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Burn Rate For Budgeted Projects [1]

September 20, 2013 by Carl Sorenson [2]

Do you review the finances for a high number of projects, more than you can keep track of in your head? Want a report that lists projects that look like they might go over budget? Want this done without using encumbrances?

Try **m-Fin PROJECT SPENDING TRENDS**, available now in Cognos QA [3]. Look for it in a new folder under the Finance folder, named **Project Reports**.

It takes some getting used to

The prompting insists on an ORG | ORGNODE code. It OK to give it your campus code. B0001 is Boulder, U0001 is Denver | Anschutz, and C0001 is Colorado Springs. Consider, however, giving it a more specific code. You will be rewarded with shorter pick-lists on the second page of prompting. Even a high level orgnode like B0167, B0168, or H0002 will help (these examples are Boulder undergrad schools, Boulder grad school, and Anschutz medicine).

The prompting is sophisticated. You can filter projects by end date within a range you specify. Or not. You can filter projects to just those that are active. Or not. You can filter projects by PI, by AR TYPE, or by accountant. Or not. You'll probably rerun the report many times while you are getting to know it, in order to determine your preferred way to set the prompts.

The analysis is unfamiliar. The report is new and unique to m-Fin. I expect it will take some time for you to get oriented. This is not something you've seen before in FishNet or PSLite, for example, or in a stats class if you took one.

But here is what you get

It analyzes at the project level rather than the speedtype level. This is an important distinction for projects that are booked on multiple speedtypes by way of subclass.

It's not fooled by transient spikes in expenditures. A main feature of the analysis is the Hot Filter. The Hot Filter looks for high spending in the most recent month but does not flag this as a concern unless it is corroborated by high spending over prior months.

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It provides a visual gauge of the severity. These gauges are like a tachometer in a stick-

shift car. Is the project “spending like there is no tomorrow” but actually has many months or even years left to go? This is like an engine that is being revved too hard. A needle on the gauge will be in the red. Instead of one needle, the gauges show three, for three time segments, A, B, and C. Segment C is last month. Segments A and B are the six months prior with months one through four in segment A and months five and six in segment B. Segments A and B are where the Hot Filter looks for corroboration when there is high spending in the most recent month, segment C.

It knows it’s no substitute for knowledge you may have about an individual project. If a certain project is really OK because, say, a budget increase is in the works, the project can be excluded from the report.

Here is a link to some additional explanation that I use when introducing the report in meetings. Please read it prior to running the report for the first time: m-Fin PROJECT SPENDING TRENDS [4] Intro

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