Forecasting

A financial forecast is an estimate of future financial outcomes for a project. The financial forecast relies on the following pieces of information:

- Known Funding
- Known Expenses
- Trending Expenses
- Ability to track Unexpected Expenses
- Status of project aims and scientific progress
- Ability to make financial assumptions based on project knowledge

Best Practices

- The Forecasting Tool is not a shadow system to be maintained on a monthly basis. It is a mechanism which will use a template and business objects reports to assist in the projection of various scenarios. This document can be saved for future reference, but is not considered to be a final financial document or formal record for audit.

Procedures

With the implementation of Real-Time Financials, the Forecasting tool will be used only when necessary to project the future status of a project. The forecasting tool will include all DBE information that is currently in Wolverine Access and will pick up “actual” fringe benefit rates.

This template functions by running reports in Business Objects, then by using a copy and paste function. Once the copy and paste is complete, the template functions like an excel file.

1. Query set-up. This step only needs to be taken the first time the query is used.

   Go the Business Objects Query
   >Wolverine Access
   >U-M Data Warehouse (Business Objects)
2. Copy the query into the “My Favorites” folder. This is ABSOLUTELY necessary in order for the query to be in an editable state.
   a. Right-click the Report title and select Organize > Copy.
   b. Click on the My Favorites folder. From the toolbar, select Organize > Paste.

The report is now located in the My Favorites folder. In the future, you should always run the report from the My Favorites folder.

3. Open the report and enter required information.

Enter End Date: This should be the most recent SOA close date
Enter P/G
Job Eff Seq should always be: “Max Sequence”
Enter Estimate Begin Date (This date will reflect the 1st month to start forecast)
Enter Estimate End Date: (This date will reflect the end date of the forecast)
Click Run

4. Copy data DIRECTLY out of the Business Objects query to the Template

   It is advised to extract the template directly from the Sponsored Programs Website, as the template may be updated. This ensures you are using the most recent version.

   (Do not save the data to an excel sheet for copying and pasting.)

   a. In the top right corner, click on Edit.
   b. When the report opens, verify that Edit Report is highlighted.
   c. Right-click the edge of the table and select Copy as text, then paste into the Excel template. Data from each tab will need to be copied and pasted. The names of the tabs on the Business Objects report correspond with tabs on the Template. On the Template, each tab has instructions for where the data should be pasted.

5. The data pulled via the Business Objects report is for the last month closed, therefore it is necessary to manually enter the lump sum of encumbrances.
a. Find the M-Report for this Project/Grant. Calculate the total of the blue columns (direct and indirect costs), and enter that total on the “Exp Forecasting” tab, cell L8.

6. The Template can now function as an excel worksheet to forecast various scenarios.

   a. Enter/change information only in the Add’l Bdgt and Exp Forecasting tabs.
   b. Only change or enter information in the YELLOW cells.

Resources

For Med School reference:

http://medicine.umich.edu/medschool/research/office-research/grant-review-analysis/pre-award-information/proposal-preparation/budgeting-costs/budgeting-personnel