

**FY21 IT allocation**  
**Frequently Asked Questions**

**1. What is the IT allocation?**

The IT allocation is a new funding model for Information Technology that will provide more transparency about the cost of delivering IT for the University. The University of Chicago has already taken this approach to other central services, including Facilities. It increases the transparency of how funds are being spent, it helps structure better spending decisions at the business unit level, and it serves to better align unit revenue and central expenses.

**2. Why are we doing this now / What's changed that's prompting the rollout of this new allocation policy?**

The consistent delivery of high-quality technology solutions and services is essential to the mission of the University. Secure, stable, and reliable technology infrastructure and applications enable research, teaching, and all manner of communication among faculty, students, alumni, and staff, and a variety of important partner organizations.

As IT Services works with partners across the University to consult on the use of technology, customize solutions to meet the needs of the community, and deliver services, it is essential that technology spending and decision-making reflect cross-functional thinking. The IT Allocation increases the transparency and visibility to technology costs.

**3. What process was used to determine which services supported by ITS were to fall under the IT allocation vs remain as recharge vs be structured as "fee for service"?**

Starting in FY2021, most services supported by IT Services will fall under the IT allocation. The "fee for service" focuses on services that frequently experience significant fluctuations in demand (e.g., bulk printing, AV Tech support for events outside of scheduled classes) or that require customized solutions (e.g., non-centrally licensed software, add-on packages to licensed software).

Additionally, the existing recharge structure will remain in place for a small number of services for which demand and costs already are closely aligned (e.g., desktop support). These services may be assessed in the future to determine if they should be moved to the IT allocation in future years.

**4. How will services be added or subtracted from the IT Allocation in the future?**

The Provost's Office will create an IT allocation oversight committee that will review requests to add or subtract services from the IT allocation in the future.

**5. Where can I get further information regarding which IT services are/are not included in the IT allocation?**

The Information Technology Services 2020-2021 Service Catalog outlines services included in the IT allocation and services designated “fee for service”. Questions can be directed to the IT Service Desk (773.702.5800) or [it-allocation@uchicago.edu](mailto:it-allocation@uchicago.edu).

**6. What was the methodology applied to calculating the total IT cost which was allocated?**

For all services which were categorized into the IT allocation base (also refer to question #3 which addresses which services were categorized as part of the IT allocation base), an analysis was conducted of actual expenses incurred by IT Services to deliver these services over a three-year period (FY17-FY19). An average of those three years of actual expenses establishes the base for the IT allocation.

**7. What was the methodology applied to distributing that total IT cost out to all the units and why was this methodology chosen?**

A combination of FTEs (includes: faculty, staff, academic, postdoc, temp, and academic temp; excludes: student and seasonal FTEs) and student enrollments were deemed to be the most significant and clearest drivers of total IT service costs. An analysis was done of all IT service lines categorized as part of the IT allocation base to determine whether these services uniquely supported a student population or a more general population. This analysis indicates that 87% of all service lines in the IT allocation support a general population and 13% uniquely serve students. These analyses form the allocation method which was used to distribute the IT allocation base to University academic and administrative units. FTE data pulled from Workday in November 2019 was used to determine each unit’s FTE base. Total FTE base was weighted at 87% in the distribution calculation. Autumn Quarter 2019 census data was used to determine graduate and non-degree seeking student enrollment by unit and student progress units from the College tuition allocation course report was used to determine undergraduate student enrollment by unit. The resulting total student base was weighted at 13% in the distribution calculation. This allocation methodology was chosen to fairly and consistently allocate initial and on-going costs in a way that the number of potential clients of service is aligned with the service offering.

**8. What will be the financial impact of the IT allocation to units in FY22 and beyond?**

It is reasonable to assume the financial impact to each unit of this IT allocation in future years will increase, roughly consistent with inflation. Each year, the Budget Office and IT Services will work closely together to review the prior year’s actuals and any necessary adjustments to be made (for example, an increase in licensing costs) to determine the IT allocation for the coming budget year. The IT allocation base for future years will always be informed by the actual cost of providing these services in the prior year so as the cost of services increases in the current year, the IT allocation to be distributed to units in the upcoming budget year will also increase.

**9. How will existing direct charges to grants (federal and private grants in ledger 5 and 6 accounts) of IT Services charges that are being absorbed into the IT allocation be handled?**

Direct charges to grant accounts for services that will be absorbed into the IT allocation (such as voice and data center hosting charges) will end in FY21 when the IT allocation goes into effect. The IT allocation expense will be assessed to units in a ledger 4 account and will not be able to be subsequently allocated to grant accounts through journal entries.

**10. What if I want to learn more/ have more questions?**

Attend one of the 'open sessions' that will be jointly hosted by the Budget Office and IT Services in December and January. You may also contact your budget analyst or email the Budget Office at [budgetoffice@uchicago.edu](mailto:budgetoffice@uchicago.edu).