STAR Training Series

Welcome to

STAR Forecast Training

9/29/19
Training Objectives

• STAR Review
  – Log On, System Components
  – Display ID – Description
  – Enable Manual Entry of Members

• Forecasting
  – Basics, Timing, Variance Explanations, Purpose, Best Practices

• Tools Used for Forecasting
  – Input Schedule, Reports

• Saving a STAR Report
STAR Training Series

STAR Review

- Log On
- System Components
- Display ID – Description
- Enable Manual Entry of Members
Connection & Log-in Process Overview

1. Connect to SSVLPN with Windows credentials.
2. Click Log-in button in EPM tab from workstation’s Excel.
   i. If no EPM tab, then check installed software.
   ii. If not installed, then install. If installed, then it’s disabled and needs to be re-enabled. Instructions on how to are in the ServiceNow Service Catalog STAR article.
3. Select a Data Model and log-in with STAR credentials.
   i. If no data model connections, try the “…” button to select one.
   ii. If still no connections, then exit Excel and copy the connection files (instructions in ServiceNow Service Catalog STAR article).
4. When done, close instance of Excel to log-off (or click log-off button).
Log-On

Click Log-On and enter STAR user credentials.
Selecting a Data Model Connection
EPM Excel Add-in

EPM Tab

EPM Context
- Controls report settings for one member per dimension.

EPM (Pivot) Pane
- Controls report settings for multiple members per dimension.
- Can “hard-code” the report so that it ignores the EPM Context settings.
General Terminology
(in conceptually decreasing order):

- **Environment**: EPMWorkday & STARAppset – these are the names of the databases
- **Model Connections**: Financial, Salary, Transfers, Planning. These are data models – or groups of linked tables – in the EPMWorkday and STARAppset database environments
- **EPM Components**: EPM Tab, EPM Context, EPM Pane (Page, Row and Column axes)
- **Dimensions** (CostCenter, Category, Time, etc.): Tables (worktags) that are linked and shown in both the EPM Context and EPM Pane.
- **Members** (CCH173, PG05160, etc.): Individual units of each Dimension
- **Facts** ($$$): The dollars/data
- **Intersection**: The meeting point of the members dialed into each dimension. There may or may not be facts there.
Close-up of Dimension & Member

EPM Context

Dimension

Member ID - Description

Category

ALL_ACTUALS - All Actuals
Display ID and Description

Select Member names to display as **ID – Description**. **This selection governs both the “Find” function and what’s displayed in the report.**

Click the “Find a Member” button to search **OR** use the keyboard shortcut Ctrl+F.

- Search for CCH315 (not case sensitive).
- Close the search box afterward.
Enable Manual Entry of Members

Sometimes we just want to type in our members (known as Manual Entry) instead of searching for them. This can be done, but a setting must be altered in the **User Options**.

Visually, when this occurs, the names of the dimensions disappear, so it’s not recommended if using STAR infrequently.

EPM Context Before Manual Entry enabled:

![EPM Context Before Manual Entry](image)

EPM Context After Manual Entry enabled:

![EPM Context After Manual Entry](image)
1. In EPM tab, select the arrow next to “Options” button.
2. Select “User Options.”
3. Select the “Others” tab.
4. Check the box labeled “Enable Manual Entry of Members.”
5. Click OK.
STAR Training Series

Forecasting

- Forecast Basics
- Timing
- Variance Explanations
- Purpose
- Best Practices
Forecast Basics

Forecasting consists of two actions:

1. Inputting the Forecast data
   • occurs at the CostCenter/Driver level

2. Reporting Variance Explanations
   • occurs at the top level CostCenter level
Forecast Basics

• A Forecast is an estimate, or projection, of where you think your actuals will be at the end of the fiscal year.

• Forecasts in STAR are not the same as Current Budget in Workday, although the values could match.
  – Current Budget reflects the budget you need right now in order to conduct business.

• In STAR, all operating CostCenter/Driver s are budgeted and forecast.
  – …whether or not they are controlled in Workday.
Forecast Basics

• Every budgeted CostCenter/Driver begins the year with a forecast equal to its original budget.
  – STAR Admin copies Original_Budget category data to the Yr_End_Forecast category for all Revenues and Expenses.
  – *Exception*: STAR Admin copies Actuals data to the Year-End Forecast for Beginning Balance.

• In general, we input forecasts at the same level as budget – but not always.

• We request variance explanations at the top Cost Center unit level – and not at the CostCenter/Driver level.
Forecast Basics

Forecasting is an essential part of ASU’s annual budget process:

1. **Annual Budget Process**
   - **New FY Activities and Analysis**
   - **Prepare Forecast Data in STAR**
   - **1st Qtr Forecast and Variance Explanations**
   - **2nd Qtr Forecast and Variance Explanations**
   - **3rd Qtr Forecast and Variance Explanations**
   - **Next Fiscal Year’s Budget Input**
Timing

Forecast Input
- Current FY
- Can be input anytime forecast is open
- Forecast open: September - FY end

Variance Explanations
- Current FY
- Responsive to quarterly snapshot dates.
- Snapshots: October, January, April

Budget Input
- Future FY
- Can be input anytime during budget season
- Budget season: February – May

Note: All dates vary slightly from year to year, but activities occur roughly in the timeframes listed below.
Variance Explanations

• Variance Explanations are reasons why there are differences when looking at an area’s actual-to-forecast data and budget-to-forecast data.

• Variance explanation reporting occurs on a quarterly cycle with reporting snapshot dates.
  – Snapshot dates vary slightly each year, but can be estimated to be around a week after month-end of the end of a quarter (i.e. end of the 1st week of October).
Variance Explanations

• The Office of Planning and Budget (OPB):
  – needs to understand forecasts of the University as a whole to inform strategic planning
  – needs to understand how forecasts have changed over time
  – requests quarterly variance explanation reports by line item from each top level CostCenter of the University
  – requests variance explanations from the Senior Fiscal Administrator (SFA) of each area.

• Senior Fiscal Administrators (SFAs) may ask you to report your area’s variances so that they can add everything together for the top level which will then be turned in to OPB.
Variance Explanations

• Please provide meaningful explanations for differences between amounts. Remember: Small variances may mask larger underlying variances that partially offset each other.

• Examples:

  1. Tuition & Fee revenue increase: $900K due to fee schedule changes made after budget was developed/input.

  2. Sales & Services revenue increase: $7.4M due to increased meal plan rates and purchases. Direct Cost of Sales expense increase: $5.7M due to increased meal plan sales [see Sales revenues]

  3. Personal Services expense increase: $1.09M due to new positions per approved hiring plan. ERE expense increase: $196K Corresponding ERE [see Personal Services expense]
Purpose/ Why Forecast?

• Forecasting regularly helps gain a better understanding of an area’s current financial standing compared to budget. This ultimately helps to develop more accurate budgets in the future.

• The Universities submit quarterly financial status updates for the fiscal year in progress to the Arizona Board of Regents per policy 3-407. These updates:
  – report actual expenditures-to-date and current projections of revenues and expenses.
  – include explanations for variances between the fiscal year operating budgets approved by ABOR and current projections.
  – must be submitted well in advance of Board meetings.
    • necessitates a short timeline for units to update their forecasts and submit their variance explanations at the quarterly reporting snapshot dates.
  – are informed by ASU’s top level CostCenters’ quarterly forecasts and variance explanations.
**ASU QUARTERLY FINANCIAL STATUS UPDATE REPORT**
FY 2015 (WITH FY 2014 COMPARATIVE DATA)
($ millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2015 OPERATING BUDGET</th>
<th>ACTUAL TO DATE 9/30/2014</th>
<th>CURRENT PROJECTED @ JUNE 30, 2015</th>
<th>$ VARIANCE BETWEEN BUDGET AND PROJECTED</th>
<th>% VARIANCE BETWEEN BUDGET AND PROJECTED</th>
<th>FY 2014 FINAL</th>
<th>$ VARIANCE BETWEEN FINAL FY 2014 AND JUNE 30, 2015 PROJECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State General Fund Appropriation</td>
<td>$338.0</td>
<td>$84.5</td>
<td>$338.0</td>
<td>-</td>
<td></td>
<td>$314.5</td>
<td>$23.5</td>
</tr>
<tr>
<td>State Appropriation - Research Infrastructure</td>
<td>14.0</td>
<td>3.5</td>
<td>14.0</td>
<td>-</td>
<td></td>
<td>14.5</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>1,207.0</td>
<td>601.0</td>
<td>1,240.0</td>
<td>33.0</td>
<td>2.7%</td>
<td>1,117.9</td>
<td>122.1</td>
</tr>
<tr>
<td>less Scholarship Allowance</td>
<td>(237.5)</td>
<td>(120.0)</td>
<td>(240.0)</td>
<td>(2.5)</td>
<td>1.1%</td>
<td>(221.0)</td>
<td>(19.0)</td>
</tr>
<tr>
<td>Net Tuition and Fees</td>
<td>969.5</td>
<td>481.0</td>
<td>1,000.0</td>
<td>30.5</td>
<td>3.1%</td>
<td>896.9</td>
<td>103.1</td>
</tr>
<tr>
<td>Grants &amp; Contracts</td>
<td>300.0</td>
<td>71.4</td>
<td>300.0</td>
<td>-</td>
<td></td>
<td>281.1</td>
<td>18.9</td>
</tr>
<tr>
<td>Financial Aid Grants (Primarily Federal Pell Grants)</td>
<td>115.4</td>
<td>52.8</td>
<td>115.4</td>
<td>-</td>
<td></td>
<td>106.9</td>
<td>8.5</td>
</tr>
<tr>
<td>Private Gifts</td>
<td>69.0</td>
<td>14.6</td>
<td>69.0</td>
<td>-</td>
<td></td>
<td>74.1</td>
<td>(5.1)</td>
</tr>
<tr>
<td>Technology &amp; Research Initiative Fund (TRIF)</td>
<td>25.3</td>
<td>4.7</td>
<td>26.5</td>
<td>1.2</td>
<td>4.7%</td>
<td>27.8</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Auxiliary Revenues, Net</td>
<td>137.0</td>
<td>51.3</td>
<td>137.0</td>
<td>-</td>
<td></td>
<td>140.5</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>80.5</td>
<td>18.5</td>
<td>80.5</td>
<td>-</td>
<td></td>
<td>106.1</td>
<td>(25.6)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$2,015.7</td>
<td>$782.3</td>
<td>$2,080.4</td>
<td>31.7</td>
<td>1.5%</td>
<td>$1,962.4</td>
<td>$118.0</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>$807.0</td>
<td>$193.5</td>
<td>$820.0</td>
<td>13.0</td>
<td>1.6%</td>
<td>$761.8</td>
<td>$58.2</td>
</tr>
<tr>
<td>Benefits</td>
<td>274.4</td>
<td>69.9</td>
<td>278.8</td>
<td>4.4</td>
<td>1.6%</td>
<td>285.0</td>
<td>10.8</td>
</tr>
<tr>
<td>All Other Operating</td>
<td>564.0</td>
<td>130.1</td>
<td>564.0</td>
<td>-</td>
<td></td>
<td>523.9</td>
<td>40.1</td>
</tr>
<tr>
<td>Scholarships &amp; Fellowships, net of scholarship allowance</td>
<td>149.3</td>
<td>67.0</td>
<td>157.3</td>
<td>8.0</td>
<td>5.4%</td>
<td>140.4</td>
<td>16.9</td>
</tr>
<tr>
<td>Depreciation</td>
<td>110.0</td>
<td>28.3</td>
<td>113.0</td>
<td>3.0</td>
<td>2.7%</td>
<td>112.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Interest on Indebtedness</td>
<td>55.4</td>
<td>14.1</td>
<td>56.4</td>
<td>-</td>
<td></td>
<td>52.7</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$1,961.1</td>
<td>$502.9</td>
<td>$1,999.5</td>
<td>28.4</td>
<td>1.4%</td>
<td>$1,895.1</td>
<td>$130.4</td>
</tr>
<tr>
<td><strong>Net Increase</strong></td>
<td>$57.6</td>
<td>$279.4</td>
<td>$306.9</td>
<td>3.3</td>
<td>3.8%</td>
<td>$163.3</td>
<td>$12.4</td>
</tr>
</tbody>
</table>

Monthly days cash on hand is projected to be approximately 138 days at June 30, 2015, compared to 134 days at June 30, 2014.
Best Practices

• Once the forecast input schedule is available in STAR, any time you become aware of a change in revenues or expenses, you can update your forecast accordingly.

• Run the various STAR reports for financial analysis:

  – **Forecast Variance Explanation Workbook**: While this is technically an input schedule, it does show how forecasts compare to budget and prior-year actual dollars. Input variance explanations here and use other tabs to explore line item detail.

  – **Monthly Forecast to Variance Reports**: Shows variance percentages for current fiscal year and previous two years.

• If there are no changes to your forecast from budget, there’s no need to re-input a number that’s the same as budget.
Best Practices

• Keep in mind the results of the reports plus your direct knowledge of plans and trends in your area.

• Adjust your forecasts as needed to reflect your best estimate of what your actuals will be at the end of the fiscal year.

• Input forecasts when you’re aware of changes that will affect a variance to actuals by the end of the year.
  – If you are unsure of your forecast, but it is not at least equal to your actuals for the year, then adjust your forecast to equal actuals.

• Input forecasts when you open or close CostCenter/Drivers that impact dollars.

• Notice trends over time for revenues, expenditures and the operating margin.
The forecast and variance tools are located in the Server Input Form(s) and Server Report Form folders in the Financial – EPMWorkday Model:

- EPM Tab → Open Server Input Form Folder (in the default Company directory):
  1. FYXX Forecast Input Schedule
  2. FYXX Variance Explanation Workbook

- EPM Tab → Open Server Reports in the Forecast Team directory.
  1. Monthly Year-End Forecast Workbook
The Input Schedule shows Revenues and Expenses for two years of Actuals history plus current FY Budget and Forecast data. It’s used to input forecast updates.

1. In EPM Tab, Click Open. Click “Open Server Input Form Folder…”

2. Select “FY20 Forecast Input Workbook”

3. Double-click or single click then click “Open”
Forecast Input Schedule

Follow Instructions to Input your FY20 Year-End Forecast.

Input data at the Cost Center/Driver level just as with budgeting.

Hint: STAR is slow. Patience is needed.

If any STAR process takes longer than 5 minutes, it’s likely stuck and you’ll need to Ctrl+Alt+Del and end Excel in the Task Manager.
Forecast Input Schedule

• Charges are auto-calculated, or you can type them in manually, or you can use the optional worksheets to input detail and the charges will be auto-calculated and placed into the appropriate location in the FinancialInput Worksheet.

• **NOTE**: If you don’t have any changes from your FY20 budget, then you don’t need to input any data into your forecast as it has already been done for you by STAR Admin. Each CostCenter/Driver that was budgeted starts off with a forecast equal to its budget. You only need to input forecast data if/when you anticipate that actuals will change from your budget.

• In all STAR input forms, data is always input into the yellow-shaded columns.

• You cannot input a forecast for the GOT/GOA “revenue” of General Operating programs; OPB manages that. For General Operating programs only, you just input forecasted expenses. For all other types of Programs & Gifts, you input both revenues and expenses.
Forecast Input Workbook (Optional Transfers Salary Details)

**NEW**: Input option with 3 worksheets: FinancialInput, TransfersInput, SalaryInput

**New** in FY20 is the option to input forecast data for Transfers detail as well as Salary detail.

**NOTE**: This is neither required nor requested, but it is available if desired.

- **Transfers**: Because this is forecast rather than budget, and is optional, there is no transfer checker report (at this time) because there is no expectation of balancing.
- **Salary**: The snapshot data is from September 2019 (there is no automated data feed for Salary at this time due to the recent HR Data Warehouse and Peoplesoft migrations). This is expected to be live and auto-updating by end of October.
- The pre-saved data in SalaryInput is what was budgeted for FY20.
**Forecast Input Workbook (Optional Transfers Salary Details)**

**TransfersInput Worksheet**

- **NOTE**: It takes several minutes for STAR to connect to the Transfers data model after you click the tab to switch.

- As with budgeting, you do not select the Cost Center and Driver from this worksheet; they can only be selected from the FinancialInput worksheet and are inherited from there.

- Follow the instructions at the top of the page.
SalaryInput Worksheet

- **NOTE:** It can take several minutes for STAR to connect to the Salary data model after you click the tab to switch.

- As with budgeting, you do not select the Cost Center and Driver from this worksheet; they can only be selected from the FinancialInput worksheet and are inherited from there.

- Follow the instructions at the top of the page.

- There is a summary box of the totals in the upper right-hand corner for review. After you save Salary data, the data in this summary box should match the data in the corresponding rows on the FinancialInput worksheet.
Forecast Variance Explanation Workbook
(most useful for a Cost Center Hierarchy)

• Open the Forecast Variance Explanation Workbook input form to get an overview comparison of your forecast to budget and prior year actuals by revenue and expense line item.

• You can also input your area’s variance explanations. The Office of Planning and Budget recommends to do this at a departmental/ Cost Center Hierarchy level, but what your area’s Senior Fiscal Administrator (SFA) requests of you is what you should do.

• Investigate any large variances via “helper” worksheets in the same workbook.
  – Drill down by Rev_Spend category
  – CostCenter
  – Driver
Forecast Variance Explanation Workbook

This is an all-purpose workbook, you can view, input and save variance explanations:

*Hint: View additional detail on “helper” worksheets.*

1. In EPM Tab, Click Open. Click “Open Server Input Form Folder…”

2. Select “FY20 Variance Explanation Workbook”

3. Double-click or single click then click “Open”
Forecast Variance Explanation Workbook

Follow Instructions – note the various worksheet tabs.

FY20 Forecast Variance Explanation Instructions

This worksheet has instructions on how to use this report and research variance explanations.

In addition to this instructional worksheet, there are three worksheets in this workbook. Each worksheet contains instructions as each has its own purpose. Much like the annual budget process, they work together. They are named and described as follows:

Explanation Input: This is the general Variance Report into which explanatory comments can be saved in STAR. Orange-header columns are used for Actual Variances and Blue-header columns are used for Budget Variances. A CostCenter Hierarchy roll-up should be selected. Workbook should then be refreshed. Input your explanations into the Yellow Cells in columns O and Q, then click the ‘Save’ button to send/save explanations to the database.

Cost Center - Drivers Detail: This is the tab used to research variances within the Cost Center(s) for the various Drivers (Program, Project, Gift, Grant). Forecasters can select a revenue or spend area and see where variances occur for drivers within the Cost Center. The EndingBalance hierarchy of Rev_Spend should be used to locate the Revenue or Spend area to research. Refresh the worksheet.

Fund - Drivers Detail: This tab can be used to research variances within the Funds for the various Drivers (Program, Project, Gift, Grant). Forecasters can select a revenue or spend area and see where variances occur for drivers within the selected fund(s). The EndingBalance hierarchy of Rev_Spend should be used to locate the Revenue or Spend area to research. Refresh the worksheet.

Drivers - Cost Center Detail: This tab can be used to research drivers that cross one or more cost centers. The EndingBalance hierarchy of Rev_Spend should be used to locate the Revenue or Spend area to research. Refresh the worksheet.

TIPS:
Cost Center Hierarchies can be selected for any of the worksheets. The worksheets work independently of one another, so select the option(s) available in the EPM Context and click Refresh on each sheet.
Forecast Variance Explanation Workbook

Each worksheet also has instructions - a little extra help! 😊
Additional Helper Report

- Run the **Monthly Year-End Forecast Report** to compare the ratio of actuals-to-date to current year forecast along with ratios for the prior two years.
- Select a Cost Center (usually a hierarchy, CCH)
- **Select a Month**: You can select the most recently closed month to compare YTD data as of that full month to the corresponding month in 2 prior years.
- Select Actuals including or excluding encumbrances. The report default is excluding encumbrances.
- Investigate any revenue or expenditure objects of interest by using the various worksheets.
Monthly Year End Forecast Workbook

The Monthly Year-end Forecast Workbook shows Budget data, Forecast data and ratios of Forecast data to Actuals data, along with historic ratios, at quarterly and YTD increments based upon the month selected in the *Time* dimension.

1. In EPM Tab, Click Open Click “Open Server Report Folder…”.

2. Select the Forecast Team directory.

Monthly Year End Forecast Workbook

Shows Overview of a moment in time in various points of view (excludes encumbrances):

- with Revenues and Expense line items in rows
- With CostCenter/ Driver detail
- with Fund Detail
- with Rev_Spend Detail

Instructions: Select a Cost Center as well as a month in Time.
Saving a Report

Save your file

1) Two options for saving: Either use Excel’s regular save feature or use “Save” in the EPM tab
2) In EPM tab, click Save ▼
3) Select “Save my Reports”
4) Navigate to your desired file location
5) Type in a name for the file
6) Click Save

Note: Saving as a macro-enabled file is usually not necessary. If issues with macros, save as an .xls type.
Questions?