Academic Leadership Program

Budgets and Finances

Section 1: Financial Management
Section 2: Expenditures and Approvals
Section 3: Budgets and Planning

Kathryn MacDonald, Faculty of Arts
Jack Rehder, Faculty of Mathematics
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
“Today’s financial report will be a short one: We had money, now we don’t.”
### Financial Management

**A sample report**

<table>
<thead>
<tr>
<th>WorkOrder (T)</th>
<th>Account (T)</th>
<th>Actuals YTD</th>
<th>Annual Budget</th>
<th>Commitments</th>
<th>Net Funds Available</th>
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<tbody>
<tr>
<td>MyDept General</td>
<td>Salaries-Staff</td>
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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
  - 60th 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

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SECTION 2

Expenditures and Approvals
How are expenses charged?

- Internal charges
- Payroll
- Expense reimbursements
- PCard
- Invoices
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**
Approver must ensure that the claims are:

- for University business
- fall within policy
- complete and accurate
- charged to appropriate account

Reviewer may assist
Travel Claim Approvals

Claimant

Approver of account

Claimant’s Supervisor (if different)

“One-over-one” required for Travel claims
SECTION 3

Budgets and Planning
Waterloo Budget Model
Faculty Allocation

Operating Revenues + - Inter-divisional Teaching - Faculty Space Cost

Faculty Budget Allocation = University Fund +- Academic Support Unit Costs
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 1st
- 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*
Contingencies

**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)?
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

"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."