**FY20 Quarterly Flash Forecast** **Submission Instructions**

# Introduction

The Quarterly Flash Forecast is an opportunity to update your division’s forecast with material changes identified in the Quarterly Reporting variance process. The Quarterly Flash Forecast will update leadership on how the campus is performing against its financial goals and help inform planning for the remainder of the year and the FY2020-21 Operating Budget. The expectations for this forecast are that it will provide a realistic update to the FY2019-20 plan, it will be completed as efficiently as possible, and it will incorporate any adjustments needed to meet performance targets. An overly conservative forecast could trigger cost cutting measures and an overly optimistic forecast could cause the University to miss its financial targets and trigger external consequences.

# Instructions

1. **Update:** Update your FY20 Forecast Working version with any material insights provided from your Quarterly Reporting variance analysis.
2. **Develop Corrective Action Plan:** The expectation is that Divisions will continue to meet or exceed their approved FY2019-20 Operating Budget Goal. Negative material variances will be reviewed by the Finance Committee, as specified in the "Performance Actions" section on page 3 of the [Appendix #1 of the FY2019-20 Budget Guidelines.](https://cfo.berkeley.edu/sites/default/files/fy20_appendix_1.pdf) If you are not meeting your approved Budget, develop an action plan for any corrective actions needed and update your FY20 Forecast Working version accordingly. The purpose of a forecast is to make decisions and take actions early enough to achieve the desired outcomes.
3. **Communicate:** Discuss any material changes not previously approved by the Finance Committee with Vice Chancellor of Finance Rosemarie Rae before finalizing your FY20 Forecast submission.
4. **Finalize**: Review and finalize your FY20 Forecast in CalPlanning by the deadline. Update the required [Smart View trend and variance reports](https://cfo.berkeley.edu/file/fy20quarterlyflashforecasttrendandvariancereportxlsx) and summarize material changes using the [Summary of Changes](https://cfo.berkeley.edu/file/fy20flashforecastsummaryofchangesnarrativedocx) [Narrative template](https://cfo.berkeley.edu/file/fy20flashforecastsummaryofchangesnarrativedocx) to include with your submission.
5. **Submit**: Submissions are due to the Office of the CFO/Vice Chancellor at ([DFL\_Concierge@berkeley.edu](mailto:mwoodson@berkeley.edu)) by close of business on the due date.

# Reminders and Considerations

* **Flash Forecast**: This is not a budget rebuild exercise, but rather an update to your in-year plan.
* **Composite Benefit Rate (CBR), General, Automobile, and Employment Liability Rate (GAEL) and Fee Remissions:** We will automatically update your FY20 Forecast for the actual approved CBR rates when available ([see CalPlanning release note updates](https://calplanning.berkeley.edu/home)). GAEL and Fee Remissions have already been updated in the Working Forecast. Please consider the impact of these changes on your plan.
* **Consider Materiality**: The Forecast and Operating Budget are plans used to inform strategic decisions and should not be used to recreate actual activity dollar-for-dollar. Adjustments to your FY20 Forecast should only be made for major initiatives that may impact strategic decisions within the division or will impact the ability for the campus to meet its financial goals.

# Reminders and Considerations (Continued)

* **Level of Adjustments**: As the FY20 Forecast will be used to inform strategic decisions, adjustments should be recorded at the appropriate level of the organization for which the decisions will need to be made or realized and where the fiscal responsibility lies (e.g. if fiscal responsibilities lies with the department manager who is located at the L4 or L5 level, then adjustments should be captured at that level).
* **Adjusting for Seasonality**: If material variances related to seasonality were identified in your Quarterly variance analysis, we expect each division to adjust their FY20 Forecast to account for that seasonality by month or quarter, in the most efficient way possible. Historical seasonality should be reviewed for appropriateness based on proper accounting treatment.
* **Accrual Based Accounting**: Timing for the recognition of revenue and expenses should be based on when the revenue is earned and the expense is incurred (e.g., to the extent that tuition revenue is associated with a specific time period and/or crosses fiscal periods it should be accrued or deferred accordingly).

# Forecasting Tools and Guidelines on Quarterly Flash Forecast Website

* To assist you with updating your FY20 Forecast, we are sharing tools developed in our office and by your colleagues**.**
* We are no longer providing detailed guidelines specifically for the forecast. As indicated, updates to the forecast assumptions will be included in CalPlanning release notes.
  + If you need additional information on how to plan by account, please refer to the FY20 Operating Budget Guidelines.
  + For an updated timeline of the FY20 Quarterly Forecast Scenarios and Versions refer to the [FY20 Flash Forecast Versions and Scenarios Calendar](https://cfo.berkeley.edu/sites/default/files/fy20_forecast_calendar_10-04-19_rev.pdf).