



Overview of the University Budget Planning Process

The University Budget Office

**The President's Budget
Advisory Committee**

**University Sources
and Uses FY2020**

Office of the Chief Financial Officer

October 2020

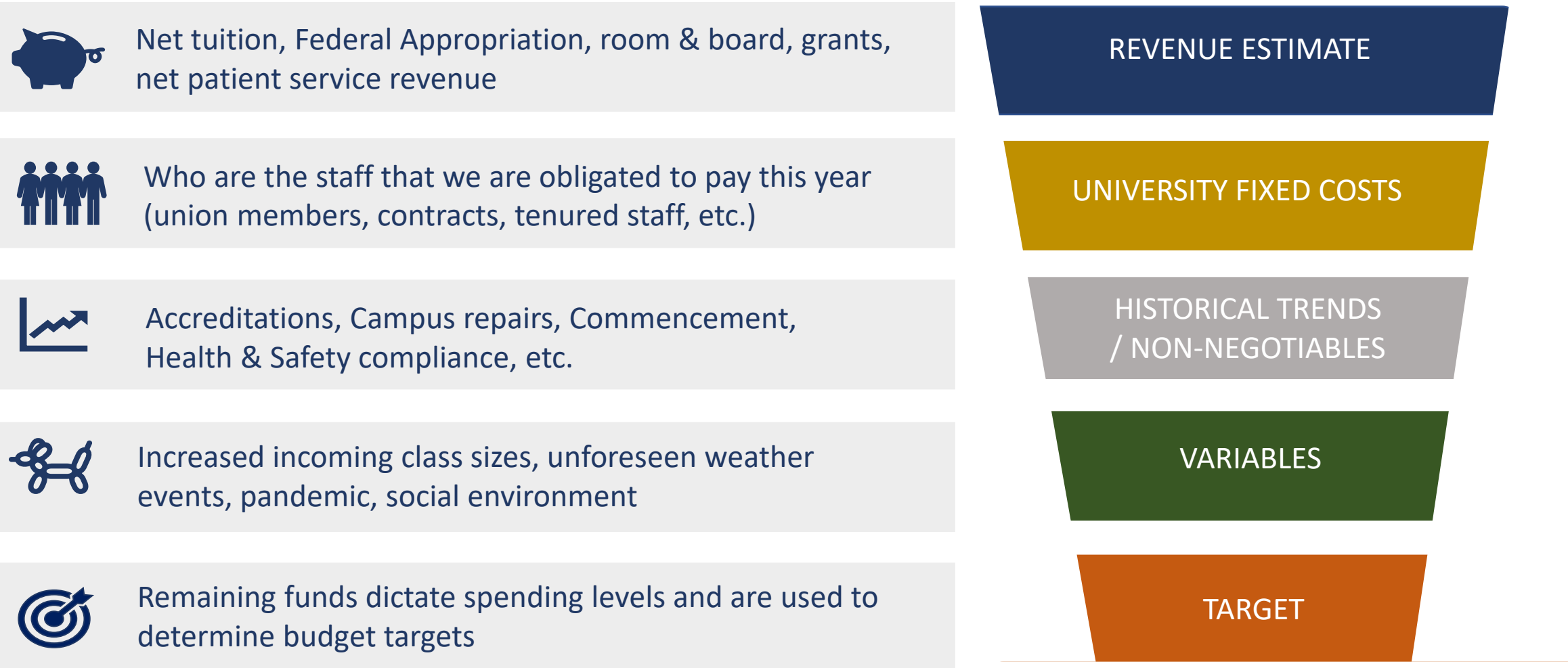
The University Budget Planning Process



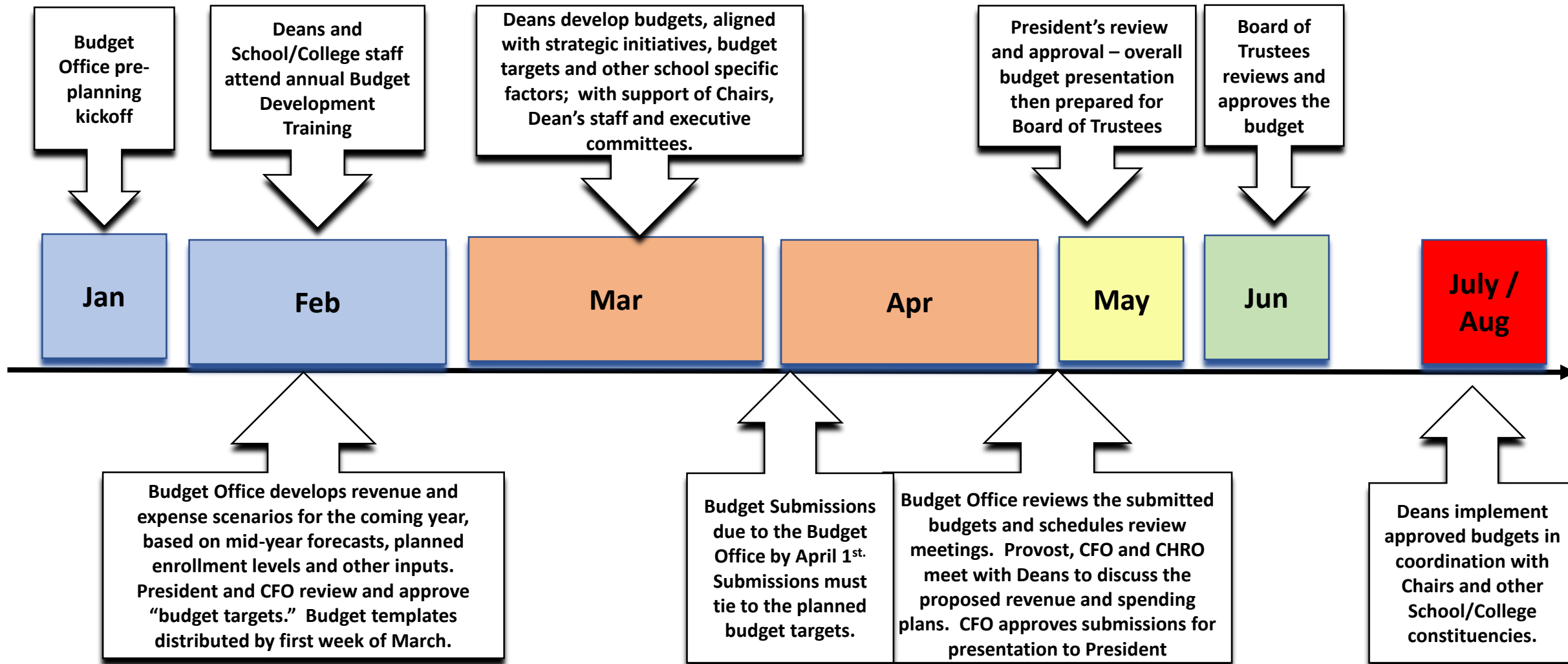
University Annual Budget Planning Process

- ❑ The University fiscal year begins on July 1 and concludes on June 30.
- ❑ The University is divided into “Accountable Units” – each Accountable Unit is responsible for preparing and submitting an annual operating budget proposal. The Schools and Colleges are the most important Accountable Units but there are many others – e.g., the University Library, Athletics, Residence Life, Information Technology, Facilities Management, Public Safety, WHUR, and the Research Office. In all, there are over 60 Accountable Units.
- ❑ Because some significant revenue sources are not tied to any specific Accountable Unit (e.g., the Federal Appropriation), because many critical University offices and activities are not revenue-generating, and because many students take courses in Schools/Colleges other than the School/College in which they are enrolled, University budget planning for the forthcoming fiscal year begins with an estimation of the total amount of revenue that is expected to be available to the University in the coming year to support the operations of all of the University’s Accountable Units.
- ❑ Budget Targets are then set for each Accountable Unit, taking into consideration the strategic priorities of the University, known upward (or, more rarely, downward) pressures on costs, expected fluctuations in enrollment, and other factors . The Budget Target represents the maximum spending that an Accountable Unit is authorized to undertake in the coming fiscal year from the Unrestricted Fund and the Designated Funds. (Grants are not subject to the Budget Target.)

HOW BUDGET TARGETS ARE CREATED



Academic Units – Typical Budget Preparation / Review Timeline



** Note: Per the Faculty Handbook, section A 4.2.1 "Faculty Participation in Academic Planning":
 "Faculty and administrators are partners in the shared responsibility for the academic and educational enterprise at Howard University...Faculty shall be informed of decanal priorities, goals, and objectives at the start of the academic year, accompanied by budget summaries and resource allocations associated therewith. "*

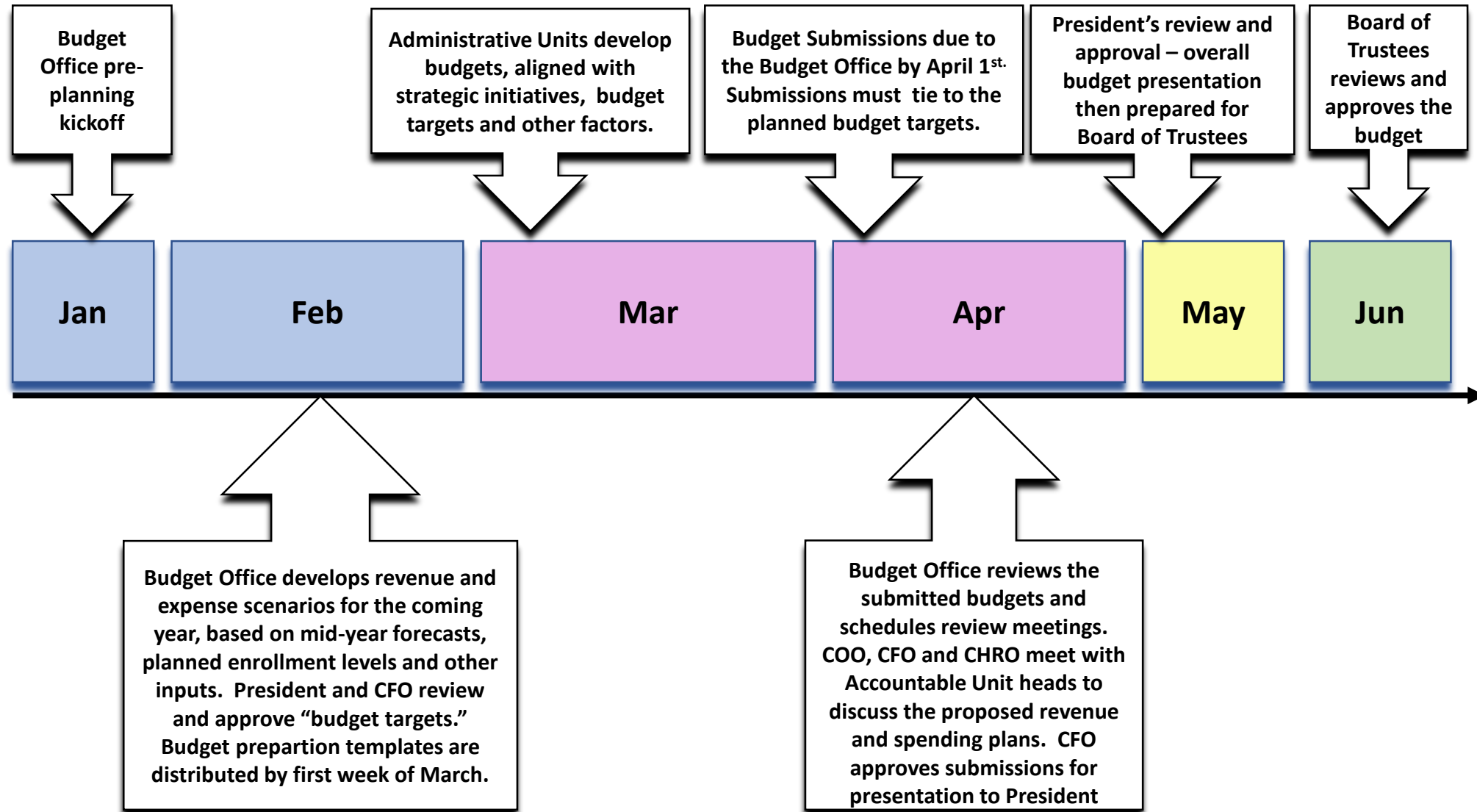
Faculty Participation in Academic Planning: from the Faculty Handbook

A4.2.1 Faculty Participation in Academic Planning

Faculty and administrators are partners in the shared responsibility for the academic and educational enterprise at Howard University. In this regard, there is joint responsibility to engage in ongoing processes that guide important decisions regarding academic priorities, academic restructuring, budget/resource allocation, and planning—including capital expenditures and allocation of physical facilities. Faculty shall participate in the planning process for their school/college to ensure the growth of the educational and scholarly potential of the University. The regular members of the faculty of a school/college shall have an opportunity to make recommendations on proposals concerning such matters. Where the creation, consolidation, or elimination of departments, institutes, or other academic or research units making up a part of that school/college concern primary faculty responsibility, such as curriculum, subject matter and methods of instruction, research, faculty status, and those aspects of student life which relate to the educational process, the governing board and president should consider faculty input and clearly communicate the basis for institutional decisions to the faculty. Deans shall consult with the faculty in matters relevant to the academic programs and administration of the unit and be guided by the principle of shared governance (see Sections A1.5.3 and A2.1).

Faculty shall be informed of decanal priorities, goals, and objectives at the start of the academic year, accompanied by budget summaries and resource allocations associated therewith. Faculty shall have an opportunity to offer advice and recommendations to the proposed plan to the extent that the proposed plan does not concern matters of primary faculty responsibility.

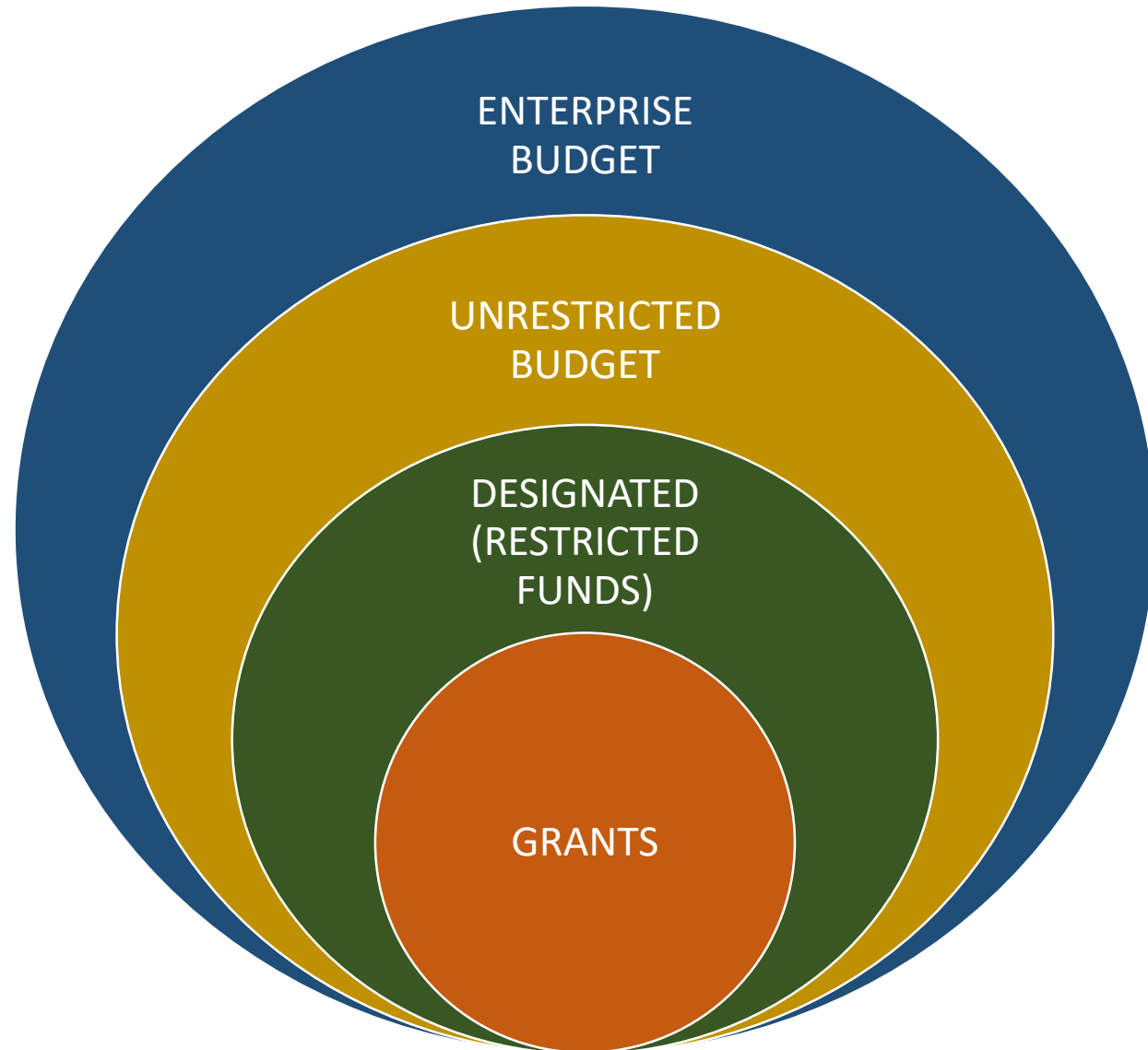
Administrative Units – Typical Budget Preparation / Review Timeline




UNIVERSITY FUND CLASSIFICATIONS

The “University Budget” (and the budgets of all Accountable Units that make up the University Budget) consist of three fund groupings:

- The Unrestricted Budget
- Grants and Sponsored Programs
- The “Designated Funds”: Gift Funds and Endowment Funds and other Special Project Funds



UNIVERSITY FUND MANAGEMENT




UNRESTRICTED

- Managed by the Budget Office
- Monitored by the Budget Office

NOTE: “Budget targets” apply to the combination of the Unrestricted Fund and the Designated Funds, but not Grants.

NOTE: All hiring for all funds must be approved by OHR. OHR will only fill positions in approved budgets.



DESIGNATED (RESTRICTED)

- Managed by the Controller’s Office (Director of Revenue and Contributions)
- Funds have specific conditions and uses
- Monitored by the Budget Office (for budget compliance) and Controller’s Office (for compliance with donor restrictions and fund availability)



GRANTS

- Managed by the Research Office and Grants Accounting in the Controller’s Office
- Funds have end dates
- Funds have grantor-approved budgets and allowable uses of funds
- Monitored by Grants Accounting

How to influence budget planning.

- Knowing the Personnel and Non-Personnel needs of your department is vital

- Knowing which R accounts (Designated funds) your departments has access to and what they may be used for

OPEN DIALOG

- Deans determine the amount of funds that are designated to each department

DEPT KNOWLEDGE

BUDGET KNOWLEDGE

- Knowing who in your department is grant funded and when that funding ends
- Being aware of teaching load for professors and the budget impact

ACCOUNT KNOWLEDGE



The University Budget Office

OVERVIEW

UBO ROLES & RESPONSIBILITIES

NOTE: Budget preparation and monitoring for Howard University Hospital is the responsibility of the HUH Finance Office.



- Develop, implement, monitor and manage the University's operating budget



- Act as liaison between "Accountable Units" and the CFO's office



- Provide advice and support regarding approved budgeted positions



- Execute position plan and reconcile versus the approved budget



- Assist Accountable Units to stay within budget by creating collaborative action plans

UBO BUSINESS PROCESS REVIEW TIMELINES

1 – 2

BUSINESS DAYS



Purchasing Card
(P – Card)



Payment
Request Forms
(limited types of
nnp-PO, non-PCard
payments)



Requisitions
(Purchase Order
creation requests)



Travel Requests



Reimbursements



Vacant Position
Request Form

1 – 2

BUSINESS DAYS

1 – 2

BUSINESS DAYS
(per approver)

2 – 3

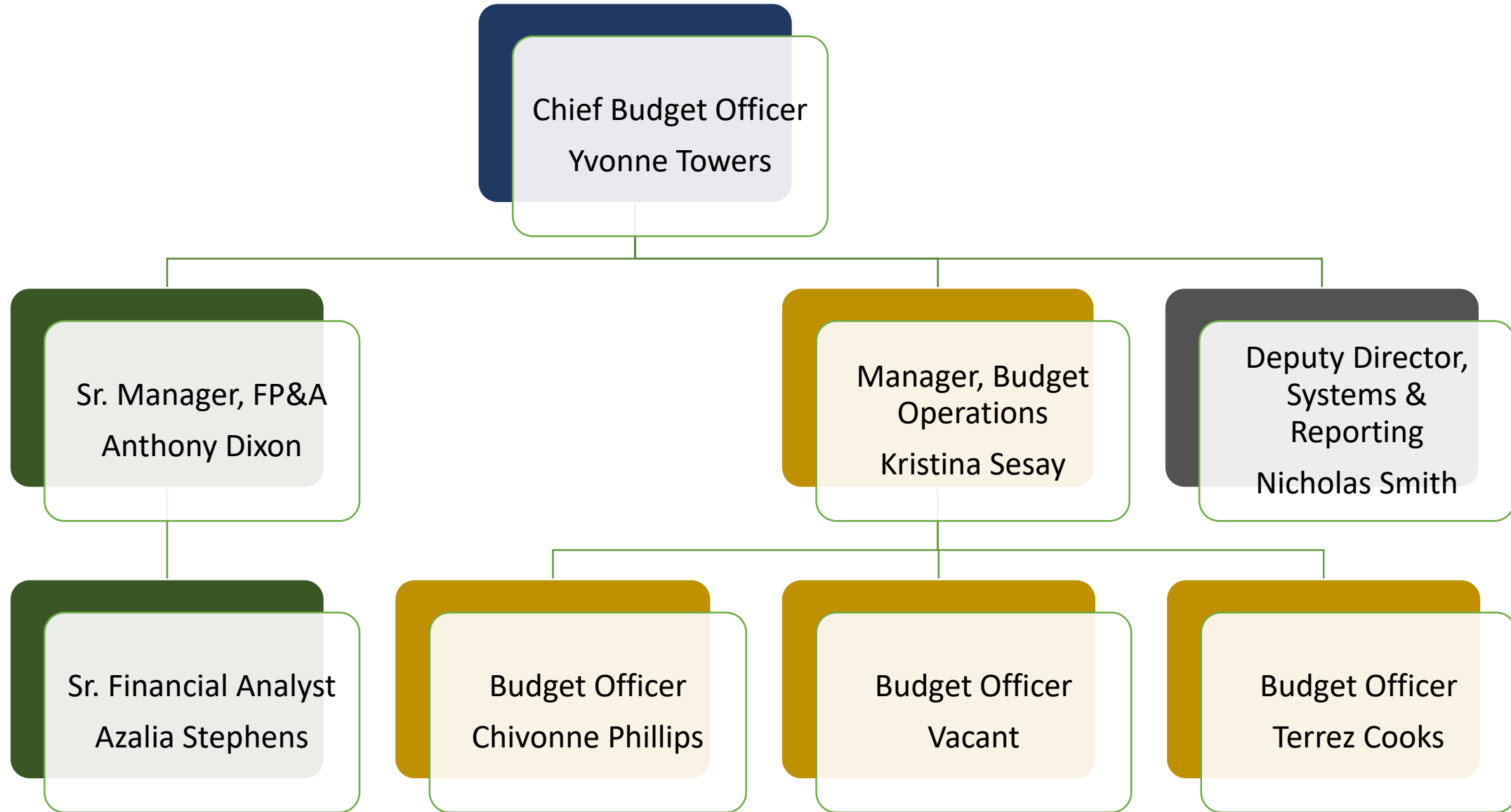
BUSINESS DAYS

5 – 7

BUSINESS DAYS

In addition to preparing the annual University budget and monitoring Accountable Unit budget compliance, the Budget Office is also in the “approval path” for a variety of University business processes. Above are the Budget Office review time goals.

UNIVERSITY BUDGET OFFICE TEAM



OFFICES & PEOPLE TO KNOW

Having an approved budget is the first step in managing School and Accountable Unit activity. Other University business offices have been established to assist Schools and Accountable Units with hiring and personnel management, payroll, purchasing and vendor payments, facilities management, grants management and other administrative functions.

Offices to know

- Payroll (Controller's Office)
- Budget Office
- General Accounting (Controller's Office)
- Grants Accounting (Controller's Office)
- Restricted Funds Accounting (Controller's Office)
- Human Resources
- Procurement and Contracting
- Accounts Payable
- Research Admin Services

People to know

- Chief Financial Officer – Michael Masch
- Chief Budget Officer – Yvonne Towers
- Budget Manager – Kristina Sesay
- Budget Officers – Terrez Cooks, Chivonne Phillips
- Your Accountable Unit Business Leads
 - Budget Preparer
 - Personnel Manager
 - Purchasing Manager
 - Facilities Manager
 - Grants Manager



President's Budget Advisory Committee

**Mission
and
Composition**



President Frederick has established a Budget Advisory Committee with representatives from Howard's faculty, staff, students and Decanal leadership

President Frederick's Charge to the Budget Advisory Committee

The mission of the President's Budget Advisory Committee is to:

- Serve as a common forum for members of the Howard community from a variety of constituencies – students, faculty, and staff – to discuss the University's academic and institutional priorities and their relationship to the University's current financial condition and potential future financial capacity.
- Receive detailed and up-to-date briefings from senior University leadership regarding the most critical financial issues facing the University and their implications for the University's academic program and its operations.
- Provide advice to the President regarding academic and operational policies, strategies, and objectives.



President's Budget Advisory Committee - Composition

Provost	Chair
Chief Financial Officer	Ex officio
Chief Operating Officer	Ex officio
Faculty	Faculty Senate Appointee
Faculty	Faculty Senate Appointee
Student	Student Association Appointee
Student	Student Association Appointee
Staff	Staff Organization Appointee
Staff	Staff Organization Appointee
Dean	Appointed by the President
President's Appointment	Faculty
President's Appointment	Faculty
President's Appointment	Staff

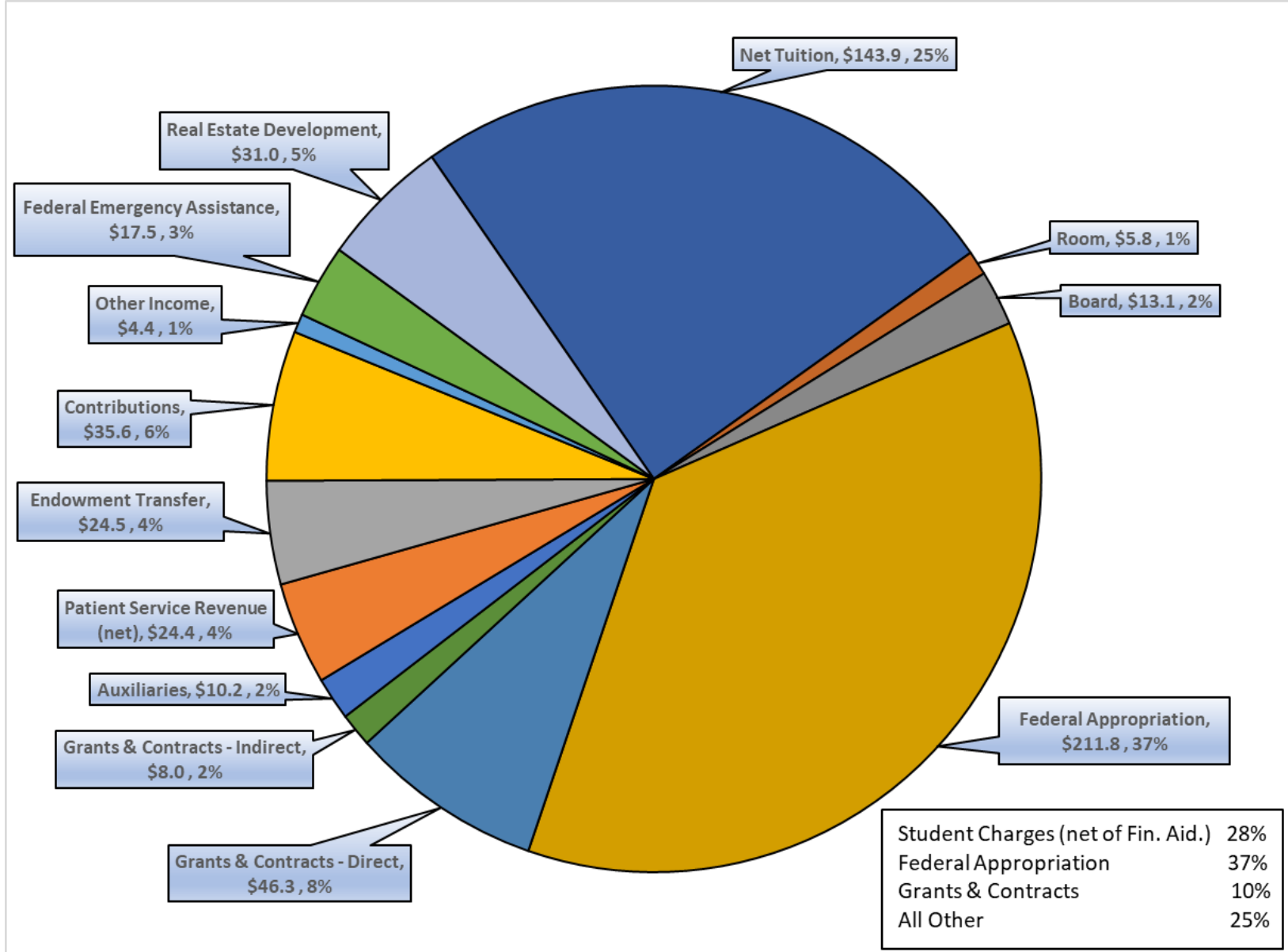


University Financial Sources and Uses

Fiscal Year 2020

Results are presently unaudited and are subject to change as of 9/29/20.

Where the Money Comes From: Howard University Operating Revenue FY2020

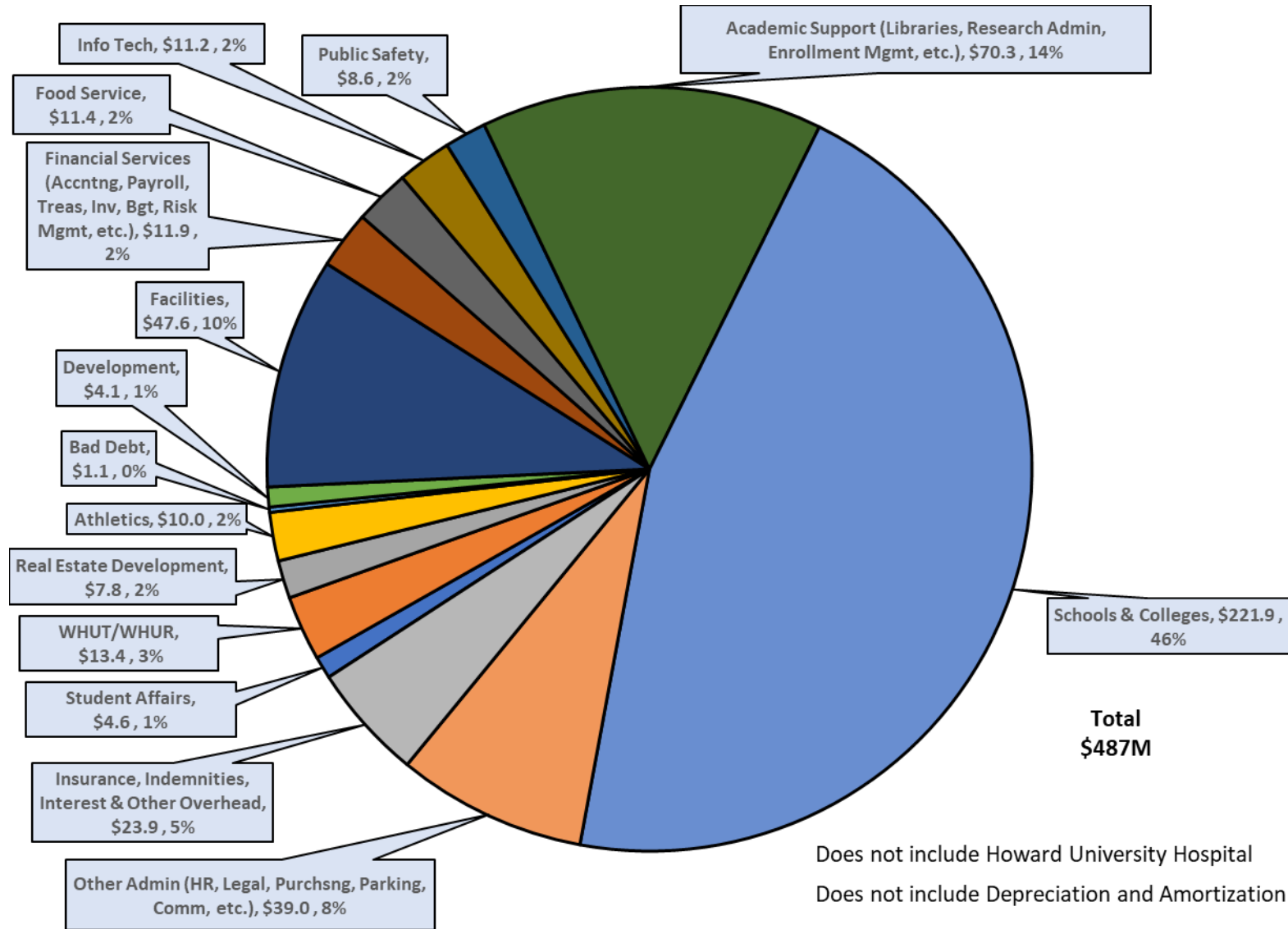


Three sources -
 - Student Charges,
 the Federal Appropriation,
 and Grants & Contracts –
 represent 75% of all University operating revenues.

Does not include Howard University Hospital

Results are preliminary and unaudited

How the Money is Spent: Howard University FY20 Operating Expenditures



Schools and Colleges and Academic Support units constitute 60% of the HU Budget.

Facilities represents 10%.