Northwestern University Information Technology (NUIT) Fiscal 2002 Financial Summary

Mort Rahimi reviewed the Information Technology division’s operating results beginning with Technology Services, totaling $18.7 million in revenue and expenses.

Under Operating Revenues, Central Allocation provides a recurring annual budget of $13.8 million. Professional Services totaling $3 million includes the salary and fringe benefits for NUIT staff charged to the following projects: (1) the Student Enterprise System, (2) the Human Resource Information System ($2 million), (3) desktop support provided to certain University departments and students in the residence halls ($720,000), and (4) the remaining revenue balance from other programming and technical support provided to grants and other NU customers. Gifts and Grants totaling $762,000 is support for the Collaboratory Project, iCAIR, Starlight, Omninet, and Iwire projects. Sales of Services totaling $1.1 million represents billings for software, server support, printing services and maintenance of systems such as the two-way radio communication system.

Under Operating Expense, the Staff Salary and Fringe Benefits ($11.2 million) includes the staff directly charged to the specific projects noted above and staff supporting grants. Student and Temps Salary and Fringe Benefits ($600,000) are the student employees that support the central Information Center and computer labs across our campuses. Equipment and Software ($2.8 million) includes the purchase of central servers and other equipment in computer labs and “Smart” classrooms as well as computers for NUIT staff. Maintenance Fees ($400,000) are the hardware, software maintenance fees paid to vendors. Other Operating Expenses ($3 million) represent all other operating costs, the primary expense being outside consulting services and NUIT staff professional development including related travel. Space and Central Overhead ($690,000) include all charges for leased space for NUIT staff in off campus buildings.

The Operating Surplus under Technology Services was $5,000.

Mort Rahimi then discussed the operating results under Network Recharge advising that the revenue and expense were a direct result of the recharge operations of the NUI division and were primarily for the provision of telecommunications services.

Under Operating Revenues, Sales of Services totaling $15.3 million included $11.1 million for telecommunications service billings to staff and faculty, $1.5 million for telecommunications service billings to students, $1.4 million for telecommunications...
services billings to affiliates and other related customers and $1.4 million is generated from one-time revenues for special projects such as the Enhanced 911 system.

Under Operating Expense, Staff and Student Salary and Fringe Benefits amounted to $4.4 million. Equipment and Software ($4.3 million) includes the purchase of telecommunications equipment, the depreciation of capital equipment and $0.7 million for the upgrade of the critical two-way radio communication system. Maintenance Fees ($500,000) are for contracted hardware, software and networking equipment maintenance services. Telecommunications Carrier Costs are for local, long distance and cellular services purchased and recharged to NUIT customers. Other Operating Expenses ($2.2 million) include all miscellaneous expenses, the largest component being electrical contractors and professional staff development for the staff assigned to this recharge area. Space and Central Overhead ($720,000) is broken down into $680,000 for use of central department resources such as University Human Resources and $112,000 for University space housing NUIT staff and equipment.

Mort Rahimi explained that the recharge portion of NUIT generated a surplus of $593,000 in Fiscal Year 2002 and that according to Cost Accounting Standards must be considered to offset future rate increases.