

PACE UNIVERSITY

Annual Budget Development Process
Fiscal Year 2021

Guidelines & Instructions

Annual Budget Plan Overview & Guidelines

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INTRODUCTION

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INTRODUCTION:

Over the past several years, Pace has consistently faced financial challenges due to the changing landscape in higher education. As a University, we have made considerable progress in addressing these pressures by focusing on our goals and through judicious commitment of resources. Pace is in the process of developing its new strategic plan over the next several months. Anticipated completion is May 2020.

The new strategic plan will set forth the vision for Pace to succeed in the evolving higher education landscape while continuing to advance its mission of OPPORTUNITAS. While the detailed plan will not be finalized until the spring of 2020, we expect that institutional priorities will focus on designing and delivering distinctive academic undergraduate and graduate programs – on campus and online; improving our internal processes to deliver excellent service to our students in support of student success; developing a consistent brand identity and message.

Looking forward, we must continue to leverage every opportunity to enhance Pace’s fiscal stability-and along with the collaboration of the various schools and departments- we will remain on course to successfully manage the challenges that lie ahead.

As part of the FY21 Budget process, we have integrated improvements to the calendar and submission documents that will enrich both budget development and review capabilities.

THE GOALS OF THE BUDGET PROCESS:

- Identify the link between budgeting decisions and the University’s strategic plan
- Prioritization of new initiatives
- Promote growth by substitution whenever possible
- Implement technology enhancements to the budget development process as much as possible within the financial constraints
- Encourage departments to partake in periodic zero-base budgeting
- Introduce more in-depth performance analytics to measure outcomes

PRINCIPLES OF EFFECTIVE BUDGETING:

The University has adopted a set of budgeting principles in an effort to provide additional structure for the annual budget process, inform individuals about key themes and objectives, and promote a holistic view of the University through budgeting.

- The budgeting process will remain sensitive to the defining aspects of Pace’s culture and committed to its core academic mission and capabilities
- Officers, faculty and staff have a fiduciary responsibility to ensure all budgeting decisions will be made in adherence to the University’s strategic plan to manage resources as fully effective as possible

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- The maximization of revenues, the management of expenses, and the inter-relation of the two will be central to the budgeting process
- “Growth by substitution” will be used continually to ensure incremental resources are devoted to the highest priority strategic initiatives
- All budgetary decisions and reasoning will be communicated clearly and systematically in a transparent reporting process
- The operating, capital, and new initiatives budgeting processes will be combined into a single, multi-year budgeting process

GUIDELINES FOR RESOURCE ALLOCATION:

These guidelines are designed to provide a formalized strategy and communication of how cost reductions will be realized, cultivate an entrepreneurial culture, and establish clarity among the University community on how to allocate resources.

- Strategic investments should be made if they reduce continuing costs or increase revenues sufficiently, while preserving or enhancing the current service levels
- Proposals for budget reductions, retention of current levels of funding, or potential revenue options will require business case analyses to explore the full impact of proposed actions
- While administrative costs will be a key focus of budget adjustments, cost reduction measures should not be focused only on administrative expenses and services but on all areas
- Use of reserve funds will be justified where it eases the transition to a well-defined, sustained budget reduction solution
- Synergies in labor activities and cost reductions in staff should be achieved through attrition where appropriate and without diminishing level of service
- Revenue options, where feasible, should be invoked to reduce the size of expense reductions

ROLES AND RESPONSIBILITIES:

The process will continue to involve a significant number of individuals across the University. An abridged list of roles and responsibilities is provided below.

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Constituent	Responsibility
Business Representatives	<ul style="list-style-type: none"> • Attend budget meetings, budget training and coaching sessions • As required, coordinate the development and input of proposed budget changes into the Budget Development Report • Help their respective Dean/VP/Department Managers with the development of strategic initiatives and business cases and input into the Annual Budget Plan
Budget Committee	<ul style="list-style-type: none"> • Continue current role of setting University-wide assumptions/fiscal parameters • Meet the deadlines of submission dictated by the Budget Calendar
Office of Budget Management	<ul style="list-style-type: none"> • Development of the University Forecast Model for presentation to the Board of Trustees • Coordination of the budget process, including ongoing development, training and communication of process changes, budgeting tools and timelines • Consolidation of school/division budgets into a comprehensive University-wide budget
Provost Office	<ul style="list-style-type: none"> • Coordination of the development of the consolidated academic budget per the parameters and assumptions set by the President and Provost • Training and coaching of academic budget representatives
Deans / Vice Presidents	<ul style="list-style-type: none"> • Develop and communicate department-level expense parameters and assumptions • Responsible for developing Annual Budget Plans and Budget Development Reports for their respective schools/divisions • Comprehensive business cases may also be required for large-scale initiatives (supplemental)
Department Managers	<ul style="list-style-type: none"> • Develop and communicate strategic initiatives, business cases and proposed budget changes to their respective Dean/VP and Budget Representatives
President/EVP of Finance and Administration	<ul style="list-style-type: none"> • Present key fiscal parameters and the University forecast model to the Board • Review and negotiate Annual Budget Plans and Budget Development Reports with their direct reports
President	<ul style="list-style-type: none"> • Reviews, discusses and negotiates initiatives recommended in the Budget Development Reports • Reviews, revises and approves the University Budget
Board of Trustees	<ul style="list-style-type: none"> • Review and approve key fiscal parameters • Review and approve final University-wide budget

**GUIDELINES & INSTRUCTIONS FOR COMPLETING BUDGET
DEVELOPMENT AND POSITION CONTROL REPORTS**

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The FY2021 ABP files, consisting of a Budget Development Report and a Position Control Report specific to your department will be placed into each respective area's Budget Reps folder.

As you go through these files please note the following:

Budget Development Report

- **Executive Summary tab**– All data is pulled from the BDR tab. It will update with each change and does not require a data refresh.
- **BDR tab** – All data is refreshed automatically from the dataset tab, which is hidden. No input is necessary in the BDR tab. This sheet can be filtered and columns can be hidden.
 - Revenue -If you identify any differences between your records for FY2021 Tuition and Fees revenue and what has been loaded into your BDRs please contact Tabitha Decaprio. We will make the changes required on our revenue model and the budget file. Please do not make any changes to Tuition and Fees revenue accounts without discussing a proposed change with us.
 - Budget pressures, all pro-forma adjustments, and centrally processed changes such as changes to adjuncts, CWS, overage, GA, etc. are included in the **BP_PF_CPC** column. Please review these changes carefully and make sure everything you anticipate has been accounted for.
 - **Reallocation tab** – All reallocations and comments are to be entered into the appropriate columns. No refresh is needed. If a new organization code and/or account # is required, contact the Budget Office and we will process the request. The update will be available after a refresh the following day on both the BDR tab and reallocation tab. **Keep in mind this is a reallocation process and all changes should net out to zero when you are complete. Also, we ask that you review your spending trend by account code and make budget transfers now, so we may minimize the necessity for budget transfers throughout the year.**

Position Control file.

Each area is required to review all positions:

- **Filled Full Time positions** - please review **approved salaries**
- **Vacant Positions** - please review **budgeted salaries** in any vacant position
- **Positions with multiple labor distributions** - please review **budgeted salary** in any position with less than 100% labor distribution

This is not an opportunity to increase/ decrease your salaries budget. If there is a requirement to reduce or increase a position budget please contact the Budget Office and we will provide guidance on a case to case basis.

Remember that after your files are reviewed, it will be locked and no permanent transfers will be made in the remainder of FY20 to ensure that the FY21 budget that we present to the BOT is what is being loaded

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into Banner. As always if any situation comes up that requires us to make permanent changes please reach out to us and we will be happy to work with you to accomplish your goals.

Reconciliation Process

Each area is required to reconcile their loaded budget.

- **Budget Pressure:** Ensure all approved Budget Pressures have been loaded.
- **Strategic Initiatives:** Ensure all approved Strategic Initiatives have been loaded.
- **Proformas:** Ensure all approved Proformas have been loaded.
- **Position Control Report:** Confirm all FT Positions have rolled at approved salary and all vacant positions have loaded into your SAV1 positons.

Please contact the budget office with any questions or problems immediately, so we can manage them on a timely basis. We are on a very tight timeframe this year and really need your help to stay on schedule.

OFFICE OF BUDGET MANAGEMENT CONTACT INFORMATION:

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