4/14/2020

From:

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Government Grants

Overall government grants are showing a positive variance of $0.4 million.

Amounts presented in millions	
Variance	Comments
(0.7)	The Federal Research Support Fund (RSF) and the Provincial Research Overhead Infrastructure Envelope (ROIE) are projected to be $0.7 million below budget. This is the result of the decline in the University's system share of Tri-Council funding received.
(0.6)	

Ontario Renewable Energy Credit (OREC) and the Global Adjustment (GA) modifier programs. New replacement legislation for the programs, effective November 1, 2019, disallows universities from participation in the program going forward. The savings on utilities are offset by a net loss of $1.1 million related to the loan forgiveness with BISC[1] reported in the operating fund and $0.6 million overspend on various central finance expenses.

Other Allocations and Flow through expenses, net of recoveries

The increase of $2.9 million in other allocations is funded primarily by a combination of savings on utilities and surplus revenue from unrestricted donations and overhead income, offset by decreases in investment income and revenues for athletics and health services.

Unit spending greater than budget allocation

Units are projecting a drawdown on carryforwards of $20.1 million, compared to the originally budgeted drawdown of $24.2 million. Details on these variances are reported below.

Amounts presented in millions			
	Budget	Projected	Varianc
Faculties and Schools	8.0	4.2	(3.8)
Shared Services	15.8	8.5	(7.3)
Central Reserves	0.4	7.4	7.0
Total	24.2	20.1	(4.1)

Faculties and Schools are projecting an in-year deficit of $4.2 million; this is down from the planned deficit of $8.0 million. As noted previously in the 'Faculties & Schools Allocations' section, $0.9 million of this variance is due to a projected net increase in revenue. The remaining $2.9 million budget improvement is mainly the result of salary savings from faculty and administrative vacancies, as well as delayed renovations.

Shared service units are projecting an in-year deficit of $8.5 million, which represents a reduction of $7.3 million from their budgeted drawdowns. Savings are primarily due to changes in the timing of spending on projects in Information Technology Services and University Relations, strategic optimization of financial aid strategy, as well as salary savings from administrative vacancies and externally contracted work for various shared services units. These savings are partially offset by projected increases in custodial and grounds expenditures, disbursement of emergency bursaries to students impacted by COVID-19, transfers into the research fund by the VP Research Portfolio, Workplace Safety & Insurance Board (WSIB) claim adjustments, self-insurance, Graduate Student Support and unbudgeted investment in capital projects in the Library.

[1] *The impact of the loan forgiveness is eliminated in the consolidated financial statements of the University, which include BISC.*

Central reserves are projecting a drawdown of $7.4 million from the carryforward against a budgeted drawdown of $0.4 million, an unfavourable variance of $7.0 million. Details are presented below.

Amounts are presented in millions	
Variance	Explanation
10.0	Variance is due to additional contingency related expenses. The various commitments from cash reserves vary in both amount and purpose; however, the funding is larg invest in facility maintenance efficiencies, joint capital developments with the hosp and funding to support capital improvements for research.

APPENDIX I – Queen’s University 2019-20 Ancillary Financial Report