

MEMORANDUM

From: Katrina Spencer, Associate Vice President of Finance and Budget Director
To: University of Chicago Unit Finance Leaders
Date: March 30, 2018

Subject: University of Chicago Equipment Depreciation Allocation and FY19 Guidance

The purpose of this memorandum is to provide University of Chicago unit financial leadership and management teams with an update on the allocation model for equipment depreciation for FY18 and to provide guidance to units for equipment depreciation planning assumptions for FY19 budget preparation.

Given the timing of the FY19 budget preparation cycle and the need for units to finalize planning assumptions and enter FY19 budgets into Delphi, we will hold allocated equipment depreciation targets and expenses constant for FY18 and FY19. For FY18, units will be charged the amount of equipment depreciation that was included in their targets per the FY18 Budget Letters. For FY19, units will be charged the same amount for capital equipment depreciation as they have been charged for FY18. This avoids additional changes to units' FY19 budget targets as well as ensures adequate time to fully develop and implement a capital equipment depreciation methodology and process that provide the greatest financial management benefit to the University.

The Budget Office will revise the capital equipment depreciation allocation model in FY19 and will provide updated guidance to units as part of the FY20 budget planning cycle. If you have questions about the FY18 or FY19 equipment depreciation allocations for your unit, please contact your Budget Office analyst or email your questions to the Budget Office at budgetoffice@uchicago.edu.