Department of Materials and Production

Re-budget 2019 -Targets and principles

# Background

Budget 2019 (Anchor budget made with a deadline in October 2018) is the second joint budget to be made for the three merged parties in MP and in popular terms this budget may be called “year 2”. Rector in Nov. 2018 announced financial problems and staff reductions in 2019. AAU will have significantly less money (67 mio.) to run the University for in 2019. Unfortunately, MP have a reduction of permanent staff, and the result of this is not fully known at the completion of this Re-budget. The AAU Board of Directors decided, we needed to make a Re-budget 2019 with a deadline February 1st 2019, so this document is based on Re-budget 2019. From 2019 the administration in MP will merge with the administration in MATH. The details are now final and it is incorporated in MP Re-budget 2019. Another change in 2019 is the new organizational structure of the University administration comes into effect from 1 October 2018. The new organizational structure means that:

• Faculty offices have been dissolved, and their tasks and staff members have been transferred to departments and AAU Shared Services. MP have 4 new employees because of this.

• Education falls under the head of department’s area of responsibility.

• The schools have been abolished, and degree programs are instead affiliated to a department.

• A head of studies has been appointed at all departments.

AAU also have a new budget model for 2019 (see below if you want to see for more details)

<https://aaudk-my.sharepoint.com/:p:/g/personal/ad_m-tech_aau_dk/EaVR40w1b2RCl5qA37udaKAB9ms9nJWDXX0fAAsQdKuzPA?e=zJsdCY>

and the budget is made after these new principles. The budget has been prepared by the budget control managers in the Department, the management group and the secretariat. The process commenced back in August 2018, and meetings were held by the parties involved from August to October. The budget consists of:

Operating budget

MP

Re-budget 2019

In collaboration with the secretariat, the project managers have prepared the budgets of individual projects; together with the expectations for future projects (buffers), these constitute the project budget. The management group and the secretariat have prepared the operating budget. In combination, these constitute the MP Re-budget 2019.

Projects

The Dean has set a zero performance target for the Department. This puts MP under great pressure, because the total AAU revenue in 2019 is 100 mio. less than 2018. On top of that, there are more central initiatives (digitalization, GDPR etc.) The new administrative reorganization means new cost (4.4 mio. for MP) and new tasks for the departments. Therefore, it all adds up to a tight budget in balance with few strategic funds.

# Targets:

Budgeting for MP must serve the following purposes:

The budget must support

* An open dialogue in the organisation regarding conditions, incentives and priorities
* Strategic discussions and decisions concerning priorities
* Continuous economic follow-up and monitoring
* The new organization and economic responsibility in organizational units
* Visualization of the connection between budget, revenue and expenditure

# Organization and chart of accounts:

The effect of our organization into sections and the employment of two vice heads of department as well as the merger with the Department of Physics and Nanotechnology is that we will need new cost pools from 1 January 2019. Therefore, we will change the chart of accounts as of 1 January 2019, when the following cost pools will apply:

|  |  |
| --- | --- |
| **Organizational placement** | **Cost center** |
| **Joint services** |  |
| Department management (joint income and costs) | 63801 |
| Secretariat | 63811 |
| Study board - NEW | 63812 |
| Laboratory – Fibigerstræde | 63813 |
| Laboratory – Skjernvej | 63814 |
| Nanolab. | 63815 |
| Joint Lab. operations | 63816 |
| **Section and research groups** |  |
| **Sustainable production Cph.** | 63840 |
| Robotics, Vision and Machine Intelligence | 63841 |
| Logistics and Supply Chain | 63842 |
| Behavioural operations and innovation management | 63843 |
| **Physics and Materials** | 63850 |
| Materials Science and Engineering | 63851 |
| Solid and Computational Mechanics | 63852 |
| Biomechanics | 63853 |
| Physics | 63854 |
| **Production** | 63860 |
| Operations Research | 63861 |
| Robotics & Automation | 63862 |
| Mass Customization | 63863 |
| Celog | 63871 |
| CIP Aalborg | 63872 |
| MMT | 63873 |

# Budget control managers:

The head of department has the overall responsibility for the budget. The budget control managers are:

|  |  |
| --- | --- |
| **Cost centers** | **Budget control manager** |
| 63801 | Head of Department |
| 63811-63812 | Head of Secretariat |
| 63813-63816 | Head of LAB |
| 63840-43 | Head of Section |
| 63850-53 | Vice Head of Department |
| 63860-73 | Vice Head of Department |

# Content and principles in sub-budgets 2019:

There are very few changes to this in 2019. The main change is the new cost center 63812: Study board. The content of individual cost pools will be:

|  |  |  |
| --- | --- | --- |
| **Organisational placement** | **Cost center** | **Content** |
| Department management (Joint income and expenses) | 63801 | All income related to operation and overhead in projects.  Staff charges: salary – salary related expenses for employees – incl. ’buy out’ and reimbursements.  Additional expenses: Joint expenses  (department expenses), which do not belong within other cost pools.  Lab. investments and additional investments. Expenses for cars. |
| Secretariat | 63811 | Staff charges: salary – salary related expenses for head of secretariat and administrative employees – incl. ’buy out’ and reimbursements.  Additional expenses; Operation expenses for courses, seminars, travel expenses etc.  Operational expenses for the department. |
| Study board | 63812 | Staff charges: salary – censors, decentralized study guidance, student assistants and exam invigilators (eksamenstilsyn).  Additional expenses; Operation expenses for study board, exams, travel expenses etc.  Decentralized PR. |
| Laboratory | 63813-63816 | Staff charges: salary – salary related expenses for employees – incl. ’buy out’ and reimbursements.  Additional expenses; Operation expenses for conferences, seminars, travel expenses etc. Expenses maintenance of Lab. Larger repairs etc. are decided with the management. |
| **Sustainable production Cph. (sektionsleder)** | 63840 | Staff charges: salary – salary related expenses for head of section. Salary for external associate professors.  Additional expenses; joint expenses (section expenses), which do not belong within the  research groups. |
| Robotics, Vision and Machine Intelligence  Logistics and Supply Chain Behavioural operations and  innovation management | 63841  63842  63843 | Staff charges: salary – salary related expenses for employees – incl. ’buy out’ and reimbursements.  Additional expenses; Operation expenses for  conferences, seminars, travel expenses etc. |
| **Physics and Materials (vice head of department)** | 63850 | Staff charges: salary – salary related expenses for vice head of department. Salary for external associate professors. Additional expenses; joint expenses (section expenses), which do not belong within the  research groups. |
| Materials Science and Engineering | 63851 | Staff charges: salary – salary related |
| Solid and Computational |  | expenses for employees – incl. ’buy out’ and |
| Mechanics | 63852 | reimbursements. |
| Biomechanics |  | Additional expenses; Operation expenses for |
| Physics | 63853 | conferences, seminars, travel expenses etc. |
|  | 63854 | AAU Racing (63852). |
| **Production**  **(vice head of department)** | 63860 | Staff charges: salary – salary related expenses for vice head of department. Salary for external associate professors. Additional expenses; joint expenses (section expenses), which do not belong within the  research groups. |
| Operations Research | 63861 | Staff charges: salary – salary related |
| Robotics & Automation | 63862 | expenses for employees – incl. ’buy out’ and |
| Mass Customization | 63863 | and reimbursements. |
| Celog | 63871 | Additional expenses; Operation expenses for |
| CIP Aalborg | 63872 | conferences, seminars, travel expenses etc. |
| MMT | 63873 | Staff charges: salary – salary related expenses for D-VIP.  Additional expenses; Operation expenses for  advertising, courses, travel expenses etc. |

Projects and their costs are not included in the above. The principle concerning these is that such costs are posted in the research group of the project manager. This means that the budgets of the sections will not include revenue; they will be pure cost budgets, which should be considered as monitoring frameworks.

# MP Re-budget 2019

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **In 1,000 dkr** | **2018** |  | **2019** | | | **Difference** | |
| **Budget** | | **Re-budget** | | |  | |
| **Revenue** | **Department** | **Projects** | **Department** | **Projects** | **Department** | | **Projects** |
| **1.1 Faculty income**  **(indtægtsramme)** | **-91.852** |  | **-139.836** |  | **47.984** | |  |
| **1.2. Other income** | **-225** |  | **-184** |  | **-41** | |  |
| **1.3 Projects** |  | **-48.177** |  | **-60.643** |  | | **12.466** |
| **Total** | **-92.077** | **-48.177** | **-140.020** | **-60.643** | **47.943** | | **12.466** |
| **2.1. Overhead** | **-12.485** |  | **-17.558** |  | **5.073** | |  |
| **2.1 Co-financing** |  | **-2.319** |  | **-7.836** |  | | **5.517** |
| **Total** | **-12.485** | **-2.319** | **-17.558** | **-7.836** | **5.073** | | **5.517** |
| **2.3 Co-financing:**  **Equipment (40%)** | **-2.402** |  | **-3.200** |  | **798** | |  |
| **MATH administration** | **0** |  | **-2.380** |  | **2.380** | |  |
| **Other Faculty income** | **-1.527** |  | **-1.325** |  | **-202** | |  |
| **Total** | **-3.929** |  | **-6.905** |  | **2.976** | |  |
| **Total revenue** | **-108.491** | **-50.496** | **-164.483** | **-68.479** | **55.992** | | **17.983** |
| **Costs** | **Department** | **Projects** | **Department** | **Projects** | **Department** | | **Projects** |
| **3.1.2 Operation costs (annuum etc.)** | **9.004** | **6.393** | **9.103** | **7.011** | **-99** | | **-618** |
| **Equipment (over 100,000 dkr.)** | **1.753** | **2.053** | **4.407** | **4.208** | **-2.654** | | **-2.155** |
| **Total** | **10.757** | **8.446** | **13.510** | **11.219** | **-2.753** | | **-2.773** |
| **3.2.1 VIP-salaries** | **73.902** |  | **79.962** |  | **-6.060** | |  |
| **3.2.2 VIP-buy out** | **-26.574** | **26.752** | **-35.653** | **35.708** | **9.079** | | **-8.956** |
| **3.2.3 TAP-salaries** | **16.817** |  | **21.290** | **123** | **-4.473** | | **-123** |
| **3.2.4 TAP-buy out** | **-2.228** | **2.289** | **-3.551** | **3.536** | **1.160** | | **-1.247** |
| **3.2.5 Løntilskud mv.** | **916** |  | **-190** | **15** | **1.106** | | **-25** |
| **3.2.6 Refusioner** | **-808** |  | **-787** |  | **21** | |  |
| **Total** | **62.025** | **29.041** | **61.086** | **39.469** | **939** | | **-10.428** |
| **4.1. Overhead** |  | **12.987** |  | **17.741** |  | | **-4.754** |
| **4.1.3 Co-financing projects** | **2.319** |  | **7.836** |  | **-5.517** | |  |
| **Total** | **2.319** | **12.987** | **7.836** | **17.741** | **-5.517** | | **-4.754** |
| **Rent (FIB 14+16+Skjernvej+CPH)** | **24.305** |  | **22.824** |  | **1.481** | |  |
| **FAK-contribution (13,1%)** |  |  | **18.352** |  | **-18.352** | |  |
| **FU-contrib (5,3%)** |  |  | **7.447** |  | **-7.447** | |  |
| **FS-contrib (23,3%)** | **7.790** |  | **32.740** |  | **-24.950** | |  |
| **Maintenance/other cost** | **900** |  | **737** |  | **163** | |  |
| **Total** | **32.995** |  | **82.100** |  | **-49.105** | |  |
| **Total costs** | **108.096** | **50.474** | **164.532** | **68.428** | **-56.436** | | **-17.954** |
| **Result** | **-395** | **-22** | **51** | **-51** | **-444** | | **29** |

**Revenue**

## Revenue framework

By far the largest part of the Department’s revenue derives from the Faculty. Based on the applicable budget model at the Faculty the overall revenue framework in 2019 for MP looks like this:

|  |  |
| --- | --- |
| Budgetposter | M&P |
| STÅ indtægt i alt | 58.280.320 |
| Deltidsuddannelse indtægt ialt | 3.849.313 |
| Udenlandske selvbetalere i alt i kr. | 1.076.400 |
| **Uddannelsesindtægter i alt** | 63.206.034 |
| DVIP kroner - rekvireret ved andre institutter | -723.450 |
| DVIP kroner - leveret til andre institutter | 56.000 |
| DVIP kroner - leveret til fakultet og forskerskole |  |
| **DVIP kroner - rekvistioner netto i alt** | -667.450 |
| VIP kroner - rekvireret ved andre institutter | -5.233.800 |
| VIP kroner - leveret til andre institutter | 8.078.400 |
| VIP kroner - leveret til fakultet og forskerskole | 568.150 |
| **VIP kroner - rekvistioner netto i alt** | 3.412.750 |
| Grundbevilling | 28.498.595 |
| Fordelt beløb fra parameter uddannelse til institutter | 17.515.779 |
| Fordelt beløb fra parameter Ekstern forskningsvirksomhed i kroner (UK95) til institutter | 3.859.349 |
| Fordelt beløb fra parameter BFI-point til institutter | 4.486.232 |
| Fordelt beløb fra parameter Ph.d.-grader til institutter | 2.637.235 |
| **Basisforskningsmidler i alt** | 56.997.190 |
| Heltidsuddannelse - AAU Ledelsesmidler (5%) | 4.397.823 |
| Fordelt beløb af Forskning - AAU Ledelsesmidler (5%) til institut | 3.052.079 |
| Heltidsuddannelse - FAK Ledelsesmidler (20%) | 10.752.419 |
| FS-bidrag fra institutter | 32.740.213 |
| FU-bidrag fra institutter | 7.447.345 |
| FAK-bidrag fra institutter ENG | 18.351.381 |
| **Forbrugsmulighed i alt** | **82.611.906** |

The main contribution comes from STÅ (student passing all the exams in the semester). “VIP kroner” is the teaching we do/buy in other departments. “Basisforskningsmidler” is decided by the dean and calculated on basis of submitted activity conditions in the departments concerning:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Teaching hours autumn 2017 and**  **spring 2018** | **Expected external turnover 2018 (1.000 KR.)** | **Publication points (BFI) 2017** | **Number of Ph.d theses approved in 2018** | **Number of higher doctoral degrees in 2018** |
| **?** | **50.000** | **200** | **12** | **0** |

Compared to the year before:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Teaching hours autumn 2016 and**  **spring 2017** | **Expected external turnover 2017**  **(1.000 KR.)** | **Publication points (BFI) 2016** | **Number of Ph.d theses approved in 2017** | **Number of higher doctoral degrees in 2017** |
| **78.524** | **41.587** | **170** | **18** | **0** |

”AAU ledelsesmidler” (2x5% (education 5% and research 5%) and 20%) are negotiated with the Dean and especially 2x 5% ledelsesmidler is allocated for strategic issues. The main issues for MP in 2019 is:

* + An effort in Highschool.
  + First Math/Physics
  + E-learning
  + Health – interdisciplinary and focus:
    - Hospital engineering
    - Electrospinning of advanced scaffords for tissue engineering
    - Hospital physics
    - Innovation HUB with university hospital
  + Educations in Esbjerg

## Project revenue

Project revenue or grant-financed activity, as this is also called, consists of the present projects, which will also include activities in 2019. Moreover, it consists the following buffer projects (DKK 1,000):

|  |  |  |  |
| --- | --- | --- | --- |
| **Buffernr.** | **Project name** | **Project manager** | **Income 2019** |
| 999700 | SmartLog IV | Hans-Henrik Hvolby | 600 |
| 999701 | SmartlLog+ | Hans-Henrik Hvolby | 448 |
| 999703 | Multiship Manager | Peter Nielsen | 1.853 |
| 999705 | NOPA - ph.d. - Rasmus Andersen | Kjeld Nielsen | 330 |
| 999706 | Iproces | Iskra Dukovska-Popovska | 88 |
| 999713 | MP - Shipping LAB | Niels Gorm Rytter | 884 |
| 999714 | MP - Clean Shipping | Niels Gorm Rytter | 201 |
| 999715 | International Network Program | Atanu Chaudhuri | 237 |
| 999716 | Smart Light House | Jesper de Claville | 44 |
| 999717 | Lightprojekt v2 | Jørgen Kepler | 157 |
| 999718 | MP - Value2Sea | Hans Henrik Hvolby | 411 |
| 999722 | Erhvervs ph.d. - Styring af gulvvarmesystemer | Simon Bøgh | 120 |
| 999723 | Projektlukninger (projects closed with a deficit) |  | -120 |
| 999725 | Intelligente robotter, der lærer fra mennesker | Simon Bøgh | 130 |
| 999726 | Robotten som modul i fremtidens fabrik | Casper Schou | 130 |
| 999727 | Modulært koncept for simulering | Ole Madsen | 100 |
| 999728 | Bæredygtighedsdashboard | Ole Madsen | 50 |
| 999729 | Innovation Factory North (IFN) | Astrid Heidemann Lassen | 3.075 |
| 999800 | MP - Sikring af godt arbejdsliv blandt medarbejdere med kronisk sygdom | Peter Hasle | 532 |
| 999802 | Danida OSH lederkursus | Peter Hasle | 888 |
| 999804 | Ikke bevilget |  | 413 |
| 999805 | Ikke bevilget |  | 245 |
| 999806 | Ikke bevilget |  | 252 |
| 999808 | Danida evaluering | Peter Hasle | 395 |
| 999809 | Euopstart, make and operate to design | Atanu Chaudhuri | 67 |
| 999913 | IV projekter | Johnny Jacobsen and others | 700 |
| 999914 | |  |  | | --- | --- | | Erhvervsforsker sammen med Siemens | Ole Madsen | | Ole Madsen | 60 |
| 999915 | MP Co-financing projects (ph.d. etc.) | Kjeld Pedersen | -816 |
| 999916 | Udstyrsbuffer 2019 | Kjeld Pedersen | 500 |
|  |  | **TOTAL** | **11.276** |

Projects marked in red have been rejected after the preparation of the budget.

The grant-financed revenue of present projects in Budget 2019 is TDKK 40.268. List of the 10 largest projects measured on revenue in 2019:

The figure below shows the grant-financed activity allocated across research groups in 2018 and 2019:

## Summary - revenue

The total revenue is DKK 233 mio, of which the total project revenue in 2019 will be DKK 68 mio. Compared to Budget 2018, this is an increase in revenue of DKK 74 mio., which is due to a new budget model and an increase in projects.

It is very positive that we are able to increase project revenues by increased revenues from overheads of DKK 5.1 mio. and an average OH percentage of 25%. This signifies a major improvement in operations. The 2% reduction of rates in the National Budget is evident, and in order to maintain our activity level, grant-financed activities must increase in the coming years.

# Costs

## Salary

### Academic staff

60% of the total expenses (AAU contribution deducted) of the Department are staff costs. The total salary costs of Department staff amount to DKK 102.3 mio. The academic staff account for DKK 82.3 mio. TAP staff accounts for DKK 20.0 mio. A small number of staff in the research groups are “technically” employed as administrative staff, meaning that the amount does not only cover staff in LAB or the secretariat. Academic staff salaries are allocated across research groups as follows:

Academic staff full-time equivalents (FTE) are divided as follows on research groups:

Academic staff salaries are DKK 1.2m lower than in 2017. The main reason is that the number of FTE is increased by 8 in Re-budget 2019. 127 academic staff were employed in 2018, while the number in 2019 is 135. DKK 2.0m is available in the budget for part-time academic staff. Part-time lecturers will be employed in the research groups. 24 vacancies for academic staff appear in the budget. 19 of these are fully or partly financed by projects, while the last 5 are assistant professor or associate professor positions, primarily intended for teaching etc.

Salaries are projected by 0.95% as of 1st April 2019 and with 0.86%, 1st of October. This is a high salary rise compared to previously. This signifies an increase of staff salaries of approx. DKK 1.3m.

In the budget, at pool of DKK 400.000 has been set aside for pay negotiations (2% payroll funds no longer exists in ENG).

### Technical/administrative staff (TAP)

TAP salaries comprise LAB and secretariat staff. Moreover, some research group staff are employed as academic administrative staff; these are included with DKK 1.9m in Budget 2019. Total TAP salaries amount to DKK 21.3m in 2019, as compared to DKK 16.8m in 2018. The number of TAP FTE in 2018 was 41; this has increased to 45 in 2019. A vacant position for appears in Budget 2019. DKK 130,000 is allocated for student assistance. The salary projection is identical to the VIP projection.

In the budget, a pool of DKK 100,000 has been set aside for pay negotiations. 135,000 is allocated for payment of overtime in LAB and the Secretariat.

## Other costs.

### Annual grant

The annual grant must cover costs for the “operations” of VIP staff. Typically, it covers costs related to conference participation and travel. It might also cover personal IT equipment (telephones, PC etc) and minor purchases of other new equipment.

A budget is set aside for operating costs in the sections (annual grant) corresponding to DKK 20,000 per tenured full- time staff and DKK 10,000 per emeritus/emerita. The vice head of department/head of section determines the allocation of the annual grant between the research groups and section. The ”Sustainable production” section has agreed that 10,000 is allocated to the section and 10,000 to the research group. The two remaining sections allocate 15,000 to the research group and 5,000 to the section. In concrete terms, the following has been allocated:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Forskningsgrupper** | **Total Årsværk** | **Total til forskningsgrupperne** | **Total til sektionerne** | **Omk.sted** | **Total** |
| Robotics, Vision and Machine Intelligence | 6 | 60.000 | 60.000 | 63841 | 120.000 |
| Logistics and Supply Chain | 9 | 90.000 | 90.000 | 63842 | 180.000 |
| Behavioural operations and innovation management | 7 | 70.000 | 70.000 | 63843 | 140.000 |
| Materials Science and Engineering | 15 | 225.000 | 75.000 | 63851 | 300.000 |
| Solid and Computational Mechanics | 17 | 255.000 | 85.000 | 63852 | 340.000 |
| Biomechanics | 8 | 120.000 | 40.000 | 63853 | 160.000 |
| FYSIK (MP) | 12 | 180.000 | 60.000 | 63854 | 240.000 |
| Operations Research | 9 | 135.000 | 45.000 | 63861 | 180.000 |
| Robotics and automation | 15 | 225.000 | 75.000 | 63862 | 300.000 |
| Mass Customization | 5 | 75.000 | 25.000 | 63863 | 100.000 |
| Celog | 5 | 75.000 | 25.000 | 63871 | 100.000 |
| CIP | 27 | 405.000 | 135.000 | 63872 | 540.000 |
| **Total** | **135** | **1.915.000** | **785.000** |  | **2.700.000** |

Total for sections:

|  |  |  |
| --- | --- | --- |
| **Annuum pr. Section** | **Total** | **Cost center** |
| Sustainable Production | kr. 220.000 | 63840 |
| Materials | kr. 260.000 | 63850 |
| Production | kr. 305.000 | 63860 |
| **Total** | **kr. 785.000** |  |

The secretariat creates analysis numbers to manage the expenditure of individual members of staff. Therefore it is important that VIP and TAP members of staff make sure to include this number in all purchases and travel reimbursements etc.

If you don’t know your number you can find it in one of the links below.

<http://regnforv.aau.dk/kontoplan/kontoplan?Plan=Analysenummer&CurrentGroup=667&Level=3>

<http://regnforv.aau.dk/kontoplan/kontoplan?Plan=Analysenummer&CurrentGroup=668&Level=3>

All “informal accounts” in which individual members of staff or groups have saved up “drawing rights” in the budget (PhD accounts, group accounts, 2% amounts (not payroll funds etc.)) were abolished in 2017. This principle also applies in 2019. An amount has been set aside for the “teacher of the year”. Savings from “teacher of the year” must be spent within the next three years.

In order to avoid “burning petrol” at the end of the year, the research group may carry funds forward from one year to the next. However, in 2019 a maximum of 20% of the budget framework. In order to avoid carrying too large amounts forward, only funding for defined purposes may be carried forward, e.g. a relatively large number of PhDs on exchange stays and savings for major investments. To manage this, we must insist that such transfers are approved in connection with the preparation of budgets for the coming year (October 1st).

### Operating costs in the sections

The sections must pay the costs related to meetings and seminars, bread and fruit schemes etc. The funds are managed by the head of section.

### Development funds for the sections

The management group have decided to allocate DKK 360,000 (500,000 in Anchor budget) for various development initiatives in the sections. The sections themselves prioritize and manage these funds, which must be spent in 2019. Carrying funds forward is not possible. Allocations are made on the basis of the budgeted project turnover in 2018:

|  |  |  |
| --- | --- | --- |
| **Section** | **Name** | **DKK** |
| 63840 | Sustainable production | 35.000 |
| 63850 | Physics and Materials | 140.000 |
| 63860 | Production | 185.000 |

Such costs must be entered under analysis code 70250.

### Department operating costs.

The Department pays the costs for:

* Ordinary furniture and fixtures, i.e. office desks, bookshelves and chairs, whereas more specialised purchases (sofas etc.) must be paid by the annual grant.
* Telephone subscriptions, postage and freightage
* Travel in connection with teaching at a different address.
* IT licenses (joint – individual licenses are paid by the annual grant)
* Expenses for joint meetings, PhD receptions/lunch, graduation event etc.
* Summer party (max. DKK 350 excl. VAT per person)
* Christmas party (max. DKK 350 excl. VAT per person)
* Christmas presents (max. DKK 400 excl. VAT per person)
* Company visits in connection with student projects
* Operating costs of department cars
* Teaching equipment (as agreed with Kjeld)

### Budget framework for LAB purchases in the sections for student activities.

A framework amount is set aside for the purchase of LAB materials for student activities in the sections. In total, the following is allocated:

|  |  |  |  |
| --- | --- | --- | --- |
| **Cost pool** | **Analysis number** | **Name** | **Amount** |
| 63840 | 69002 | LAB procurement -  Sustainable production Cph. | 25,000 |
| 63850 | 69002 | LAB procurement - Physics  and Materials | 125,000 |
| 63854 | 69012 | LAB procurement -  Badehusvej | 25,000 |
| 63860 | 69002 | LAB procurement - Production | 25,000 |

The amount is managed by the head of section in collaboration with the groups and LAB. The head of section may ask the head of department to delegate the responsibility for (some of) the pool to other members of staff (observe the delegation declaration). In a concrete situation, the above entry procedure must be followed. Spent LAB and computer time is not included in this and will not be registered.

## Obel funds

Unfortunately, Obel has decided from 2019 they no longer allocate funds for research and research infrastructure.

## Strategic pool in Budget 2019

To allow the management group financial latitude in budgeting, as of 2019 funds will be set aside in a strategic pool to finance new strategic initiatives decided by the Faculty (2x5%). In Re-budget 2019, the pool amounts to DKK 600,000.

## Summary costs

The total costs are DKK 233m. Compared to Budget 2018, this is a increase of DKK 74m. The new budget model explains most of it. Staff salaries have increased by DKK 10,5m. This corresponds to an increase in FTE of 12. Buy-out in projects has gone up by DKK 10.2m. This signifies a major improvement in turnover in projects. Unfortunately, co-financing in projects has risen by DKK 5.5m. Rent has fallen from 24.3m to 22.8m.

## Budget responsibility:

**Budget responsibility:** In order to support the freedom of action and budget responsibility among the budget control managers, they will be given the competence to act within the allocated framework. However, following discussion in the management group, the head of department may change the budget framework during the course of the year. New appointments require the approval of the head of department. Pay negotiations are the responsibility of the head of department. The budget control manager is responsible for recommending a salary budget to the management group, cf. the time schedule. Following this, the management group will decide how to allocate the resources.

## Budget process in 2019:

The Anchor Budget 2019 was prepared to adapt to the new organisation following the new organizational structure of the University administration. Re-budget 2019 should be seen as a “year 2”, following the creation of the new department in 2017. The deadline for Budget 2019 was week No. 43 in 2018 and the Re-budget was 1st February 2019. The preconditions in the budget will change, of course, and new tasks will be added. Therefore, as a main rule, money will accompany new tasks in the shape of an increase of the budget framework. The Re-budget will be adjusted continuously in “The floating budget” in 2019.

## Budget follow-up 2019

During 2018, we have developed management information, which is used by the budget control managers. This work will continue in 2019. Both the budget control managers and the secretariat are involved in this and responsible for securing the right content in the management information.

Economy follow-up is being provided according to the following principles:

* The secretariat prepares monthly economic reports concerning budget and expenditure in the organisational units.
* The secretariat prepares monthly economic reports concerning project financial management and reassigned time for project managers. These may be requested, when needed.
* The secretariat invites the management group and the budget control managers to follow-up meetings concerning the economy after completion of the University’s period follow-ups, which are divided into trimesters. The period follow-ups are completed in April, August and December. The secretariat will then invite the above to a follow-up meeting.

Together with the monthly economic reports, the budget follow-up meetings will ensure up-to-date financial management, enabling the management group to make decisions on an updated basis.

12th April 2019