



Budgeting Forum

March 29, 2017



Industry Budgeting Overview



Definition of “Budgeting”

Framing the budgeting conversation is critical, as traditional campus budgeting perceptions often result in substandard processes for resource allocation.

Traditional Budgeting Perceptions

- **Inventory** of anticipated expenditures
- Mechanism to **control** expenditures
- **Independent activity** performed by department managers
- **Backroom operation** performed by accountants
- **Spreadsheet** indicating resource availability
- Performance measures that **reset annually**



Strategic Resource Allocation

- **Plan** for developing resources
- **Prioritization** of resource allocations for strategic initiatives
- **Explanation** of the internal economy
- Mechanism to create institutional **incentives**
- Tool to empower departments to engage in **entrepreneurial** activities
- **Predictor** of annual financial statements
- Baseline measure of **accountability**

As university community members begin to shift their thinking on the role of budgeting, individuals are often more willing to allocate time to the budget process, to share information, and to make strategic decisions



Budgeting Trends in Higher Education

Since the recession in 2009, several universities across the country have reconsidered their annual budget approach and design. Some of the following trends have emerged as a part of that review.

- Institutions are working diligently to reframe budgeting as a way to develop new resources, promote desired activities, and funnel resources to strategic priorities
- An Inside Higher Ed Survey reported that over 20% of all U.S. institutions and 25% of U.S. doctoral institutions implemented changes to their budgeting process in the 36 months following the recession
- Recent changes have resulted in more inclusive strategies that acknowledge the powerful impact engaged faculty and staff can have on institutional resources
- With enhanced inclusiveness, universities have needed to produce more timely, comprehensive, and insightful data and reports
- Ultimately, universities appear to be adopting hybrid budgeting models that are highly customized to institutional cultures and goals



Benefits of Effective Budgeting

Effective budgeting leads to the distribution of useful information, data-informed decisions, and the effective utilization of institutional resources

- Facilitates two-way discussions between entities, a joint understanding of markets, and annual discussions about institutional priorities
- Translates strategic goals into management and operating plans
- Results in policies and procedures that focus on incentive alignment, entrepreneurship, and the efficient use of resources
- Improves the effectiveness of incentives with the potential to create win-win opportunities across an entire institution
- Identifies the true nature of internal subsidies (transfer payments)
- Avoids “incremental” budgeting, which fails to evaluate base budget allocations or adequately reflect changes in key drivers

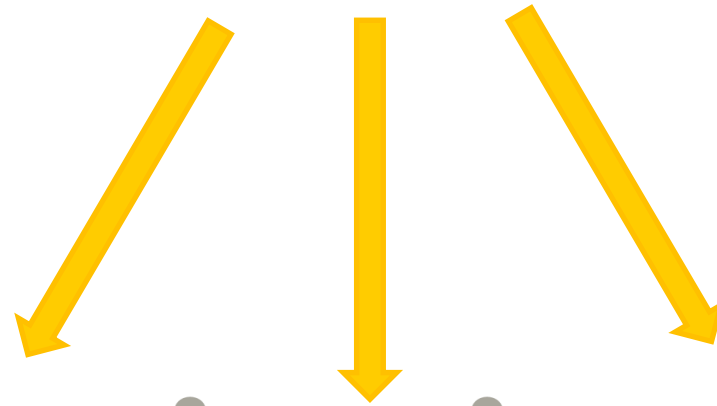


Wyoming Budgeting Overview



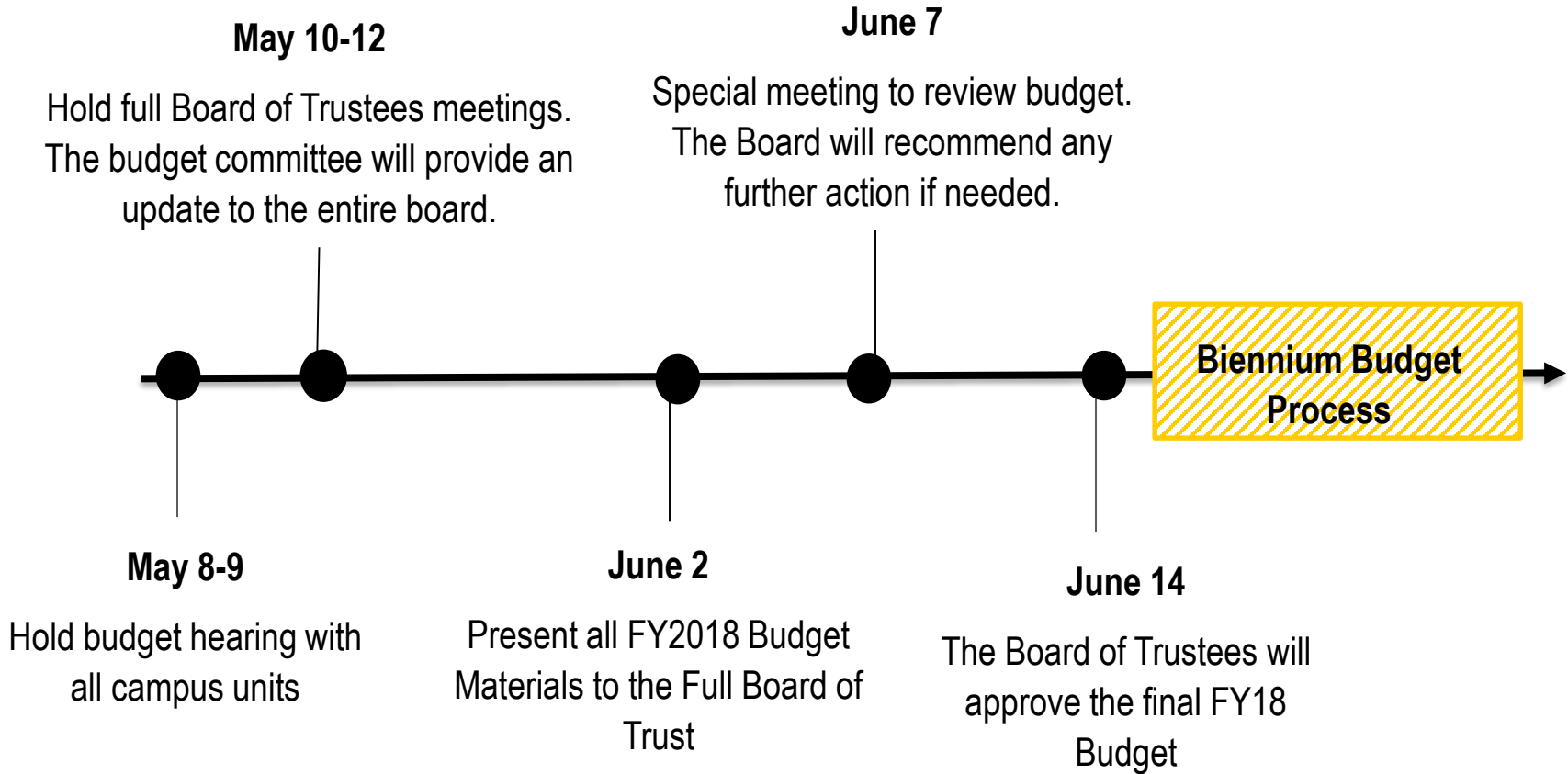
WyoCloud Budget Future State Vision

Responsibility shifting from Old Main and Accounting to fiscal managers utilizing the new system's financial reporting to make better and more informed decisions





FY 2018 Budget Process Timeline





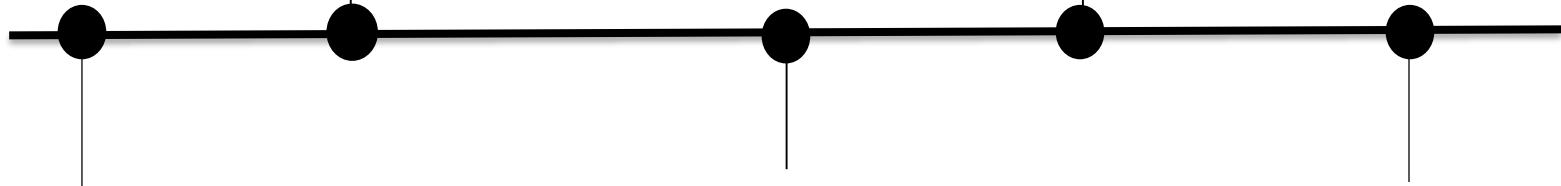
Biennium Budget Timeline

July 13-14

The Budget Committee will hold all budget hearings for the upcoming biennium

August 9

Board of Trustees Meeting for budget plan approval



July 10

All biennium budget materials are due to the Budget Committee for review

July 18-21

Board of Trustees Retreat – Budget committee will update the Board of Trustees on biennium budget plan and direction

August 16

A special budget meeting will be held if necessary for final biennium budget approval



UW's New Structure for Budgeting, Planning & Reporting

College/Unit/Organization Name	1	2	3	4			
	FY2018	FY2018	FY2018	FY2018	FY2018	FY2019	FY2020
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	FORECAST	FORECAST
	UNRESTRICTED OPERATING	DESIGNATED OPERATING	RESTRICTED EXPENDABLE (Grants & Contracts)	RESTRICTED EXPENDABLE (Gifts)	ALL FUNDS	ALL FUNDS	ALL FUNDS
1 Revenues							
2 Total Tuition	-	-	-	-	-	-	-
3 Total Student Financial Aid	-	-	-	-	-	-	-
4 Total Educational Fees	-	-	-	-	-	-	-
5 Total Tuition & Educational Fees, Net	-	-	-	-	-	-	-
6 Total Room & Board and Other Auxiliary Services, Net	-	-	-	-	-	-	-
7 Total Other Sales of Goods & Services	-	-	-	-	-	-	-
8 Total Sales of Goods & Services	-	-	-	-	-	-	-
9 Grants & Contracts	-	-	-	-	-	-	-
10 Total Grants & Contracts	-	-	-	-	-	-	-
11 Total Other Operating Revenue	-	-	-	-	-	-	-
12 Total Operating Revenues	-	-	-	-	-	-	-
13 Total Non-Operating Revenues	-	-	-	-	-	-	-
14 Total Appropriations	-	-	-	-	-	-	-
15 Total Gifts	-	-	-	-	-	-	-
16 Total Sales & Services of Educational Activities	-	-	-	-	-	-	-
17 Total Investment Income	-	-	-	-	-	-	-
18 Total Other Non-Operating Revenues	-	-	-	-	-	-	-
19 Total Non-Operating Revenues	-	-	-	-	-	-	-
20 Total Revenues	-	-	-	-	-	-	-
21 Expenses							
22 Total Salary/Wages Benefited	-	-	-	-	-	-	-
23 Total Salary/Wages Non Benefited	-	-	-	-	-	-	-
24 Total Graduate Assistant Pay	-	-	-	-	-	-	-
25 Total Supplemental Pay	-	-	-	-	-	-	-
26 Total Benefits Expense	-	-	-	-	-	-	-
27 Total Salaries, Wages & Benefits	-	-	-	-	-	-	-
28 Total Services and Fees	-	-	-	-	-	-	-
29 Total Travel and Entertainment	-	-	-	-	-	-	-
30 Total Supplies	-	-	-	-	-	-	-
31 Total Utilities	-	-	-	-	-	-	-
32 Total Repairs and Maintenance	-	-	-	-	-	-	-
33 Total Rentals and Leases	-	-	-	-	-	-	-
34 Total Interest Expense	-	-	-	-	-	-	-
35 Total Claims and Judgements	-	-	-	-	-	-	-
36 Total Other Expense	-	-	-	-	-	-	-
37 Total Operating Expenses	-	-	-	-	-	-	-
38 Total Capital Equipment & Vehicles	-	-	-	-	-	-	-
39 Total Depreciation and Amortization	-	-	-	-	-	-	-
40 Total Other Non-operating Expense	-	-	-	-	-	-	-
41 Total Non-Operating Expenses	-	-	-	-	-	-	-
42 Total Expenses	-	-	-	-	-	-	-
43 Net Results	-	-	-	-	-	-	-

1 Unrestricted Operating

- Will be comprised of the bulk of current Section I & II funds

2 Designated Operating

- Line-item appropriations
- Fees that are collected for a very specific purpose

3 Restricted Expendable (Grants & Contracts)

- Externally sponsored federal, state, local, & private grants & contracts

4 Restricted Expendable (Gifts)

- Foundation/gift funds that have restrictions on their use



FY2018 Budget Template Overview

As the university moves forward in creating the operating budget for the upcoming Fiscal Year 2018, the Budget Office requires the development of individual organizational budgets in the distributed template.

The **budget template** that is being distributed to each organization is composed of **6 tabs**:

1. Budget Sheet

- a) Contains summary of an organization's historical and future budget, no data should be entered in this summary.

2. Budget Entry

- a) Organizations can enter a summarized budget here, data entered here will override other parts of the budget sheet.

3. Salary

- a) Contains section I and II salary data as submitted to the Budget Office, additional salaries can be added if needed.

4. Fund-Organization

- a) Each fund-org associated with your organization will be listed here as either Unrestricted Operating (blue tabs) or Designated Operating (red tabs)

5. Restricted

- a) Due to the high number of restricted funds in some organization, all restricted funds are included in the restricted tab

6. Blanks

- a) Some organizations have current accounts that were not mapped into the new system, this tab will summarize all revenues and expenditures associated with those unmapped accounts.



FY2018 Budget Template Entry Process

Each organization will be required to fill out its budget template for the upcoming fiscal year. Additional guidance will be provided by the Budget Office as needed.

The budget entry process will consist of the following 5 steps:

- 1. Enter budgets directly into the current Fund-Org, Restricted, and Salary Sheets**
- 2. All data should be entered into the blue unlocked cells in each sheet**
- 3. The Budget Entry Sheet will override any other data that has been entered into the Fund-Org and Restricted Sheets**
- 4. Salary data will *only* be entered in the Salary Sheet**
- 5. All budget data will be compiled and summarized into the Budget Sheet**

Each tab has a section for comments. *Comments should be added to explain any variance from previous year actuals.*



Budget Frequently Asked Questions

Where will our organization's reserves go at year end?

How will we be able to transfer funds under the new process?

What types of expenditures do the salary and fringe pools cover?

Should we budget full foundation amounts? Or just expenditures?

How will funds roll forward?

Will we be able to rehire positions of retired employees?





Question and Answer



UWTM