

Financial Management at Saarland University

Genua, April 2011

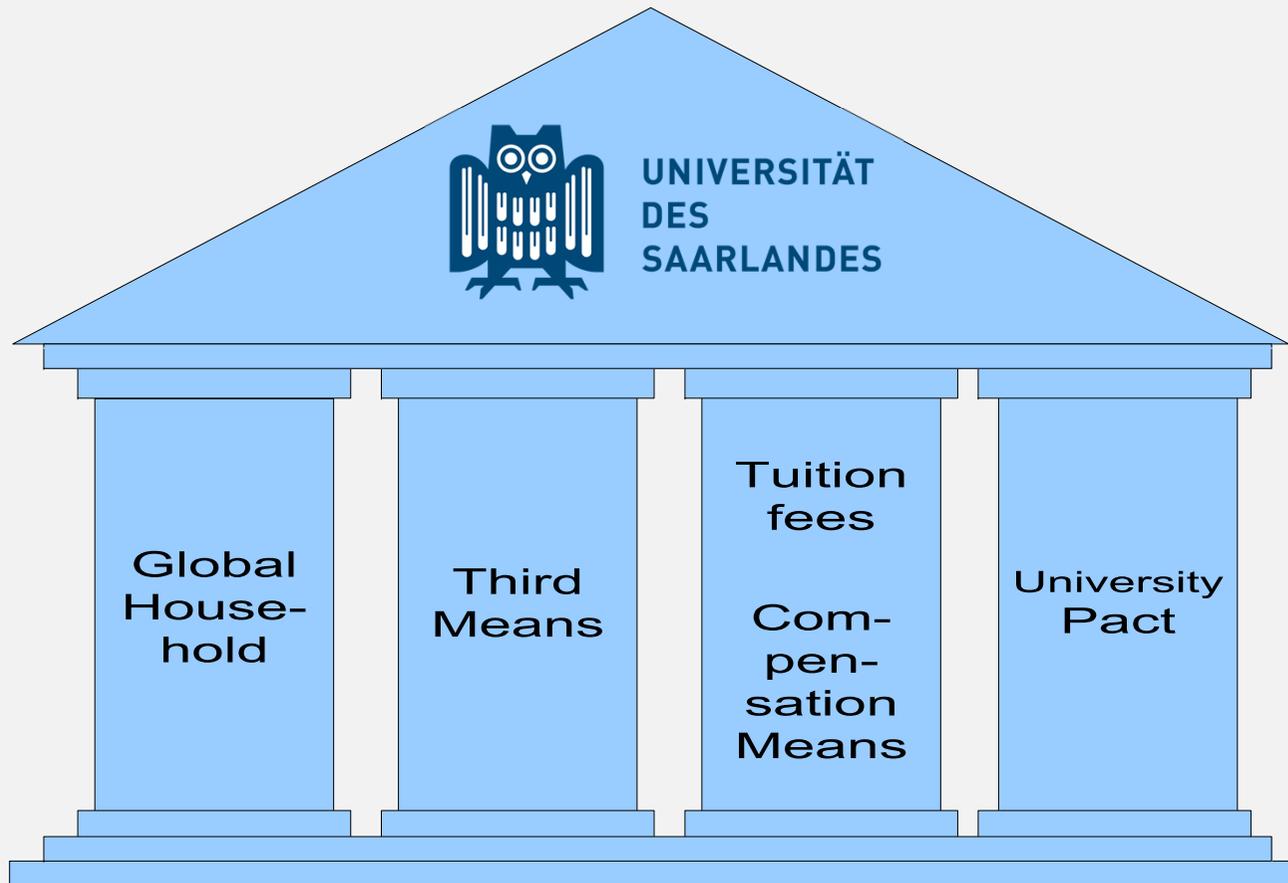
Budget management and planning process



General Conditions

- 1) The columns of financing
- 2) Appeal Negotiations
- 3) Budget planning
- 4) Budget supervision

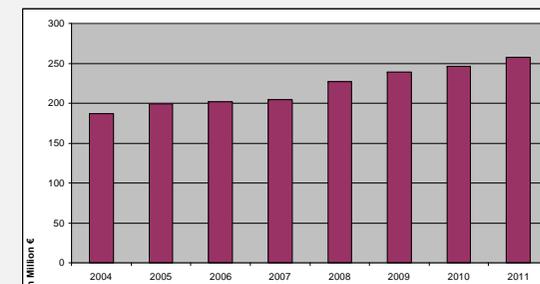
The columns of financing



Financial Development 2004 – 2011

Financial Development 2004 – 2011 in million Euros

	2004	2005	2006	2007	2008	2009	2010	2011*
Global household	142,37	141,97	141,77	141,77	148,27	152,42	156,00	164,62
Third means	44,61	40,89	43,58	43,63	52,9	57,82	56,38	56,00
Tuition fees				2,56	8,97	8,76	2,24	0,00
Compensations means							8,5	10,00
University pact				0,5	0,6	1,7	4,6	8,1
Saarland University Hospital		16,03	16,03	15,93	15,93	18,68	18,68	18,68
Total	186,98	198,89	201,38	204,39	226,67	239,38	246,40	257,40



*Third means and University pact for 2011 estimated

Appeal negotiations

At the other side stand the claims of the professorships from the appeal negotiations.

It is negotiated about:

- Staff
- Tangible means and investments
- Office and laboratory areas

Staff

In Germany there are three types of professorships
W1 (Junior professor),
W2 Professor and
W3 Professor

Basic staff

	W2 Professor	W3 Professor	W1 Junior Professor
Scientist	0,5	1	No additional staff
Administrative staff and technicians	--	0,5	

In addition, all other staff is additional staff.

Financial resources

Components of the financial resources are tangible means (annual allocation) and investments (extra allocation).

Basic equipment

	W2 Professor	W3 Professor	W1 Junior Professor
Tangible Means	2.500 €	5.000 €	--
Investments	30.000 € - 240.000 € (in p.c. 1.000.000 €)		--

Office and laboratory areas

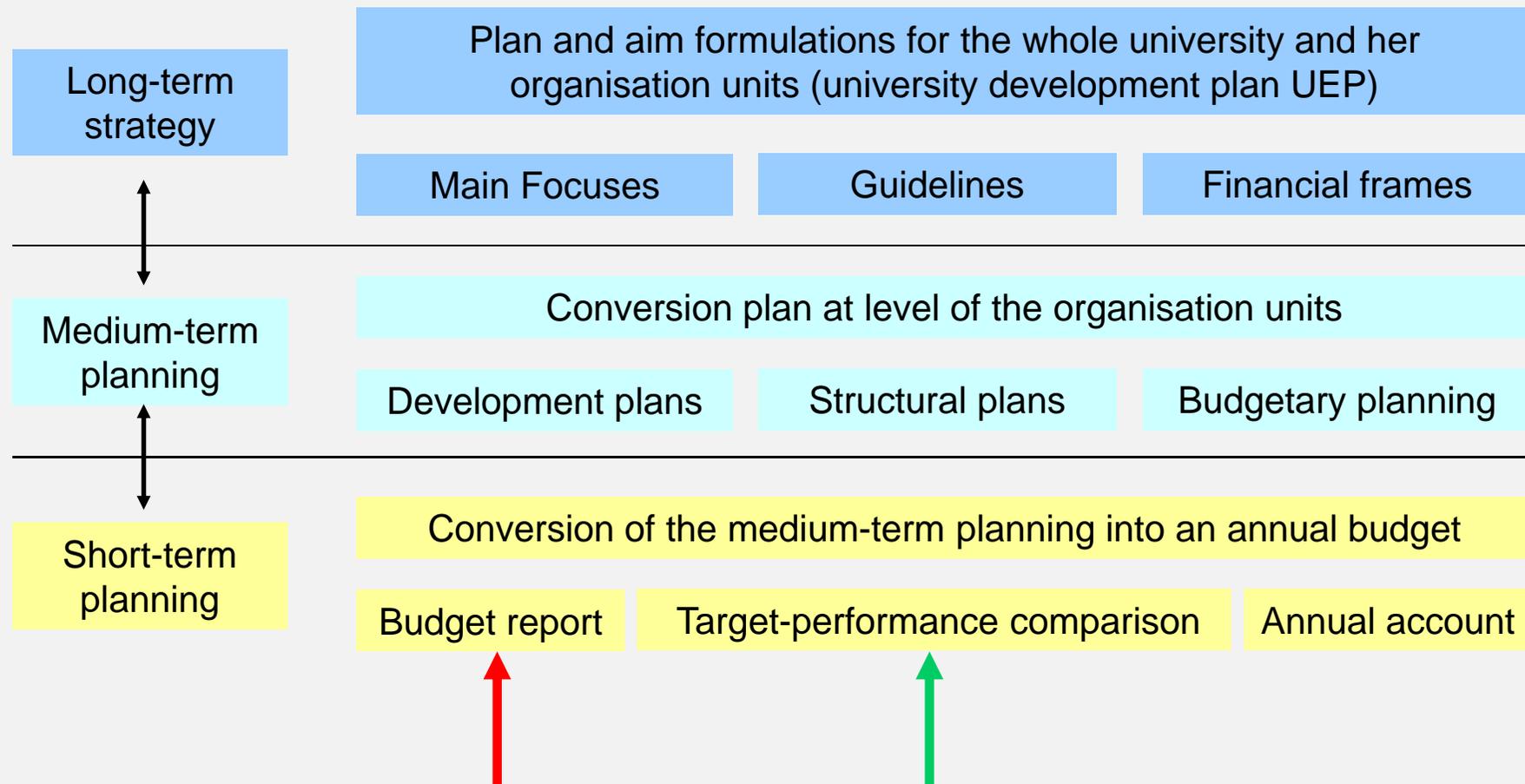
This is at the moment only relevant for the budget indirectly, because the rooms are centrally administered and managed.

In future the space need should be determined about space-management-model and all surfaces which must exceed the need then by the cost centre owner are paid.

Budget planning

- 1) Position of the budget in the whole planning process
- 2) Phases of the budget process
- 3) Guidelines in the budget process
- 4) Detailed budget inquiry

Position of the budget in the whole planning process



Budget report

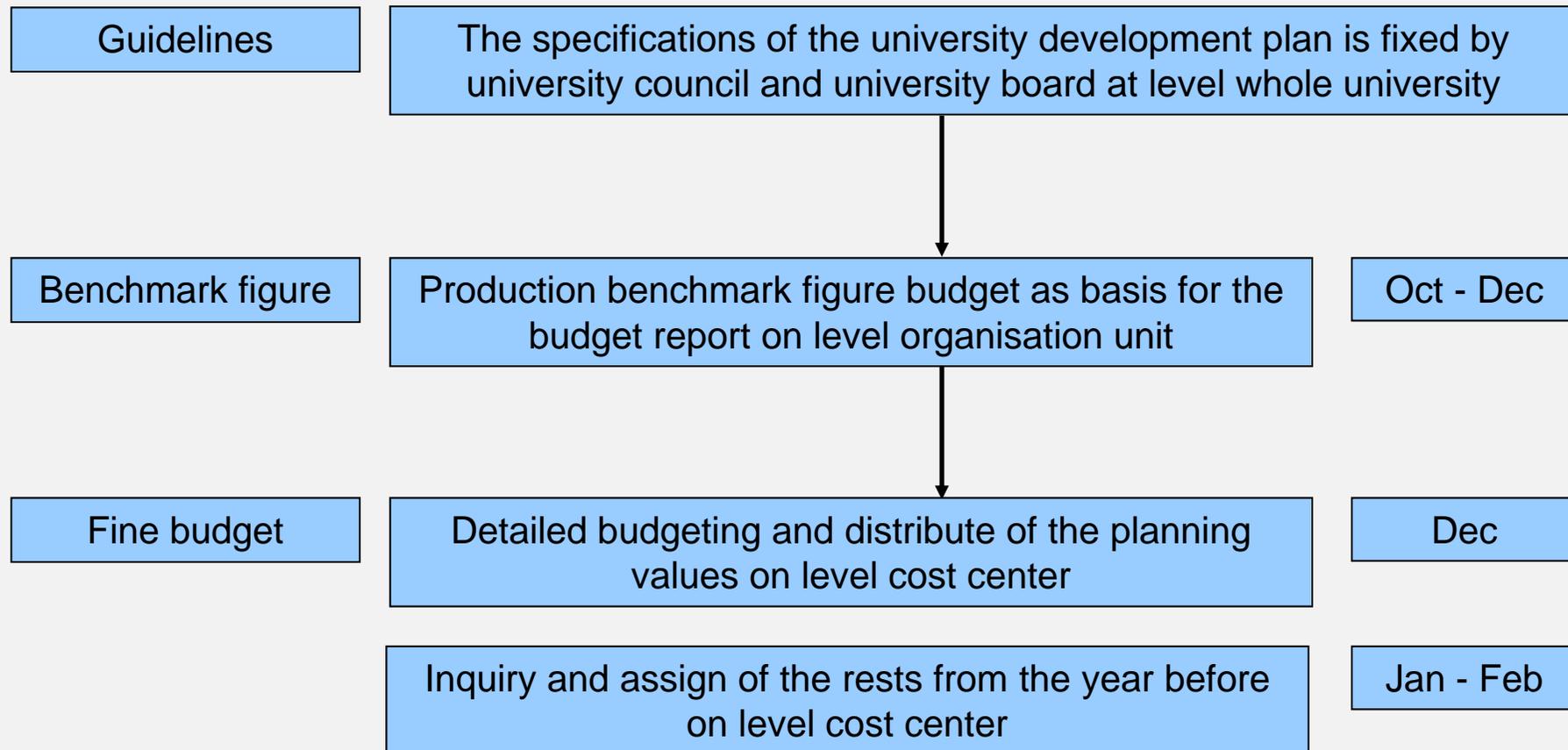
Expenses	in T €	Income	in T €
Faculty 1: Law and economics	12.016	Global household	164.618
Faculty 2: Medicine	34.735	Own Income	3.825
Faculty 3 - 5: Humanities and Linguistics	22.481	Saarland Hospital	18.680
Faculty 6 - 8: Natural and material Sciences	33.812	University Pact	8.115
Management and Administration	29.078	Compensation means	10.000
Central institutions	15.888		
Whole university, not splittable	19.525		
Saarland Hospital	18.680		
Compensation means - not splittable	9.000		
University Pact not splittable	5.115		
Overhead from third means	1.825		
	202.155		205.238

Budget report

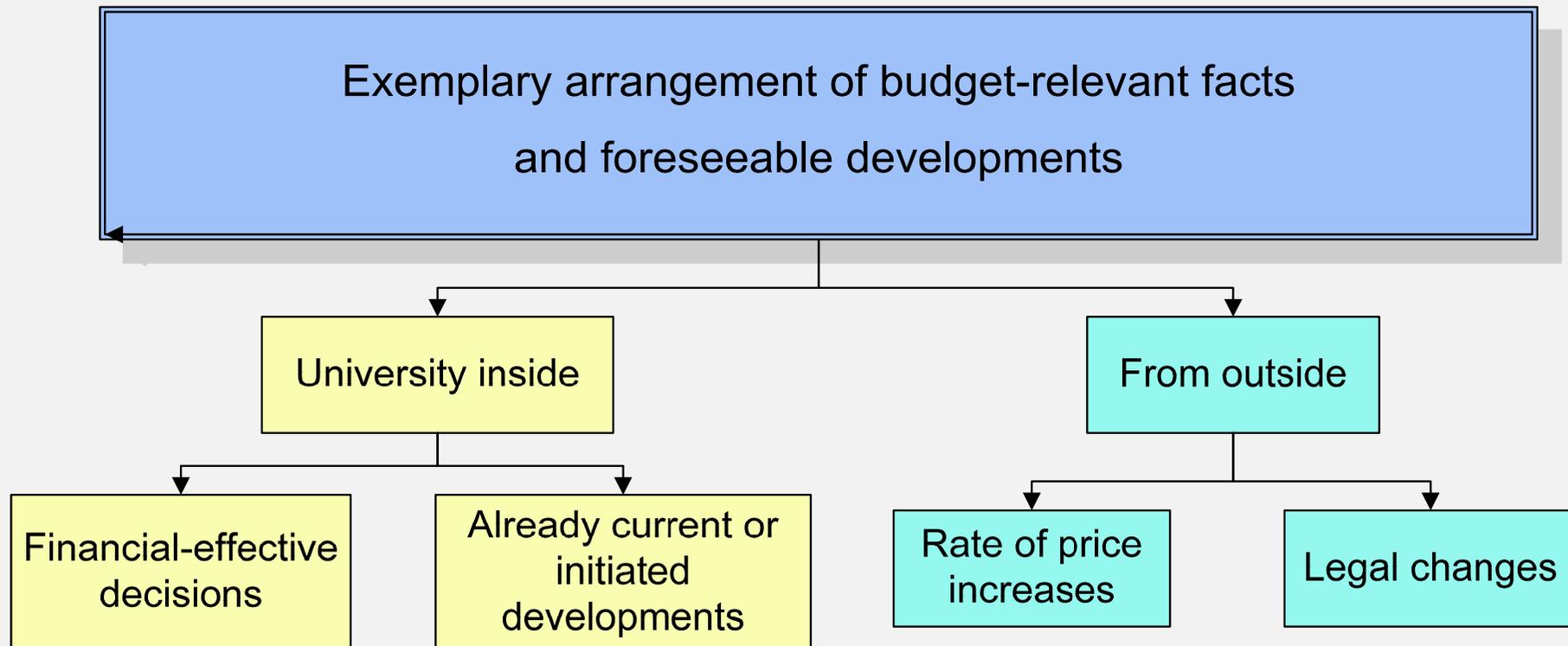
Faculty	Cost Center	Category	Subcat.	Amount
Faculty 1: Law and Economics	1011401	Personnel	Sekr	-19.607,53
			W2	-67.908,85
			wMb	-52.605,30
			Sum	-140.121,68
		Tangible means	SM	-2.500,00
			Sum	-2.500,00
		Sum		-142.621,68
Sum		-142.621,68		

Faculty 1: Law and Economics	Back staff	-289.417,43
	Teaching assignments	-192.000,00
	Personnel	-10.894.253,00
	Tangible Means	-640.252,50
	Sum	-12.015.922,93

Phases of the budgeting process



Guidelines in the budget process



Detailed budget inquiry

Budget planning for cost centers

- 1) Calculation of the staff budget
- 2) Tangible means and investments
- 3) Not splittable budgets
- 4) Calculation third means

Budget planning for cost centers

For each cost center there are several budgets

- Staff budget
- Tangible means
- Investments
- External funds (third means, tuition fees, compensation means)

Calculation of the staff budget

- The claims of the professors from the appeal negotiations (e.g., 2 places academic employees, 1 secretary place, etc.) are converted with university-internal average sentences into a budget amount.

$$P_k = 0,95 * \sum_i P_i \qquad P_i = D_i * S_i$$

with

P_k = Staff budget per cost centre

P_i = Staff budget per place category i

0,95 = Adjusted around prospective vacancies

D_i = Average sentence per place category i

S_i = Place number per place category i

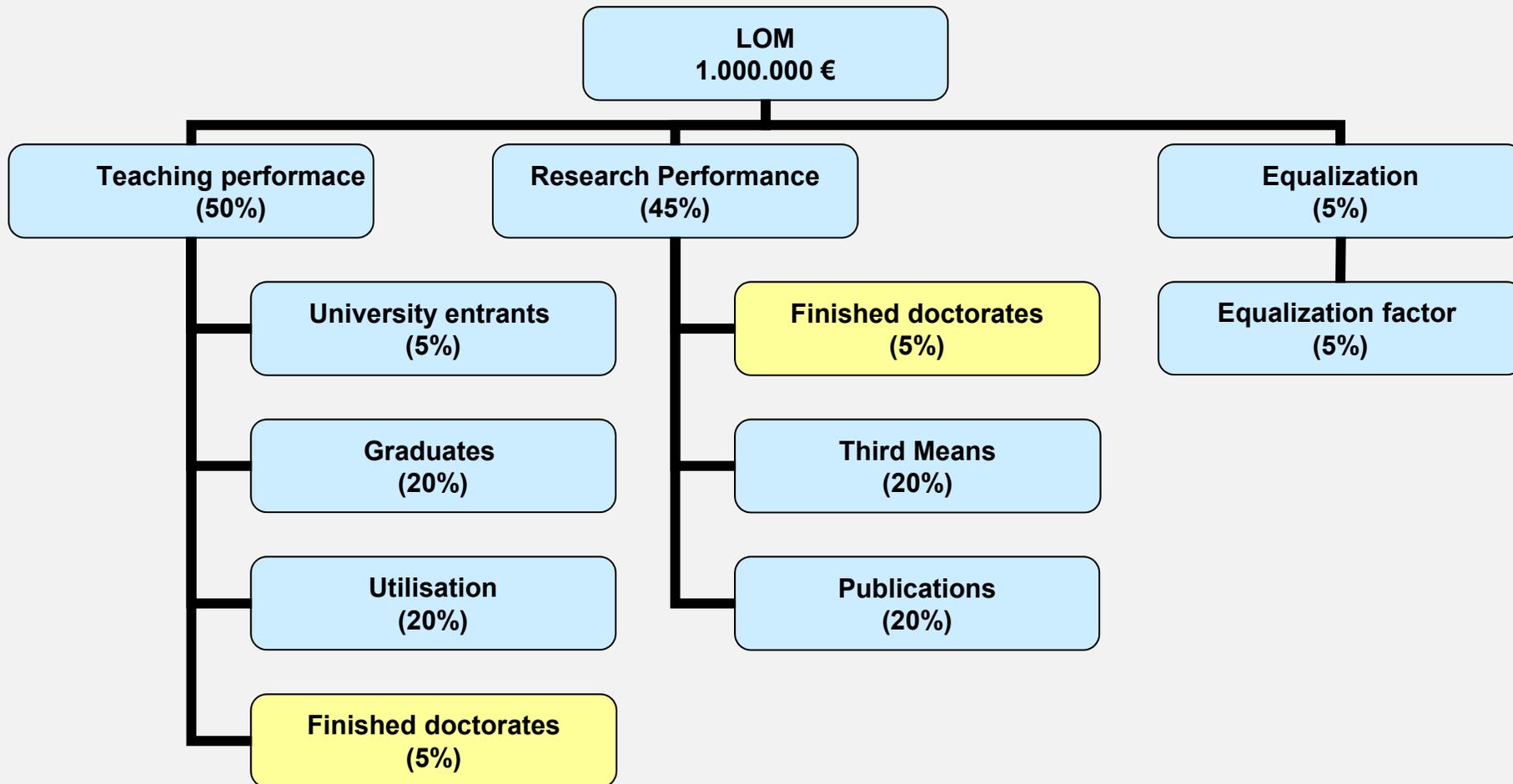
Tangible means and investments

- Tangible means according to appeal arrangement
- Investment according to appeal arrangement
- Rests from the year before will transfer

Whole-university, not splittable budgets

- a) Achievement-oriented allocation (LOM)
- b) Research support, Innovation fund
- c) Means for long-distance heating, energy, water
- d) IT-Budget
- e) Personal budget for stand-by duties, trainees, postinsurances
- f) Budgets for central services and maintenance

a) Achievement-oriented allocation (LOM)



Teaching performance figures

University entrants = **University entrants / Professors (UdS)**
/
University entrants / Professors (in Germany) at universities

Graduates = **Graduates / Professors (UdS)**
/
Graduates / Professors (in Germany) at universities

Utilisation = **Teaching demand in the average period of study**
/
Teaching offer after teaching units

Doctorates = **Doctorates / Professors (UdS)**
/
Doctorates / Professors (in Germany) at universities

Research performance figures

$$\text{Doctorates} = \frac{\text{Doctorates / Professors (UdS)}}{\text{Doctorates / professors (in Germany) at universities}}$$

$$\text{External Funds} = \frac{\text{Third means income / expenses (UdS)}}{\text{Third means income / expenses (in Germany) at universities}}$$

$$\text{Publications} = \frac{\text{Publications / scientist (UdS) after professions}}{\text{Publications / scientist (in Germany)}}$$

Equalization

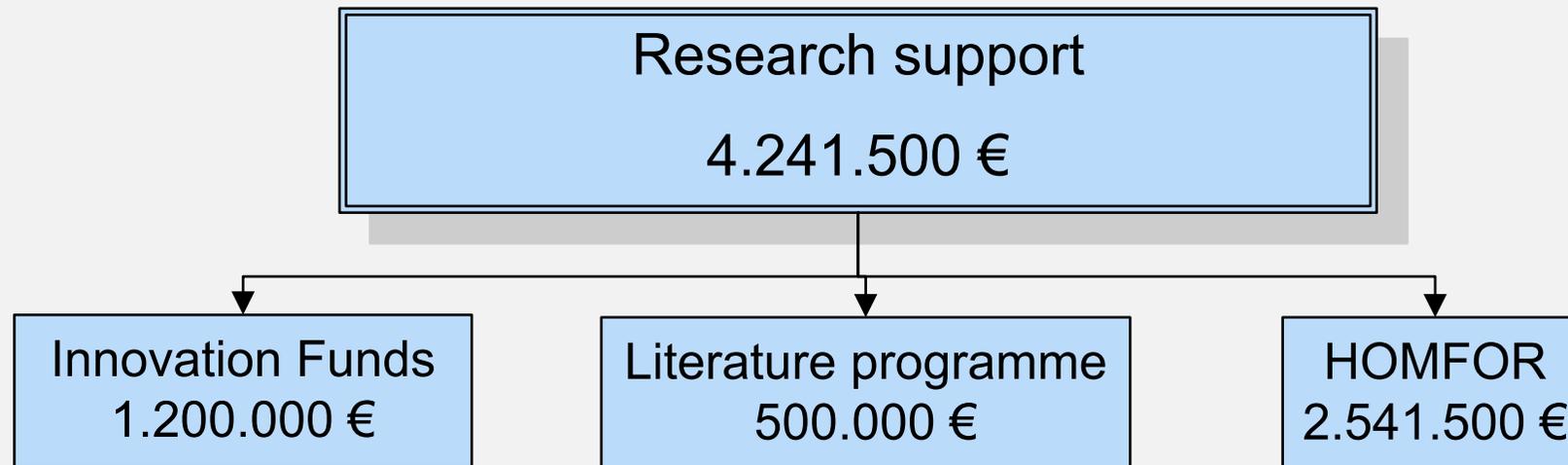
Equalization factor =

female scientist / scientist (UdS)

/

female scientist / scientist (in Germany) at universities

b) Research support



Calculation Third Means

The budget distribution is rather easy, but the fundraising of new third means projects becomes more and more complicated.

Different according to middle giver

EU separate calculation

Budget supervision

Separate account property

Funds on those the budget is deposited

Value borders

Availability control

4-Window-report

Quarterly Report	Performance Year before	Target	Performance	Target vs. Performance
	01/2009-09/2009	01/2010-09/2010	01/2010-09/2010	01/2010-09/2010
Personnel cost	129.054.052	133.547.627	137.927.555	103
Operating costs	61.694.472	60.878.592	65.363.230	107
Σ Personnel & operating costs	190.748.524	194.426.218	203.290.784	105
Revenue	-59.617.665	-52.916.484	-60.714.537	115
Financing payments (GHH) Uds	131.130.859	141.509.734	142.576.247	101

Additional Information

Investments	12.818.879
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Reasons for divergence to the budget

Costs		100
Stock of third means	8.854.317	
Revenue (Not yet assigned means)	10.407.034	132
Adjusted financing payments (GHH) Uds		94

Annual comparison	Performance Year before	Target	Projection	Target vs. Projection
	2009	2010	2010	2010
Personnel cost	142.552.019	145.688.320	150.466.423	103
Operating costs	66.554.708	66.413.009	71.305.342	107
Σ Personnel & operating costs	209.106.727	212.101.329	221.771.765	105
Revenue	-66.731.632	-57.727.074	-79.659.896	138
Financing payments (GHH) Uds	142.375.095	154.374.255	142.111.869	92

Additional Information

Investments	13.984.231
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Measures of the university board/ of the faculty

Target-performance comparison

Quarterly Report	Performance Year before 01/2009- 09/2009	Target 01/2010- 09/2010	Performance 01/2010- 09/2010	Target vs. Performance 01/2010- 09/2010
Personnel cost	129.054.052	133.547.627	137.927.555	103
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Target-performance comparison II

Annual comparison	Performance Year before 2009	Target 2010	Projection 2010	Target vs. Projection 2010
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Operating costs	66.554.708	66.413.009	71.305.342	107
Σ Personnel & operating costs	209.106.727	212.101.329	221.771.765	105
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Thanks for your attention!

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