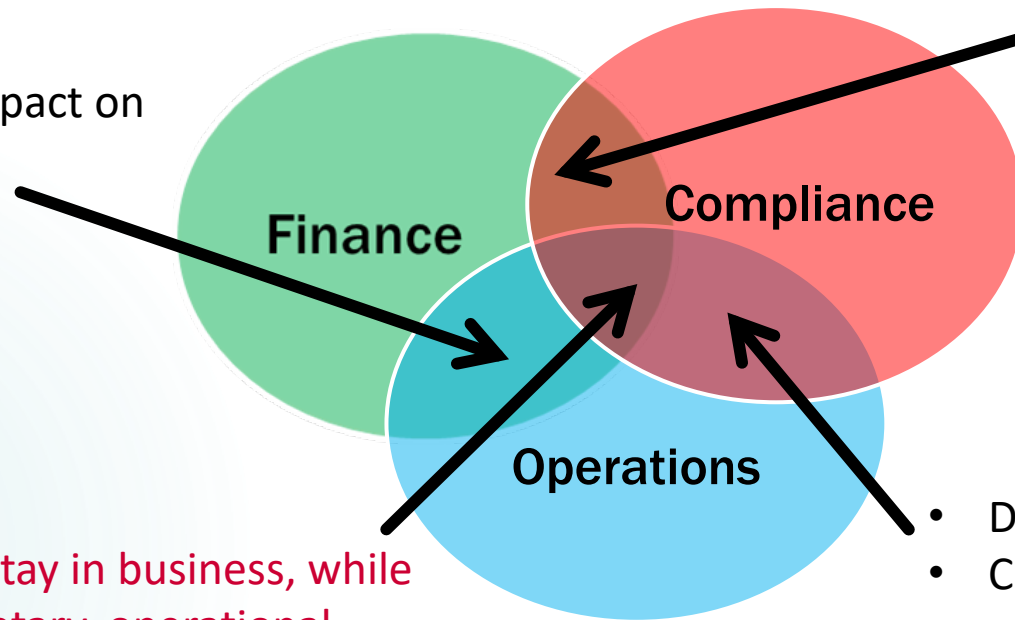
Since many Service Center users are paying with federal sponsored dollars, rates charged must adhere to cost principles established by the federal Office of Management and Budget's "**Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**," commonly referred 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** -
<https://rates.psc.gov/fms/dca/C&U%20Review%20Manual.pdf>
- ▶ **FAQs for Costing of NIH-Funded Core Facilities** for other federal funding considerations -
<https://grants.nih.gov/grants/guide/notice-files/NOT-OD-13-053.html>

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.

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



★ **Charge all users established rates**

- Don't discriminate against federal awards
- Account for subsidies properly when necessary

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

- 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**

- 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



UNIVERSITY POLICY

40.2.25 Service Center Policy / Core Facility Policy

Section Title: Financial Management (Budget, Fiscal, Risk, Travel & Internal Audit): Fiscal Management

1. Policy Statement

This policy statement establishes Rutgers' policy for the financial management and accountability of **Service Centers**. The term "**Service Centers**" (also referred to as "Core Facilities") is used to distinguish operating units within Rutgers University (RU) that provide goods or **services** to externally sponsored awards as well as other activities for a fee based on a rate schedule, to recover no more than the cost of goods or **services** and to break-even over time according to applicable cost principles. These units may sell to other departments and are expected to offer goods or **services** on an ongoing basis that are unique, convenient, or not readily available from external sources. The sale of goods or **services** must be consistent with the university's mission and the everyday activities of the college or unit associated with the organization.

2. Reason for Policy

This policy is intended to ensure units comply with federal cost principles and consistency in cost accounting practices for the university's wide variety of **Service Centers**. University schools and departments must obtain approval from the relevant Responsibility **Center** leadership and/or the Office for Research Universitywide Core **Services** (Academic Units) for activities that include regular charging of externally sponsored awards prior to conducting **service center** activity. The rates charged for the goods or **services** must comply with the Federal Uniform Guidance (Code of Federal Regulations, Chapter 2, Part 200) and should fully cover, but not exceed, the cost of providing the goods and/or **services**. These rates must be reviewed and approved by the responsible area of the Office of the University Controller (UCO) at least biennially to determine if rate adjustments are needed and/or the feasibility of continuing the activity.

With the wide variation in size, complexity and **services** provided, common administrative and accounting practices (ex. rate development, invoicing, acquiring and depreciating equipment, biennial cost analyses and reporting, etc.) are critical to maintaining compliance with regulations applicable to **Service Centers**. Additional information and guidelines for these practices can be found in the [Accounting Procedures](#) document. Further details on Research Cores, a specific type of **service center**, can be found in the Research Core **Services** Policy 90.3.1.

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

https://finance.rutgers.edu/sites/default/files/2024-02/SC_CF_Accounting_Procedures_FINAL_Feb24.docx



RUTGERS UNIVERSITY
Office for Research

research.rutgers.edu

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.

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Our Mission

Rutgers' Office for Research supports the research, scholarship, and creative endeavors of **ALL** Rutgers faculty.



RUTGERS UNIVERSITY
Office of the Executive Vice
President for Academic Affairs

RUTGERS OFFICE FOR RESEARCH



RUTGERS UNIVERSITY
Office for Research

research.rutgers.edu

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.



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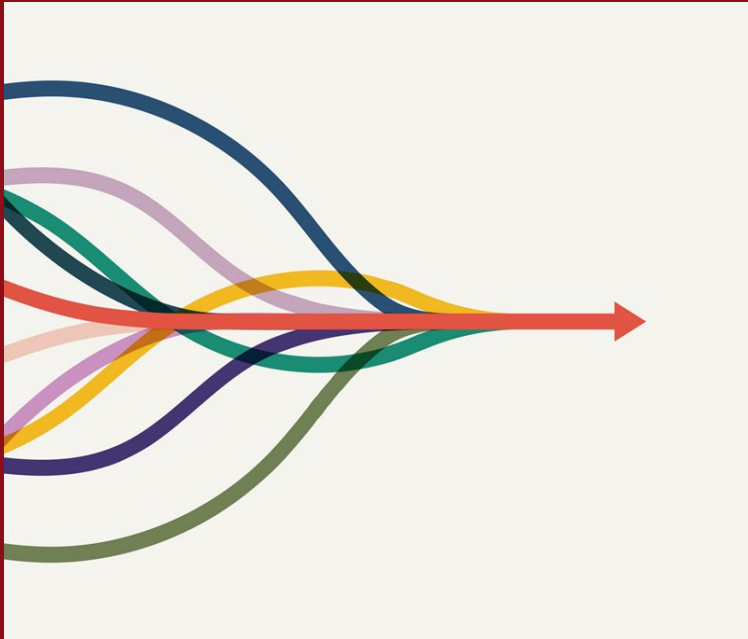
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Vision For Cores

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.

State of Rutgers Core Services

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Outdated Core Policy

Challenges with financial
sustainability

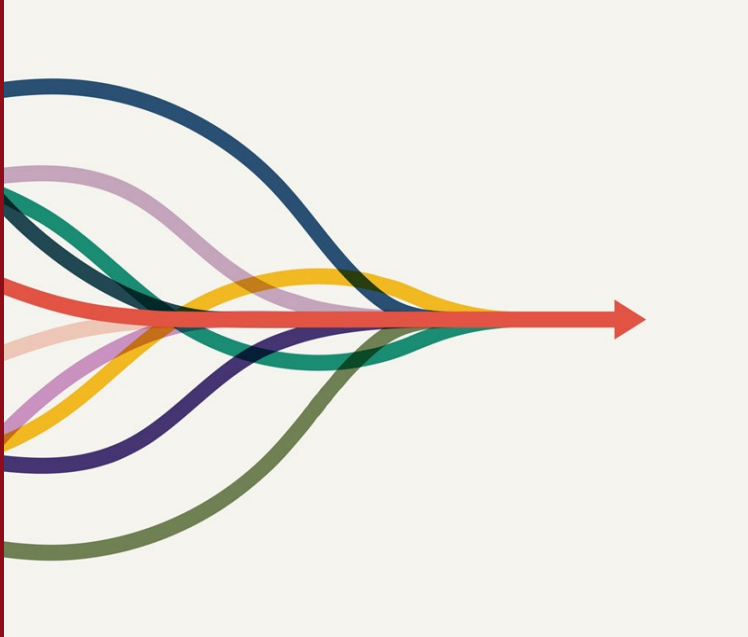
Lack of accessibility to
research cores

Equipment outdated

RISK OF CORES CLOSING AND AFFECTING RESEARCH PRODUCTIVITY

Recent Internal Audit of Core Services

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Recommendations

- Need an updated inventory of Rutgers Research cores
- Clarity governance structure, roles, and responsibilities
- Documentation on rate reviews

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

	Centrally Managed	Locally Managed
Strategy	<ul style="list-style-type: none"> Partnership between the Office for Research and one or more CLUs, Decanal Units, or Institutes Governed by an executive oversight committee Requires a MOU Must have a major user group 	<ul style="list-style-type: none"> The local unit determines the strategy The local unit determines oversight The local unit determines the type of user group
Operations	<ul style="list-style-type: none"> The Office for Research manages the finances and website Staff report to the Office for Research Space assigned to Office for Research Required to use iLab 	<ul style="list-style-type: none"> The local unit manages the finances and website The staff report to the local unit The space is assigned to the local unit Use of iLab is recommended
	<ul style="list-style-type: none"> Must have an approved rate structure Must have a business plan Must have standard operating procedures Operated by a core director 	<ul style="list-style-type: none"> Must have an approved rate structure Must have a business plan Must have standard operating procedures Operated by a core director

***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

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Training and Education for Core Directors



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?



Meet the Presenter

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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



Total FY24

Quarter Two 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.

Total University Spending – FY24 Q2

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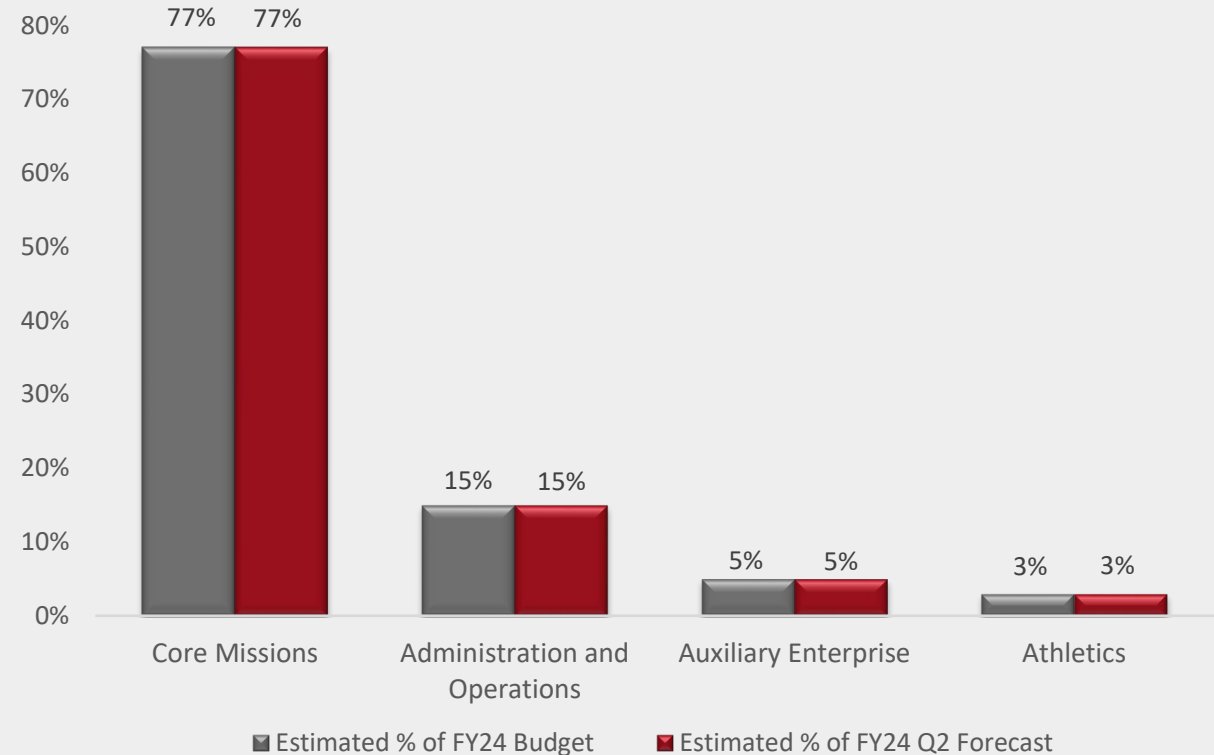
*The expenses in FY24 are forecasted to be **\$19.7 million** more than what was budgeted.*

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



Total University Spending by Expense Function – FY24 Q2

35

*Total core missions forecasted to be approximately **\$4.1 billion** or **77%***

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%**

Total University Spending by Expense Function – FY24 Q2

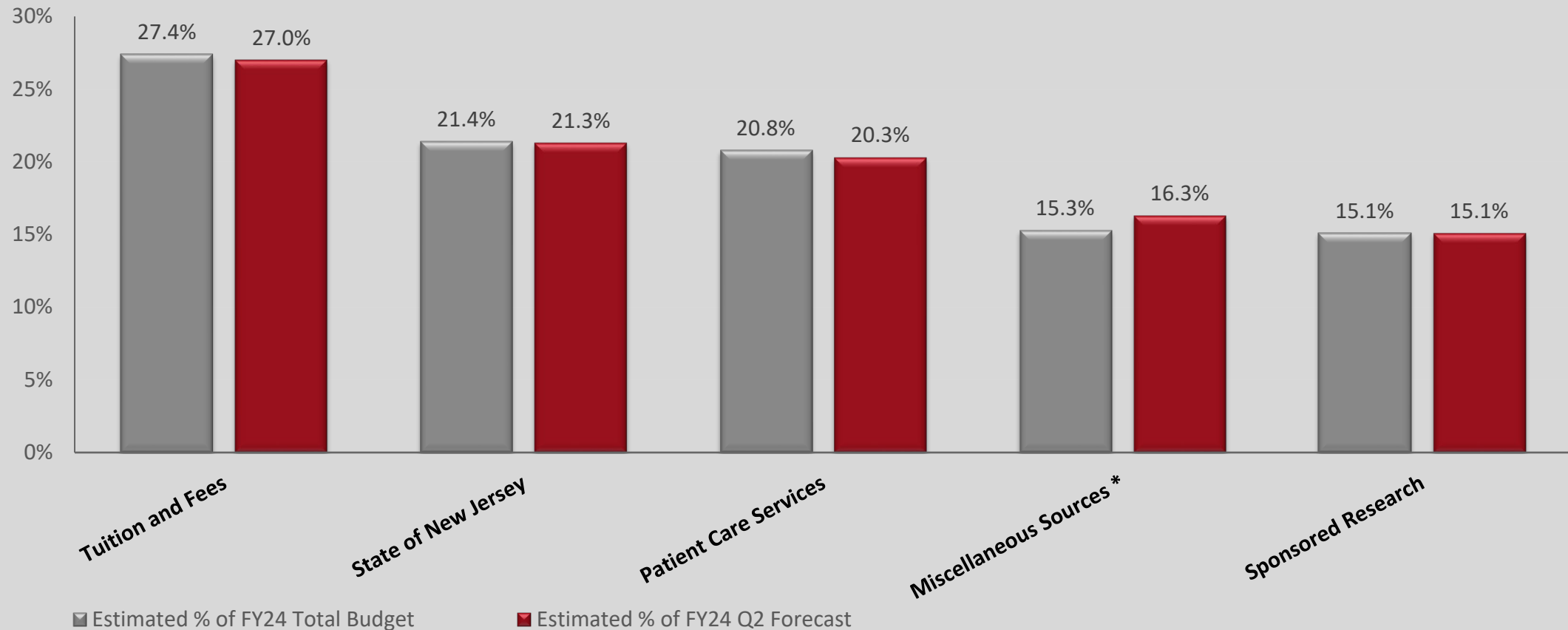
General Administration includes support for central administrative offices such as research administration, finance, human resources, procurement, legal, and the office of the university president: Forecasted to be **\$587.3 million**, or **11%**

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

Where does the funding come from?



*"Miscellaneous Sources" primarily includes Auxiliary Enterprise, Student Aid, Athletics, Gifts and Contribution, and Endowment and Investment Income.

Budget Development FY25

Rutgers University Budget Process

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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

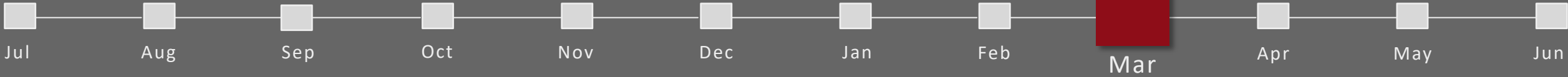
EVP-CFO – Executive Vice President-Chief Financial Officer

F&F – Facilities & Finance

UBO – University Budget Office

State of New Jersey Budget Process

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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.

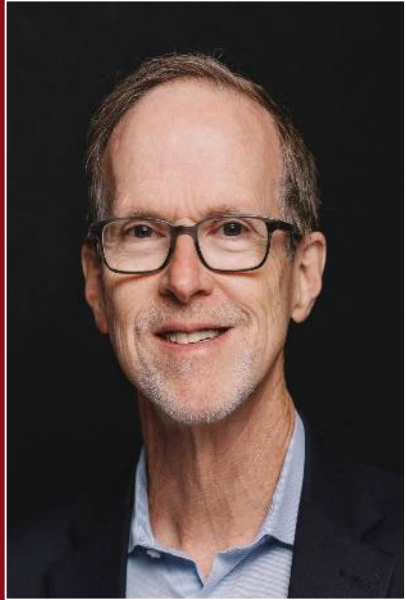
University Budget Office

3:00 – 3:40 p.m.



Finance Town Hall

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David B. Moore

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Thank you!