Budget Recalibration
P2I
October 24, 2017
Agenda
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- Welcome and Goals
- Glossary & Nomenclature Review & Discussion
- Budget Template Discussion Follow-up
- Budget Report Discussion Follow-up
- Q&A
- Closing and Next Steps
FY18 Budget Calendar overview
Draft Budget Calendar – FY18 UWB Annual Budget Process

**2017**
- **October:** CET discusses UWB Commitments and Needs
- **November:** Finalize Budget Template
- **December:** Schools/Units input data to Budget Template for FY18 (as possible)

**2018**
- **January/February:** School/Unit budget reviews with IPB/VCs

**November – December 2017**
- Provost request for budget narratives
- Solicit input from GFO, GSO, PDP, P2I, Chancellor’s Cabinet, ASUWB and Open Forums

**January – April 2018**
- Draft response to Provost, vet with stakeholders and submit
- Chancellor/VCAP meet with Provost, EVP and OPB in Seattle to review submittal

**May – June 2018**
- UW Budget proposed
- End of Fiscal Year and UW Budget adopted
End of November Goal

- Develop budget template
Expectations for All

> Attend scheduled meeting (as much as feasible)
> Members are representatives of their varying constituencies. This means connecting those constituencies to this work by: a) sharing activities and announcements; b) gathering feedback to bring to your team and c) if you must miss a meeting, taking responsibility to learn what occurred and share it. (adapted from CE Council policies)
> Attending quarterly joint meetings
> Providing feedback to team co-chairs about needs, concerns, ideas, etc.
> Have fun!
Glossary of Terms

- **Accrual Basis**: Is a method that records fund sources and uses when they are incurred, regardless of when cash is exchanged. The term "accrual", refers to any individual entry recording revenue or expense in the absence of a cash transaction.

- **Auxiliary**: These are the Institution's self-sustaining enterprises. These funds are used by self-supporting enterprises that "pay for themselves" such as Commuter Service, Food Service, Events and Housing. Such activities are considered necessary to the efficient pursuit mission and goals.

- **Biennium**: Two-year fiscal period. The Washington state biennium runs from July 1 of an odd-numbered year to June 30 of the next odd-numbered year.

- **Budget Planning**: Entails taking into account all current and future expenses.

- **Budget**: A financial plan for a defined period, usually one year.

- **Budgeting**: Documents showing how the overall plan will be executed, such as month to month expenditure.

- **Building Fees**: Are used to fund building and renovation projects and retire construction bonds that are held by the Campus. The building fees are calculated as a percentage of total tuition and fees and therefore increases as overall tuition increases.

- **Carryover**: Unexpended budget balances in General Operating Fund (GOF), Designated Operating Fund (DOF) and Research Cost Recovery (RCR) budgets. The amounts can carry over as temporary allocations in the new biennium and are returned to the schools and programs.

- **Delaware Cost Study (The National Study of Instructional Costs and Productivity)**: A national consortium that provides internal measures and peer benchmarks of teaching productivity by: faculty type (i.e. tenured track, lecturers, affiliate lecturers, etc.); direct instructional costs; and externally funded scholarly activities; all at the level of the academic discipline.

- **Follow-the-Faculty Method**: A method that attributes FTE students and student credit hours in each course section to the academic unit that pays the instructor of record. This is the method used in both the Delaware Cost Study and in UWB's Faculty Metrics Tools.

- **Fund Accounting**: A method of accounting that separates and tracks financial transactions to meet restrictions and reporting requirements imposed by funding sources.

- **General Operating Fund**: General Operating Funds (GOF) are funds over which the University has significant discretion. They are composed of State appropriations (tax support) and operating fee revenue (a portion of tuition). GOF expenditures are subject to State of Washington and internal University of Washington policies and procedures.
Glossary of Terms (cont.)

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> **Gifts and Discretionary:** A gift is a voluntary provision of external support by a donor to the University. It does not require the recipient to provide the donor with any economic or other tangible benefit in return. There are three types of gifts: restricted, unrestricted, and discretionary.

> **Grants, Contracts, and Cooperative Agreements:** Grants and contracts are monetary amounts awarded to the University by State or Federal Agencies, philanthropic organizations, or a private industry. They are used for specific purposes under defined terms and conditions.

> **Indirect Cost Recovery:** Also known as Facilities and Administrative funds, offset costs incurred by UWB as the result of sponsored research activities. Such costs include additional administrative expenses and increased utility use. A fixed percentage of any research contract or grant is allocated to pay for these expenses.

> **Permanent Budget:** Accounts for most of UWB’s operating expenses and is derived from predictable sources, notably, state allocations, tuition, and operating fees.

> **Planning:** Outlines the institution’s/unit’s/school’s financial direction and expectation for the next years (annual, biennial, multi-year, etc.).

> **RCM (Responsibility Center Management):** Responsibility Center Management (RCM) is perhaps closer to a management philosophy than a budgeting strategy. It is designed to support the achievement of academic priorities within an institution, and allows for a budget which closely follows those priorities, while requiring units to manage their own budgets.

> **RCM Allocation:** Implies the allocation of tuition dollars to schools and units.

> **RCM Distribution:** Implies the allocation of funds to schools using the agreed upon 80/20 SCH/Headcount ratios.

> **Restricted Grants:** Grants that must be used in accordance with external stipulations (e.g., purpose or unit).

> **Spending Plan:** Determines the fund flow of a unit or department. It helps outline sources and uses of funds.

> **Summer Quarter Revenues:** Revenues that come from tuition and fees paid for summer educational programs. These revenues support those programs and are therefore not considered part of the operating budget.

> **Temporary Budget:** Funds that are minimal and come from less predictable, less stable sources. The temporary budget typically funds unique or one-time needs such as planning, infrastructure development, or program start-up costs. The temporary budget is also used to subsidize special activities in the short-run with the expectation that they will become part of the permanent budget in subsequent years. Temporary budget funds fluctuate slightly, but do not account for a significant portion of the general operating budget.

> **Unrestricted Grants:** Grants that may be used for any legitimate institutional purpose.
GROUP DISCUSSIONS
REPORT OUT
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