

The College of Liberal Arts and Sciences

Budget Process Guide

Best Practices

Definitions/explanations:

- **Budgeted accounts:** Those accounts that are either funded through general operating or tuition appropriations or other (local) accounts that are budgeted in Workday.
- **Appropriations:** General operating and tuition funds (GOA/GOT) allocated to The College and then to the units through the yearly budget process.
- **Vacancy savings** [temporary vs. permanent; tenured or tenure-track (TT) faculty retirements/resignations; leaves without pay (LWOP), buyouts, academic year sabbaticals (AY SAB)]: Temporary savings are generated through temporary salary adjustment actions on general operating appropriated fund source, such as AY sabbaticals, which generate 40% salary savings, and grant buyouts. Permanent savings are generated from retirements/resignations/reorganizations and are either swept by the deans for reallocation across a division (for TT faculty lines towards annual hiring plans) or within a unit (staff hires, reallocation of personal services to operations).
- **High demand vs. enrollment growth:** High demand is when instructional demands cannot be met from current academic unit resources. It may be a temporary situation based on unforeseen growth or other unit-specific factors. Enrollment growth is the permanent growth in FTE, whether in service or major courses, and should be planned for at the unit level (in consultation with the Deans' Office) and addressed by the unit's yearly hiring plan.

Enhanced Unit-level Authority and Responsibilities:

Units receive and manage a portion of local revenue for summer residuals, online enrollments and RID as well as temporary vacancy savings. Chairs/Directors and unit financial staff are tasked with the authority to plan for the use of these resources to meet instructional, operational and strategic needs. Effective management of these resources must take into account the following priorities:

- Meeting fundamental instructional needs, including service and major courses. Note that in most cases academic units will be expected to cover current year enrollment growth through the use of vacancy savings. There are no "high demand" funds from the Provost or the dean.
- Course coverage for faculty leaves (SAB, LWOP, separations, grant buyouts, medical or parental leaves). NOTE: vacancies due to TT faculty retirements/resignations are swept by the dean to cover the new faculty hires; therefore there are no temporary savings on these lines. Also, on faculty LWOP, the unit will retain 50% of the savings; the remainder reverts to the dean.
- Commitments: commitments by chairs and directors must take into account ongoing uses in order to ensure that there are sufficient unit funds to maintain the support. Commitments made by a dean to directly support a chair or director will be funded and tracked by the Dean's office.
- At a minimum, monthly reviews of GOA/GOT account balances, using Analytics, Budget Position Control Reports, Workday Reports, etc. Corrective action must be taken in a timely manner to ensure that accounts will not be in deficit at year-end. Deficit accounts at year-end are not allowed.
- Project planned expenses – particularly non-encumbered personal services expenses (student wages; supplemental pay), and associated ERE, UTA, and Risk.

Vacancy Savings Restrictions:

- Vacancy savings may NOT be used for permanent salary commitments (increases, new positions).
- Temporary vacancy savings may not be used to fund additional grad TAs due to the tuition remission impact on accounts.
- General operating accounts CANNOT be in deficit at year-end. The unit will be responsible for covering any expenses that exceed the budget on the GOA/GOT account with other unit funds (local).
- Movement of funds from one employee class to another must take into account the impact on ERE expenses. The college will not cover deficits in any account.

Unit Planning/Management Tools:

- Financial Status Reports: Financial status reports will be due to the appropriate dean and Divisional Director of Fiscal and Business Operations throughout the year.
 - The Vacancy Savings report is one example and is generally due twice a year (October and April) and will be used to project year-end GOA/GOT balances, as well as report on the use of any anticipated (unencumbered) personal services balances. The anticipated uses may be reviewed at the Dean level and denied if not an appropriate use of savings, especially if you are requesting additional instructional funds from the Dean, as vacancy savings should be used first and foremost to cover unit instructional needs.
 - The 5yr Commitment sheet is another example and is due at least once per year (typically October). This will define general local resources in the unit and all other operating and commitment expenses on unit local funds to determine the financial health of a unit and assess the ability to make new commitments.
 - Budget/Quarterly forecast worksheets may be requested for review at Dean level in addition to the physical entry in to the Adaptive Planning environment.
- Meetings: Directors of Fiscal and Business Services hold meetings with financial personnel from their division, the frequency of these meeting varies across the divisions. As needed, college administrative meetings for the financial personnel across the entire college are scheduled. The purpose of the meetings is to provide operational and policy updates, training, and guest speaker presentations. These meetings are an important source of information and attendance should be a priority.

Deans' Office Authority and Responsibilities:

- Oversight: The Dean's office is ultimately responsible for the over-all college budget. This means that The Deans' Office Financial Team will review the GOA/GOT account balances and request explanations of anomalies or plans to resolve deficit situations prior to providing reports to the deans. This is the same for all local accounts. All unit general operating and local accounts roll up and are reported on by the Dean's Office. No accounts at fiscal yearend should be in deficit.

Graduate TA Funding / Tuition Remission

- The College provides units with an allocation of general operating funds to support graduate TA salaries to assist with teaching support. The College also provides tuition remission for those TAs up to the amount of the budgeted TA allocation. Tuition remission is charged on a separate account for TAs and is monitored by the Dean's office. If a unit goes above their allocation of funding for grad TAs, the unit will need to provide funding to cover the associated tuition remission. Graduate Research Assistants/Associates (RAs) should not be funded on the general operating allocation for grad TAs and will not receive funding from The College for related tuition remission. It is extremely important for units to classify and hire their grad students into the appropriate category.