

# Academic Leadership Program

## Budgets and Finances

**Section 1: Financial Management**

**Section 2: Expenditures and Approvals**

**Section 3: Budgets and Planning**

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# **SECTION 1**

Financial Management

# Accountability

- Ultimate accountability rests with the Dean of the Faculty
- Dean has expectations of the unit heads:
  - Delivery of Objectives
  - Fiscal responsibility
  - Policy compliance
- Dean's Office provide resources and training

# Financial Management

## Reviewing Financial Position



*“Today’s financial report will be a short one: We had money, now we don’t.”*



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# Financial Management

## A sample report

Actuals

Commitments

Budget

WorkOrder (T)	Account (T)	Actuals YTD	Annual Budget	Commitments	Net Funds Available
<b>MyDept General</b>	<b>Salaries-Staff</b>	<b>36,947.82</b>	<b>212,691.00</b>	<b>184,739.10</b>	<b>-8,995.92</b>
MyDept General	Salary Faculty FT	833,890.78	5,145,730.00	4,329,049.22	-17,210.00
MyDept General	Salary Post Doc	23,058.26	156,666.00	8,469.28	125,138.46
MyDept General	Stipends	3,333.32	20,000.00	13,333.34	3,333.32
<b>MyDept General</b>	<b>Salaries-Faculty</b>	<b>860,000.00</b>	<b>5,322,396.00</b>	<b>4,350,851.84</b>	<b>111,261.78</b>
<b>MyDept General</b>	<b>Supplies</b>	<b>0.00</b>	<b>37,500.00</b>	<b>0.00</b>	<b>31,690.05</b>
<b>MyDept General</b>	<b>Travel</b>	<b>-662.11</b>	<b>0.00</b>	<b>0.00</b>	<b>-662.11</b>
<b>MyDept General</b>	<b>Equip Purchases</b>	<b>109.99</b>	<b>128,576.00</b>	<b>0.00</b>	<b>128,466.01</b>
MyDept Conferences	Travel Accomodation	16,396.15	16,673.00	0.00	276.85
MyDept Conferences	Travel Airfare	2,744.43	2,215.00	0.00	-529.43
MyDept Conferences	Travel Meals	49.74	420.00	0.00	370.26
MyDept Conferences	Travel Mileage	0.00	900.00	0.00	900.00
MyDept Conferences	Travel Other	1,336.31	2,412.00	0.00	1,075.69
<b>MyDept Conferences</b>	<b>Travel</b>	<b>21,152.02</b>	<b>29,520.00</b>	<b>0.00</b>	<b>8,367.98</b>
		<b>1,190,897.39</b>	<b>6,584,789.00</b>	<b>4,821,676.06</b>	<b>572,215.55</b>

# Management Reporting

- Allows you to manage resources and match to Objectives
- Work orders group initiatives – a few examples
  - Conferences and Workshops
  - Student Recruitment
  - An individual person’s starter grant
  - 60<sup>th</sup> anniversary
- Work orders can be added to track initiatives - but somewhat cautiously
  - These need to “roll up” to your Faculty
  - Need to work with your EO and FFO

# Exercise: Apparent surplus

WorkOrder (T)	Account (T)	Actuals YTD	Annual Budget	Commitments	Net Funds Available
<b>MyDept General</b>	<b>Salaries-Staff</b>	<b>36,947.82</b>	<b>212,691.00</b>	<b>184,739.10</b>	<b>-8,995.92</b>
MyDept General	Salary Faculty FT	833,890.78	5,145,730.00	4,329,049.22	-17,210.00
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MyDept General	Stipends	3,333.34	20,000.00	13,333.34	3,333.32
<b>MyDept General</b>	<b>Salaries-Faculty</b>	<b>860,282.38</b>	<b>5,322,396.00</b>	<b>4,350,851.84</b>	<b>111,261.78</b>
<b>MyDept General</b>	<b>Supplies &amp; Other</b>	<b>5,809.95</b>	<b>37,500.00</b>	<b>0.00</b>	<b>31,690.05</b>
<b>MyDept General</b>	<b>Travel</b>	<b>662.11</b>	<b>0.00</b>	<b>0.00</b>	<b>-662.11</b>
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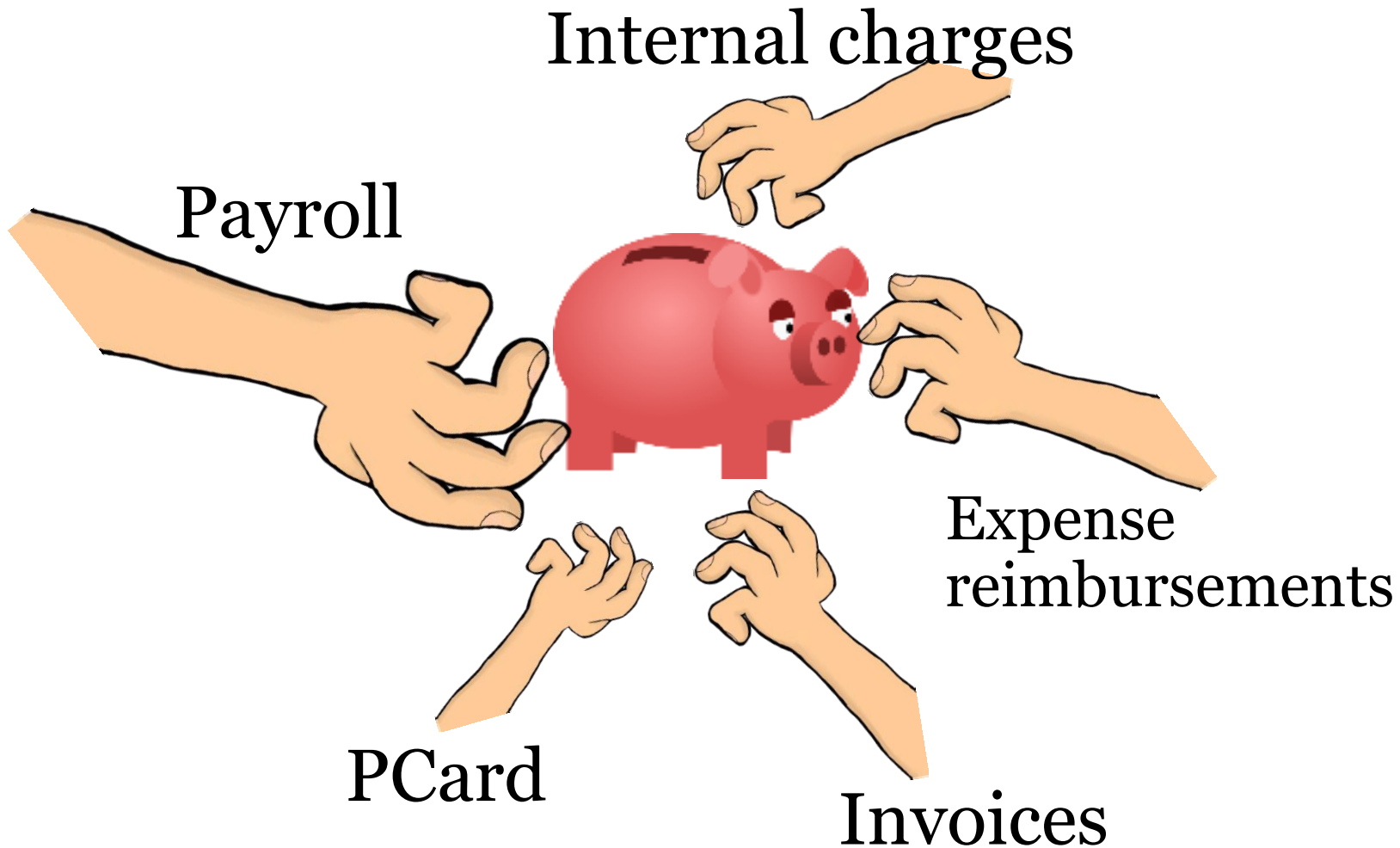


# **SECTION 2**

Expenditures and Approvals



# How are expenses charged?



# Approvers, Preparers and Reviewers



Only two parties are identified in Policy

**Claimant** must ensure that expenses are:

- ▶ for University business
- ▶ Compliant with University and other policies **Preparer may assist**

# Approving Expense Reimbursements

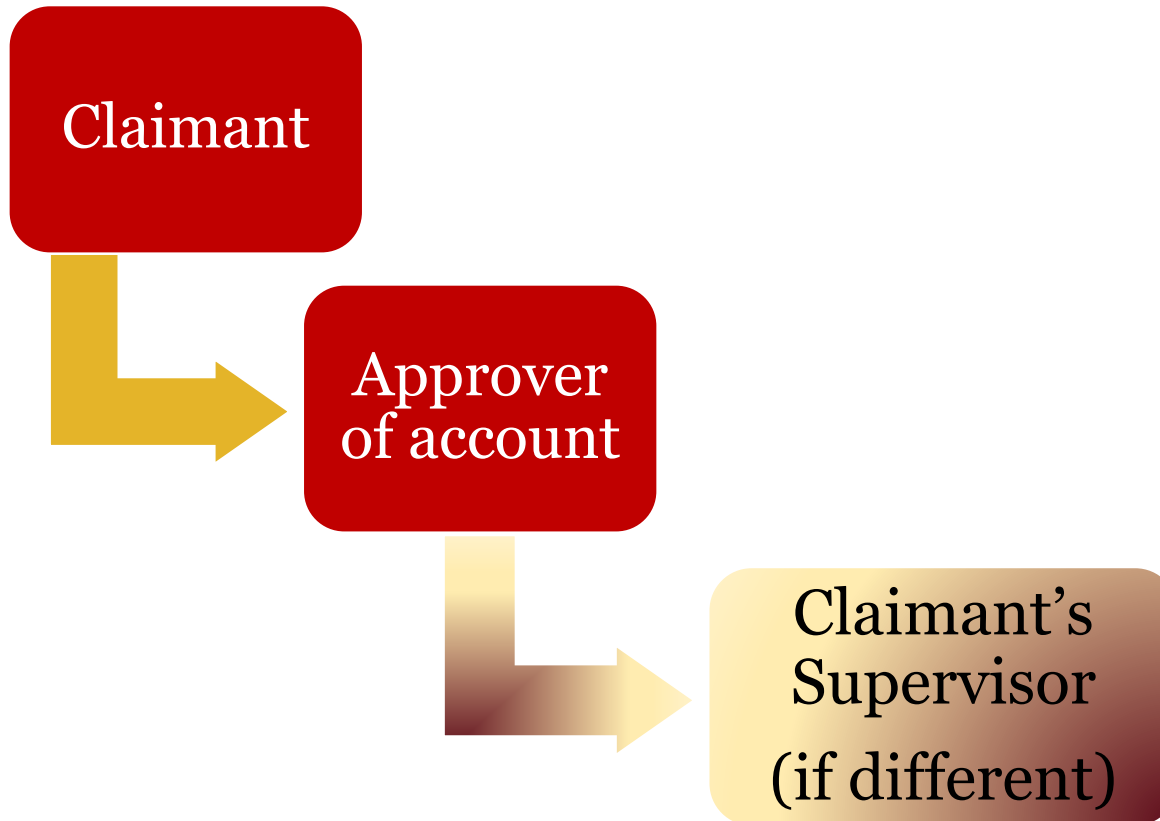
**Approver** must ensure that the claims are:

- ▶ for University business
- ▶ fall within policy  
Reviewer may assist
- ▶ complete and accurate  
Reviewer may assist
- ▶ charged to appropriate account  
Reviewer may assist

Approver St.



# Travel Claim Approvals



“One-over-one” required for  
Travel claims

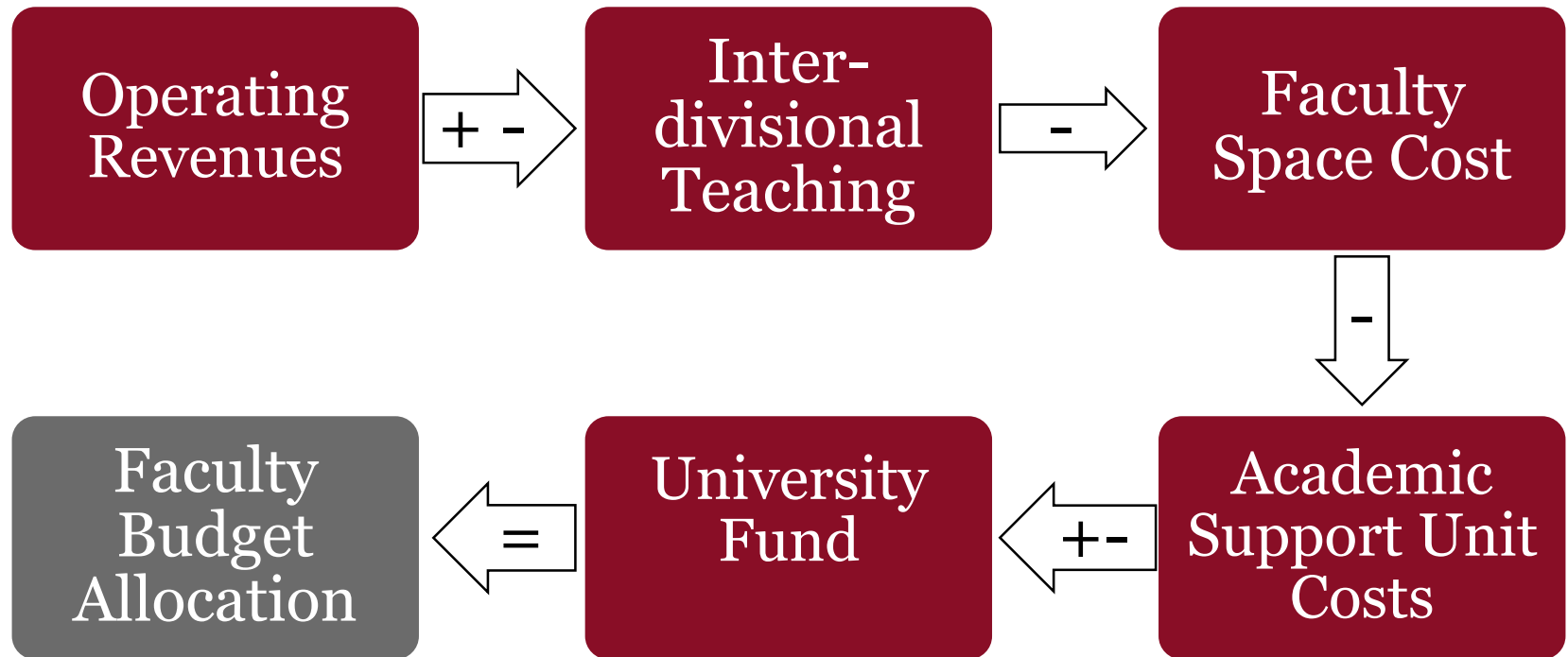


# **SECTION 3**

## Budgets and Planning

# Waterloo Budget Model

## Faculty Allocation



# How is my budget determined?

Determined by the Faculty. Some methods used:

- Extension of Waterloo Budget Model to unit level
  - E.g. Tuition and grant flow directly to department with space costs and other Faculty-level expenses deducted
- Historical base plus adjustments
  - e.g. Last year's budget plus allowances for salary increases and enrollment growth (or decline)
- Salaries for ongoing positions, plus non-salary budget determined by formula
  - e.g. \$5000 for each Grad FTE
- Activity-based
- Hybrid

# Setting your Unit-level budget

- Salaries
  - ❖ Existing ongoing positions are easily budgeted
  - ❖ Focus on fixed term appointments, TAs, sessionals
  - ❖ Methodology for increasing positions determined by your Faculty
- Teaching
  - ❖ Has implications on salary planning
- Travel, Equipment, Supplies
  - ❖ Most time spent planning, usually a small part of budget
- Amount of work that you need to do depends on the methodology used in your Faculty



# Budget timelines

- Fiscal year starts May 1<sup>st</sup>
- Submissions
  - Faculty submissions are due in March (TBC)
  - Your Faculty will establish internal unit submission dates to correspond with these
- Approvals
  - Board of Governors Approval
  - Approval schedule determined by Provost

# Surpluses and Deficits

- Unit-level deficits roll-up to the Faculty level for resolution
- All surpluses belong to the Provost
  - Dean must explicitly request to *carry forward* surplus funds into the next fiscal year
  - This includes the need to request funds that are committed (e.g. starter grants)
- Dean may request and distribute carry forwards to units at her/his discretion\*

# Exercise

1. What Contingencies might I want to plan for?
2. What Contingencies might I expect someone else to be planning for (Dean or Provost)?

Contingencies

# Questions to ask your Faculty EO/FFO team

- How is my budget determined?
- What latitude do I have to go over budget?
  - *Can I shift expenses around as long as I stay within my overall budget?*
- What happens at the end of the year if I am over or under?
- How do I record plans for future year expenses?
- What contingencies do I need to plan for?
- What mechanisms are there for increasing my budget?
  - *How do programs and enrolments affect my budget?*
  - *How do I request additional ongoing positions?*

# Resources to Unit Heads

## In unit support\*

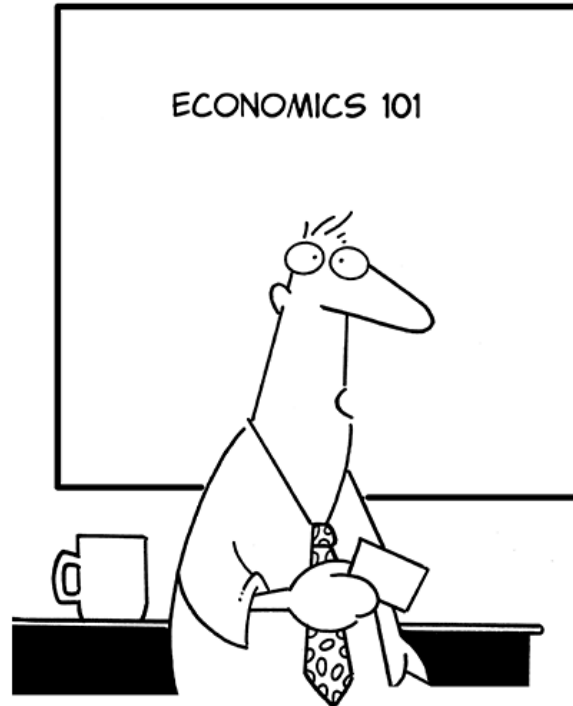
- Reporting
- Policies and Compliance
- Budget preparation

## Faculty level support

- Multi-year budgets
- Financial impact analysis
- Research compliance
- Training

# Thanks

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**“Lesson 1: Don’t spend more than you earn.  
Lesson 2: Don’t spend more than you earn.  
Lesson 3: Don’t spend more than you earn.  
Lesson 4: Don’t spend more than you earn.  
Lesson 5: Don’t spend more than you earn.”**