



# **FADP - February 24, 2017**

## **Financial Analysis of MSU Units**

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**College of Education**

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# Today's Presentation

- Review: Relationship between Mission and
  - Budget
  - Margins
  - Effectiveness
  - Efficiency
- Today: Financial Analysis and Decision Making

## Group Discussion #1:

- What is the crucial financial information your leadership needs to make decisions in support of departmental goals?
  - Do you have all the information you need? If not, why not?
  - Do you use all the information you have? If not, why not?

# What is a responsibility center?

- A responsibility center is a part or subunit of a company for which a manager has authority and responsibility. The company's detailed organization chart is a logical source for determining responsibility centers. The most common responsibility centers are the departments within a company.
- When the manager of a responsibility center can control only costs, the responsibility center is referred to as a cost center. If a manager can control both costs and revenues, the responsibility center is known as a profit center.
- If a manager has authority and responsibility for costs, revenues, and investments the responsibility center is referred to as an investment center.





<input type="checkbox"/>	Name ↕	Modified ↕	Actions
<input type="checkbox"/>	Account Activity with Pending Entries-FIN097	February 9, 2017 2:45:44 PM	More...
<input type="checkbox"/>	Account Balance Summary Report Lite-FIN161	October 11, 2016 7:42:18 PM	More...
<input type="checkbox"/>	Account Balance Summary-FIN091	December 11, 2016 1:28:02 PM	More...
<input type="checkbox"/>	Account Review-FIN500	February 10, 2017 10:25:53 AM	More...
<input type="checkbox"/>	Budget Account Activity Statement-FIN111	February 8, 2017 4:03:15 PM	More...
<input type="checkbox"/>	Budget to Actuals Statement-FIN075	February 8, 2017 4:00:43 PM	More...
<input type="checkbox"/>	Budget Variance-FIN048	August 12, 2016 11:37:57 AM	More...
<input type="checkbox"/>	Cash Account Activity Statement-FIN110	February 1, 2017 12:36:16 PM	More...
<input type="checkbox"/>	Cash Reconciliation Report-FIN046	February 9, 2017 11:38:10 AM	More...
<input type="checkbox"/>	Detail Transaction Extract with Pending Entries-FIN118	February 8, 2017 3:52:43 PM	More...
<input type="checkbox"/>	Detail Transaction Extract-FIN067	February 1, 2017 9:02:12 AM	More...
<input type="checkbox"/>	Detail Transaction Report Lite-FIN160	October 31, 2016 3:58:28 PM	More...
<input type="checkbox"/>	Detail Transaction Report-FIN045	January 30, 2017 3:07:58 PM	More...
<input type="checkbox"/>	eDoc Detail-Advance Deposit (AD)-FIN134	March 5, 2016 5:00:07 PM	More...
<input type="checkbox"/>	eDoc Detail-Budget Allocation (BA)-FIN127	March 5, 2016 5:00:47 PM	More...
<input type="checkbox"/>	eDoc Detail-Cash Receipt (CR)-FIN128	March 5, 2016 5:01:02 PM	More...
<input type="checkbox"/>	eDoc Detail-Credit Card Receipt (CCR)-FIN137	March 5, 2016 5:04:40 PM	More...
<input type="checkbox"/>	eDoc Detail-Distribution of Income and Expense (DI)-FIN131	March 5, 2016 5:04:40 PM	More...
<input type="checkbox"/>	eDoc Detail-FIN159	January 21, 2017 10:04:54 PM	More...
<input type="checkbox"/>	eDoc Detail-General Error Correction (GEC)-FIN132	March 5, 2016 5:04:40 PM	More...
<input type="checkbox"/>	eDoc Detail-Internal Billing (IB)-FIN130	March 5, 2016 5:04:39 PM	More...

Acct #	RHS EBS BI FIN070 January 2017 p.7 FY16-17	Jan revs	Jan trfr in	Jan exp	Jan trfr out
GU100013	90 Overhead Abatement - RHS OPB GF \$2.7 m	-	-	(300,000)	-
GA011211	70 MSU Union Gen Fund salary budget \$680 k	-	-	57,081	-
DC022146	MAU 78 PAYROLL DEFAULT ACCOUNT	-	-	-	-
XH022701	Live On Board and Conference Revenue	(4,876,146)	-	333,635	-
XH022702	SOUTH FACILITIES	(300)	-	290,300	-
XH022703	BRODY FACILITIES	100	-	233,221	-
XH022704	Res Hall Rev Holding Account	(6,087,002)	-	(284,440)	-
XH022708	RHS Planning & Projects Office Admin.	-	-	127,134	-
XH022709	APPLICATION FEE / MERIT SCHOLARS	3,000	-	(1,420)	-
XH022714	Design Constr. Mgt. Furnishings/Flooring	148,525	-	255,638	-
XH022720	RHS PREVENTIVE MAINT & REPAIR	75,160	-	76,486	-
XH022730	KELLOGG CENTER BEVERAGE	103,206	-	23,878	-
XH022731	KELLOGG CENTER PARKING RAMP	53,857	-	10,237	116,500
XH022732	KELLOGG CENTER FOOD SERVICES	673,251	-	523,681	-
XH022733	BROOK LODGE	2,767	-	13,463	-
XH022734	KELLOGG CENTER CONF. AUDIO VIS	36,885	-	9,679	-
XH022739	NORTH RES ED	1,099,829	-	430,213	-
XH022740	WEST CIRCLE DINING SERVICES	276,287	-	332,377	-
XH022749	MSU BAKERY	187,667	-	184,186	2,000
XH022750	CULINARY SERVICES ADMINISTRATION	-	-	127,383	-
XH022751	SPARTAN SIGNATURE CATER-UNION	30,763	-	22,808	-

MSU DIVISION OF RESIDENTIAL & HOSPITALITY SERVICES

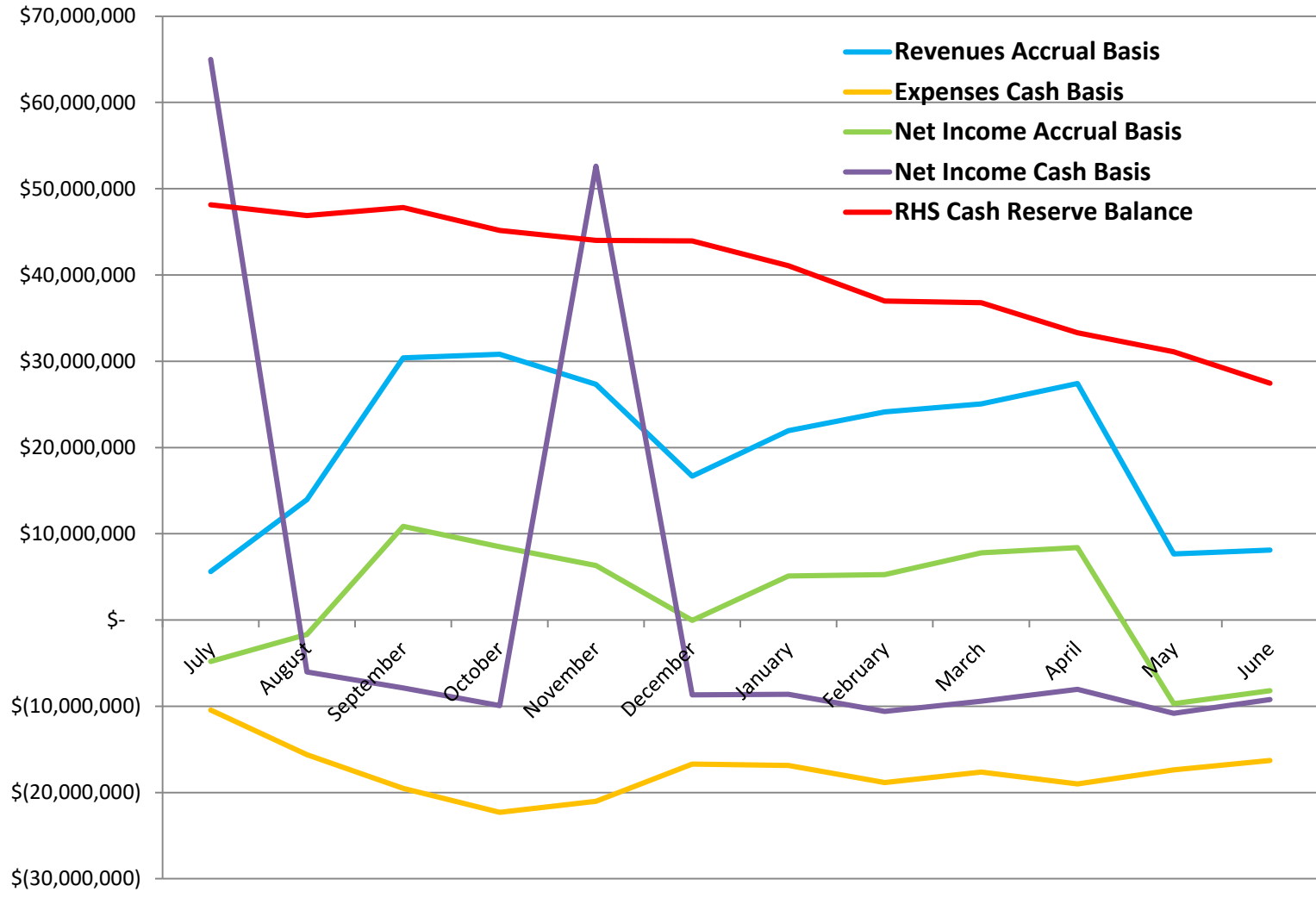
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS: ACTUAL V. BUDGET**

Information Source: KUALI G/L - COGNOS BI FIN070 REPORT & RES HALL/APT ACCRUED REVENUE SCHEDULE

January 31, 2017	FY16-17 Period 7					
Accrual Basis	1 Month Actual	1 Month Budget	Actual - Budget	Actual - Budget		***
Accounting:	January 2017	January 2017	\$ Increase	% Increase		***
*****	*****	*****	*****	*****		***
+ Operating Revenues	\$ 19,383,687	\$ 20,918,474	\$ (1,534,787)	-7.3%		***
						***
						***
- Operating Expenses	\$ (17,472,999)	\$ (18,053,469)	\$ 580,470	-3.2%		***
						***
+/- Transfers In / (Out)	\$ (353,385)	\$ (62,333)	\$ (291,052)	466.9%		***
						***
<b>= Net Income from Operations</b>	<b>\$ 1,557,303</b>	<b>\$ 2,802,672</b>	<b>\$ (1,245,369)</b>	<b>-44.4%</b>		***
						***
- Debt Service Costs	(3,270,197)	(3,025,649)	(244,548)	8.1%		***
						***
<b>1. 2. - Plant Cash/ JIT Costs</b>	<b>(3,449,251)</b>	<b>(3,402,455)</b>	<b>(46,796)</b>	<b>1.4%</b>		***
						***
<b>= All Funds Net Income</b>	<b>(5,162,145)</b>	<b>(3,625,432)</b>	<b>(1,536,713)</b>	<b>42.4%</b>		***
						***



### MSU RHS FY15-16 Financial Results





## Group Discussion #2:

- How can practices in RHS inform your practices?
- What more would you like to know about RHS' financial reporting?

# Financial Analysis and EDU: Off-Campus Credit Initiative (OCCI)

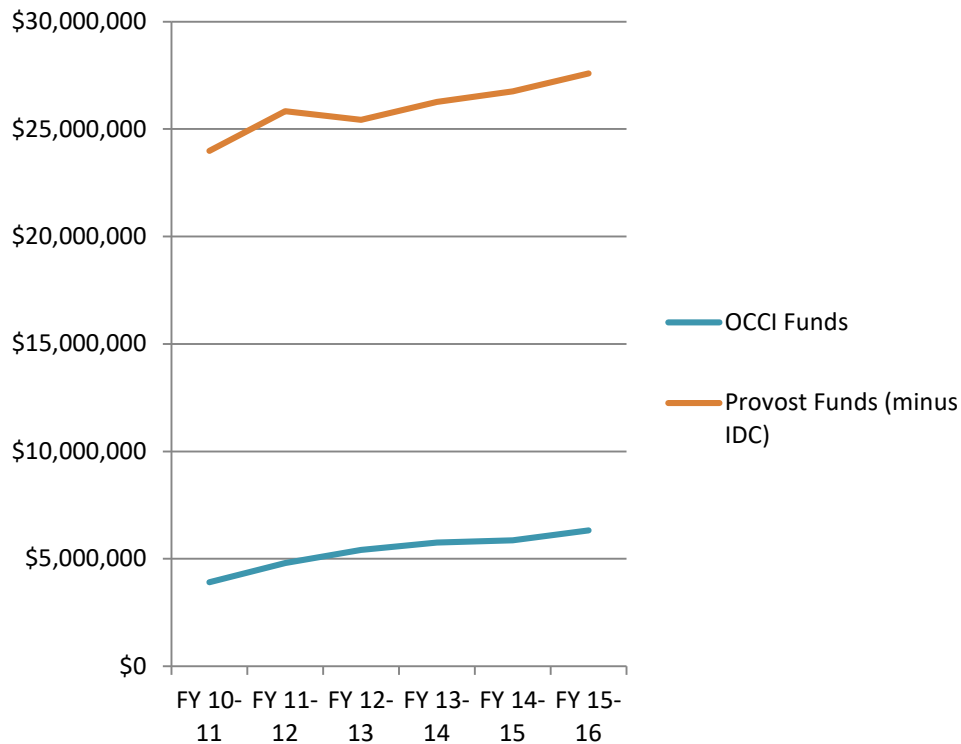
## Online Course Section (730-739) Credit-Hour Support

- For each student who is taking an online course and is not concurrently enrolled in on campus courses, his/her SCH's will be eligible for support. Eligible students will be examined for residency and their SCH's will be multiplied by the tuition fee rate paid by each eligible student in the course times 0.75

## Hybrid/Blended Course Section (740-749)

- Hybrid/blended courses are subject to the rules outlined above for online courses.

# Financial Analysis and EDU: Off-Campus Credit Initiative (OCCI)



2010-11 Ratio  
\$1 GF : \$.16 OCCCI

2015-16 Ratio  
\$1 GF : \$.23 OCCCI

# Financial Analysis and EDU: Off-Campus Credit Initiative (OCCI)

OCCI funds are non-recurring.

At the college level, *we don't budget for these funds* like we do our recurring funds. Instead, we allocate the funds to the department per the SCH they generate online.

Discussion:

- Why is it (or is it) important to budget these funds and/or track the expenditures?
- How do your units budget/track these funds?

# Financial Analysis and EDU: Off-Campus Credit Initiative (OCCI)

- In EDU, we want to inform these decisions:
  - Budget reduction/additions
  - Dependencies
  - Growth
  - Breakeven point
- We are doing this using EBS –
  - SubAccount – Dept Name Off Campus Account
  - Project Code – Degree Program
  - Sub-Object -- Course Code
  - Object Code Name – GA, Fringe, Travel, Supplies, etc

## Questions ?

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