



**INDIANA UNIVERSITY**  
SOUTH BEND



# Coffee with the Chancellor

November 14, 2023

# Fiscal Affairs

# FY 23 Year End Cash Surplus

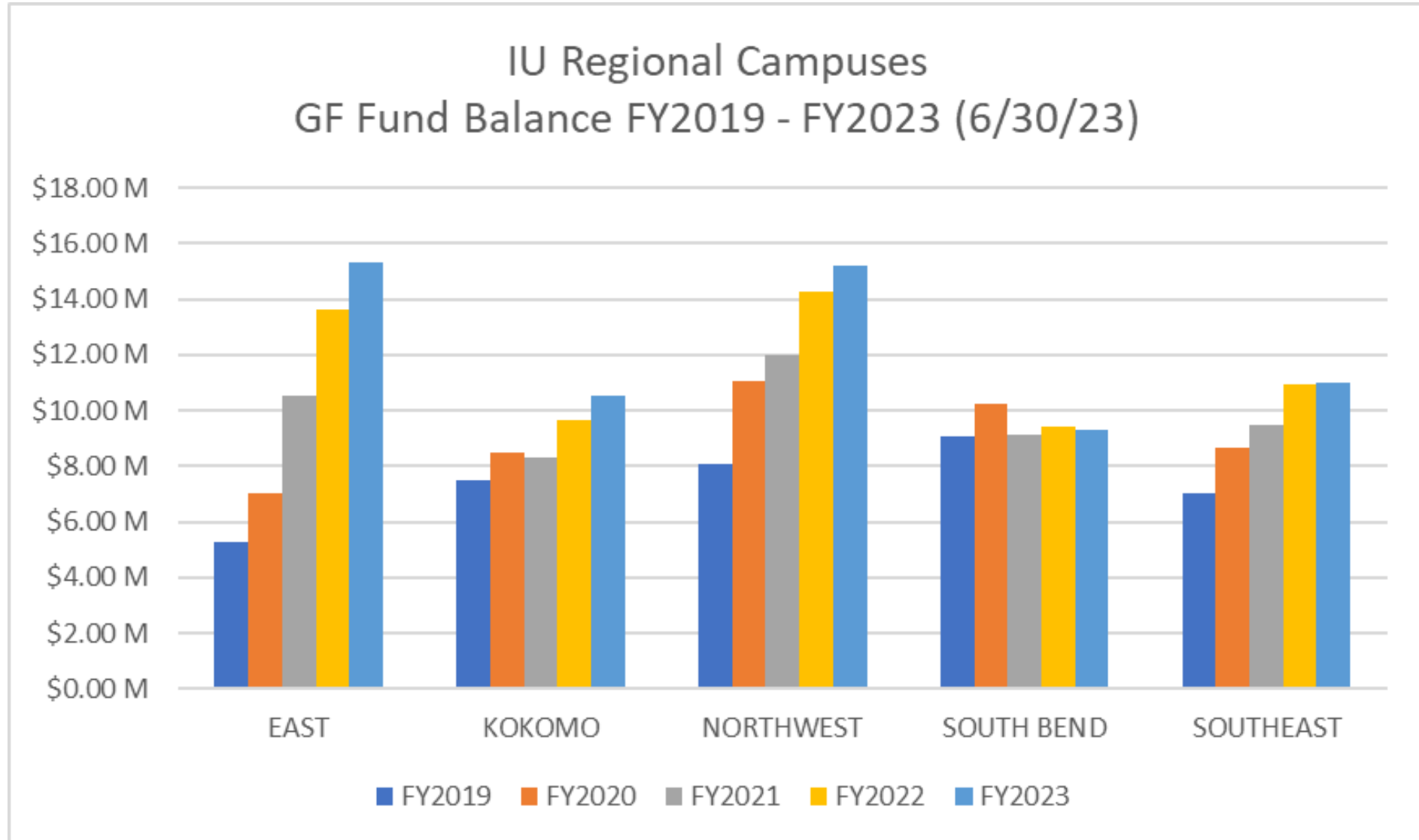
Fiscal year 2022-2023 ended with a cash surplus of **\$970K**

- Salary savings was \$250K more than prior year
- Student tuition and fee revenue surpassed budget by \$405K
- “Other” revenue surpassed budget by over \$200K as well, which includes bad debt collections, late fee revenue, and other misc.

Campus Reserve Contribution = \$500K

Remaining Unallocated Cash Surplus = \$470K

# Regional Campus Reserves



# FY 23 Year End Cash Surplus

CBAC provided input to the Chancellor, who ultimately decided on the following:

Initiative	Amount	Notes
Marketing Initiatives	\$ 175,000	Includes \$85K for digital marketing campaign, and other initiatives to raise brand awareness in the community
Prof. Development and Research	\$ 100,000	PD funding to benefit both faculty and staff. The distribution of funds is TBD.
AOD-I Implementation	\$ 95,000	Will cover costs associated with branding of new schools/colleges, signage, team building events and training, etc.
Campus Inclusion Center and DEI Programming	\$ 100,000	Location and scope are a work in progress. Funding is \$50K for DEI programming, and \$50K for space renovation, and furniture.
	\$ 470,000	

# Current Year Finances

## Enrollment is up this fall, so what does that mean for our financial situation?

- Fall enrollment boost equates to \$709K in additional revenue.
  - Annual amount should be in the \$1.3M range.
- Recall that our FY24 budget was built with a cash “plug” of \$1,324,855 to offset the elimination of the distance ed fee.
  - Using cash to balance the budget is not a sustainable practice.
  - At the time, we believed it would take up to 3 years to re-align the budget to compensate for the cash plug.



# A Balancing Act Software Solution

We have invested in a software solution called “A Balancing Act”

- The tool allows anyone to enter assumptions and explore the financial impact of potential allocations for the upcoming fiscal year.
- Provides real-time output demonstrating the effects of those choices.
- No logins or special expertise required.
- The tool is currently in development, and is scheduled to be released for general use by the end of the semester.

# Budget Model Redesign

- In the President's LEAD session on November 3<sup>rd</sup>, EVP for Finance and Administration Dwayne Pinkney revealed that IU will be implementing a new budget model.
- The new model will be rolled out in two phases:
  - Phase 1 (UA Funding): To be implemented in FY25 (7/1/2024)
  - Phase 2 (Campus Allocations): To be implemented in FY26 (7/1/2025)



# Budget Model Redesign – Phase 1

- Base Fund UA Services
- UA Tax would be taken “off the top” in one lump sum
- Eliminate individual assessments for:
  - HR, Finance, IT, Legal, Comms & Marketing, Research Admin, Facilities, Payroll, Benefits Admin, Tax Admin, Investment Mgmt, Procurement, Public Safety, Financial Reporting
- Financial Impact to the campus is unknown at this time