NYU’s Global Related Activities finances consist of Global Programs ("Study Away Sites" plus Global Programs NY) and other GNU related program budgets.

Overall, these Activities generate more revenue than expenses.

There currently is “balance of trade” so that undergraduate tuition from Study Away Sites is shared with the sending schools.

NYU’s Global Housing Program at the Study Away Sites runs a deficit. New approaches to summer, now underway, will address the deficit over the next 24 months.

NYU Abu Dhabi operates with a breakeven budget based on our funding arrangement with our funding partners. Built into that breakeven budget are a number of items that benefit the NYU-NY campus.

NYU Shanghai operates with a breakeven budget based on our funding arrangement with our funding partners. Built into that breakeven budget are a number of items that benefit the NYU-NY campus.

There are a number of important “internal” budgeting issues that we are looking to discuss with deans as the GNU continues to grow and develop.
NYU Global Related Activities Budget FY14

Revenue:
- Gross Tuition & Fees $66,716,010
- Fin Aid @ 21% ($14,010,362)
- Tuition: Visiting Students $7,565,392
- Tuition & Fees: Portal Campus $2,009,189
- Other Revenue $7,423,178
- TOTAL REVENUE $69,703,407

GLOBAL PROGRAMS (STUDY AWAY SITES + GLOBAL PROGRAMS NY) EXPENSES

Personnel Costs:
- Full Time Staff $10,517,446
- Part Time Staff
- Total Staff Costs $10,517,446
- Full Time Faculty $840,659
- Part Time Faculty $6,670,055
- Total Faculty Costs $7,510,714
- Total Fringe $6,979,116
- Total Personnel Costs $25,007,276

Operating Expenses:
- All Other Operating Expenses $17,976,898
- Facility Expenses $14,052,866
- Taxes & Fees $557,728
- Total Operating Expenses $32,587,491

TOTAL GLOBAL PROGRAMS EXPENSE $57,594,767

GLOBAL PROGRAMS OPERATING MARGIN $12,108,641

OTHER GNU PROGRAMS EXPENSES
- Global Research Initiative $4,264,174
- Curriculum and Faculty Development $4,442,435

NET SURPLUS/(DEFICIT) BEFORE CONTINGENCY $3,402,031

Contingency $4,442,435 (Contingency is not expected to be expended)

NET SURPLUS/(DEFICIT) $ (1,040,404)
NYU Global Student Housing Budget FY14

Revenue:
- Housing Revenue $18,448,335
- Other Revenue $25,347
Total Revenue $18,473,682

Personnel Costs:
- Full Time Staff $904,837
- Part Time Staff
- Total Staff Fringe $268,652
Total Staff Costs $1,173,489

Total Personnel Costs $1,173,489

Operating Expenses: (see notes)
- All Other Operating Expenses $7,009,135
- Facility Expenses $13,588,168
- Taxes & Fees $232,885
Total Operating Expenses $20,830,188

TOTAL EXPENSE $22,003,677

OPERATING MARGIN $(3,529,995)

Housing deficit is attributable to summer housing shortfall and start up in Sydney and Washington, D.C., but is being addressed and expected to be resolved in 24 months.
Notes to Understand Global Related Activities Finances

- **Overall Budget Framework:** The budget for Global Related Activities is managed from both a site specific, and from a consolidated perspective (all sites plus Global Programs NY operational expenses) in order to manage fluctuations and variations at each site.

- **Budget Basis:** NYU’s budgeting process in NY and for the global sites is done on a cash basis. This process is consistent with NYU’s annual budget presentation. Site budgets may differ from tax or regulatory filings that are prepared locally due to local law requirements.

- **Tuition Revenue:** The overall finances for the Global Related Activities show gross tuition less financial aid (Net Tuition Revenue).

- **Other Revenue:** Global Programs receives funding from schools for graduate programs, j-term courses, and summer courses in support of a small percentage of indirect costs (building, staff, etc.). This is shown as “Other Revenue”.

- **Housing:** The management/oversight of Student Housing at each global site is transitioning from Global Programs to the Office of Residential Life and Housing Services (ORL&HS) in NY. The deficit in the housing budget is due to a shortfall in summer housing revenue, and startup of Sydney and Washington, D.C. sites. Student Housing, working closely with the schools, expects that this deficit will be resolved within 24 months.

- **Not Included:** Some NYU schools maintain global programs independently, and costs associated with these programs are not included in the Global Programs budget. These revenues and costs are included in the School budgets.
Global Related Activities in the Schools’ Budget

- **Balance of Trade:** In the University’s current budget system, a portion of the Tuition Revenue generated by undergraduate enrollment at the sites is allocated to the sending schools.
  - NYU-NY Schools: Sending school receives 45% (and covers financial aid). This compares to 30% received by the sending school in balance of trade within NYU-NY (e.g. between FAS and Stern).
  - NYUAD & NYUSH: Sending campus receives 30%.

- **Allocated Costs:** Costs associated with other global programs and initiatives are allocated as expenses to School budgets.

<table>
<thead>
<tr>
<th>Revenues Allocated to Schools:</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Tuition and Fees</td>
<td></td>
</tr>
<tr>
<td>Global Tuition and Fee Gross for WSQ Students- 45% To Home School</td>
<td>30,022,205</td>
</tr>
<tr>
<td>Financial Aid @ 21%</td>
<td>(14,010,362)</td>
</tr>
<tr>
<td>Net Tuition Revenue</td>
<td>16,011,843</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less: Costs Allocated to Schools</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Global Network University (GNU) Expenses</td>
<td></td>
</tr>
<tr>
<td>Global Research Initiative</td>
<td>4,264,174</td>
</tr>
<tr>
<td>Curriculum and Faculty Development</td>
<td>4,442,435</td>
</tr>
<tr>
<td>Contingency to build Program Capacity at Global Sites</td>
<td>4,442,435</td>
</tr>
<tr>
<td>Allocated Costs</td>
<td>13,149,045</td>
</tr>
</tbody>
</table>

| NET SURPLUS/(DEFICIT)           | $ 2,862,798 |
NYU Abu Dhabi Finances

- NYU Abu Dhabi operates with a break even budget based on our funding arrangement with our funding partners. Built into that breakeven budget are a number of items that benefit the NYU-NY campus:
  - “Management” fee equal to 5% of expenses;
  - Balance of trade: tuition revenue attributable to NYUAD students studying at NYU—NY and study abroad campuses;
  - Reimbursement to NYU-NY academic departments for NYU-NY faculty teaching at NYUAD.
  - Support for faculty participating in search and curriculum development committees.
  - Substantial funding for NYU faculty research projects

- NYU-AD’s agreement with our funding partners provides for a fund to cover costs in the event of a closing or suspension of activities at the campus.
NYU Shanghai Finances

- NYU Shanghai operates with a break even budget based on our funding arrangement with our funding partners. Built into that breakeven budget are a number of items that benefit the NYU-NY campus:
  - “Management” fee equal to 5% of expenses;
  - Balance of trade: tuition revenue attributable to NYU-SH students studying at NYU—NY and study abroad campuses;
  - Reimbursement to NYU-NY academic departments for NYU-SH faculty teaching at NYUAD.
  - Funding for NYU faculty research projects

- NYU-SH’s financial plan provides for a fund to cover costs in the event of a closing or suspension of activities at the campus.
Risk Management

- **Insurance**: NYU property and liability risks are included in NYU’s overall insurance program.

- **Emergency Management**: NYU maintains an emergency medical / evacuation policy.

- **Currency Risk**: Sites may have both a local currency and a US Dollar budget as some expenses are paid in one currency and are accordingly budgeted. (e.g., lease payments are typically large amounts and paid in $US). Some years currency risk results in a gain, some years a loss. A reserve has been established to pay / receive currency fluctuations, and is managed separately from the Global Programs operating budget.

- **Audit**: The financial activities of NYUAD, Shanghai, and all global programs are audited and meet local tax and payroll requirements.
Global Related Activities Financial Policy Issues

- These issues are under discussion with deans:

- Is “Balance of Trade” the best model for internal funding of Study Away Sites for fall/spring study abroad? What are the possible alternatives?
  - Cost Allocation – how to allocate costs?
  - Some combination of cost allocation for fixed costs plus turnstile count?

- How should “off-cycle” (j-term, summer) programs be funded? Currently funded with sponsoring school/campus retaining all revenue and paying the Site a small fee to cover administrative and space costs. The fee does not cover costs. Global Programs is in discussion with deans to optimize summer use of Sites to be compatible with maximum housing use while maintaining academic standards.

- How should graduate and other “in-cycle” programs be funded? Currently schools pay a negotiated share of administrative and space costs at Sites based on percentage of use. Discussions with deans are ongoing regarding the appropriate allocation methodology.

- Other issues?