

Forecasting Best Practices

General Fund budget forecasts **do not** impact approved General Fund budgets. The goal of the General Fund budget forecast is to inform University officials of projected, material operating budget variances.

To that end, please only report **significant*** favorable or unfavorable variances to budget that your area anticipates to occur by fiscal year end.



Review and Compare YTD actuals for the last few fiscal years

Use the Monthly Actuals, Multi Year Actual Analysis, or Budget Variance Analysis reports in Prime Financials

Analyze the trends

Are actuals higher than usual? Lower? About the same?

Review current fiscal year encumbrances

Identify PO's that should be closed, and include unencumbered expenses

Compare actuals for the remaining months of the last few fiscal years

Did actuals increase? By how much? What was the average increase?

Project activity for the remainder of this fiscal year, using the above analyses

Will this year be similar to the last few years? Any increase or reduction in activity planned?

*The threshold for a significant variance is the lesser of \$50K, or approximately 5% of the department's total General Fund budget.