

University of Guelph Budget Plan Submissions

Orientation
November 12, 2018

UNIVERSITY
of GUELPH

IMPROVE LIFE.

Orientation Overview

- **Introduction and Purpose**
- **Committees & Terms of Reference**
- **Guidelines and Forms**
 - Budget Plans
 - Budget Requests
- **Timelines**
- **Materials and Support**
- **Questions**

Introduction and Purpose

- **A Shift in Budgeting Culture**
 - New planning direction that creates improved alignment of priorities to influence change and reduce unplanned resource gaps
 - 3-5 year balanced budgeting approach while fulfilling the academic mission

- **Steps towards Transparent & Accountable Budgeting at University of Guelph**
 - Define Budgeting Principles
 - **Budget Plan Submission Process**
 - Budget Allocation Model
 - Institutional Planning Strategies

Introduction and Purpose

Budget Plan Submission Context

- Why are we doing this?
 - Units doing more formal Budget Planning from the “bottom up” in a coordinated manner to inform the total budget picture
 - Moving towards a fully collaborative, metrics driven process that is transparent and aligned
- Does the submission process replace the traditional University Budget Planning cycle?
 - The existing “top down” institutional budget planning process continues with the broad parameters of the overall revenue and expense increments across the planning horizon
- What is the main objective of the submission process?
 - Budget plans will be reviewed and ultimately approved for each *Planning Unit* for the upcoming fiscal year
- How did we arrive at the submission forms, timeline and process?
 - Started with investigating best practices at other universities but will follow a U of Guelph approach

Introduction and Purpose

Budget Plan Submission Context Continued

- Is this Activity Based Budgeting (ABB)?
 - Not at all!
 - ABB has been given many names but the end goal is the same; it is a budget allocation mechanism not a spending plan.
 - This process can coexist with any budget allocation model. University of Guelph has an Incremental Budgeting Model which is a budget allocation model where each unit is given last year's base budget + inflation + approved budget changes.
 - The context on how you plan to spend that budget for the coming year is the purpose of this new initiative.

- Is this a new budgeting model?
 - No. This is a new budget process. We have not yet explored a new budget allocation model.

Introduction and Purpose

Steps towards Transparent and Accountable Budgeting

- **Define Budgeting Principles**
 - Principles will support direction on how to weigh the strength of budget plans, entrepreneurial strategies and allocation methodologies to allocate core operating funding sources
 - Consultation at VPAC and Council of Deans
 - *In Progress – By December 2018*
- **Budget Plan Submission Process**
 - Review Proposed Budget Plans for key units
- **Institutional Planning Strategies**
 - Tuition rate setting, new program development, enrolment planning, government relations, infrastructure strategies...
- **Budget Allocation Model (Moving Forward)**
 - Mechanism of allocation based on agreed upon quantifiable methods
 - *Anticipated Process to start April/May 2019*

Budget Plan Submission Governance

University of Guelph Budget Committee

□ Role of the Committee

- The Committee will assess the capacity of each submitted budget plan and priority to meet the University of Guelph's strategic agenda and ongoing investments.
- The Committee shall facilitate the communication and understanding to the University community of the University's financial capacity to fulfill budget resource allocation.
- The Committee shall review budget plans and priorities from each Major Division and Key Planning Group to advise the Provost and President on recommended budget allocation.

□ Membership

- Standing: Provost (Chair) | VP Finance, Admin & Risk | ED, Budget & Financial Planning
- Academic: 2 College Deans (2 year term)
- Resource: Vice-Provost, Student Affairs | AVP Finance | Director, OMAFRA/UG Agreement and Research Programs

Budget Plan Submission Governance

College Budget Committee

□ Role of the Committee

- The Committee will assess the capacity of each submitted budget plan and priority to meet the University of Guelph's academic mission, strategic priorities and ongoing investments.
- The Committee shall facilitate the communication and understanding to the University community of the financial capacity of Colleges to fulfill budget resourcing requirements.
- The Committee shall review budget plans and priorities from each College to advise the Provost and President on recommended budget allocation.

□ Membership

- Standing: Provost (Chair) | ED Budget and Financial Planning
- Academic: All College Deans
- Resource: AVP Academic | AVP Graduate Studies | AVP, Faculty and Academic Staff Relations

Budget Plan Submission Overview 2019 2020

For Non Teaching Planning Units (UG Budget Committee)



Budget Plan Submission Overview 2019 2020

For Academic Planning Units (College Budget Committee)



Budget Plan Submission Overview 2019 2020

Submission Details

- Building on Unit Forecasts (for 2018 2019)
 - Established institutional Forecast process, which anticipates spend for the final four months of the *current* fiscal year, will intertwine with the Budget Plan Submission process
- Planning Horizon is for 2019 2020
 - Anticipate budget and spend for the *following* fiscal year
- Applicable Funds
 - Consistent with established Forecast process, Budget Plan Submissions will focus on General Operating Funds only

Budget Plan Submission Overview 2019 2020

Who is submitting?

- Budget Planning Units (BPU)
 - These are the units subject to the budget plan submission process and must submit a budget plan
 - Colleges
 - Each Major Division/Heritage
 - Certain committees/groups may also be subject to budget plan submissions. In the context of the process, these committees will also be seen as a *Budget Planning Unit*.

Budget Plan Submission Overview 2019 2020

Budget Planning Units

Submission Reviewed by UGBC

President Central Offices
Heritage
Open Learning and Educational Support
Registrar
Provost Central Offices
Student Affairs
Co-op and Experiential Learning
Athletics
Computing and Communication Services
Graduate Studies
Library
Housing
Communications and Public Affairs
Alumni Affairs & Development
Government and Community Relations
VP FAR Central Offices
Financial Services
Human Resources
Physical Resources
Hospitality
VP Research
AVP Research

Submission Reviewed by CBC

College of Arts
College of Biological Science
College of Social & Applied Human Sciences
College of Business & Economics
Ontario Agricultural College
Ontario Veterinary College
College of Engineering & Physical Sciences

Budget Plan Submission Overview 2019 2020

Budget Planning Units (Non Teaching Expanded)

VP Research
AVP Research
AVP Research
VP Research
Advanced Analysis Centre
Arrell Food Institute
AVP Research Agri-Food
Biodiversity
Research Communications
Research Innovation Office
VP Finance, Admin & Risk
Financial Services
Financial Services
Hospitality
Hospitality
Human Resources
Human Resources
Physical Resources
Parking Services
Physical Resources
VP FAR Central Offices
Audit Services
Campus Community Police and Fire
VP Administration
VP External
Alumni Affairs & Development
Alumni Affairs & Development
Communications and Public Affairs
Communications and Public Affairs
University and Community Relations
University and Community Relations
Provost & VP Academic
Athletics
Athletics
Computing and Communication Services
Computing and Communication Services
Co-op and Experiential Learning
Co-op Educational Services
Experiential Learning

Provost & VP Academic Continued
Graduate Studies
Graduate Studies
Housing
Housing
Library
Library
Open Learning and Educational Support
Opening Learning and Educational Support
Provost Central Offices
AVP Academic
Budget and Financial Planning Office
Faculty and Staff Relations
Institutional Analysis and Research
Provost / VP Academic
Registrar
Registrar
Student Affairs
Child Care Operations
Student Affairs
Student Life
Student Life Enhancement
Student Wellness Services
President
Heritage
Heritage
President Central Offices
Diversity and Human Rights
Office of Legal Council
President's Office
University Secretariat

Budget Plan Submission Overview 2019 2020

Budget Planning Unit Leaders

Budget Planning Unit Name	Contact
President Central Offices	Audrey Jamal / Franco Vaccarino
Heritage	TBD
Open Learning and Educational Support	Michelle Fach
Registrar	Ray Darling
College of Arts	Samantha Brennan
College of Biological Science	Jonathan Newman
College of Social & Applied Human Sciences	Gwen Chapman
College of Business & Economics	Julia Christensen Hughes
Ontario Agricultural College	Rene Van Acker
Ontario Veterinary College	Jeffrey Wichtel
College of Engineering & Physical Sciences	Mary A Wells
Provost Central Offices	Charlotte Yates
Student Affairs	Carrie Chassels
Co-op and Experiential Learning	Carrie Chassels
Athletics	Scott McRoberts
Computing and Communication Services	Dave Whittle
Graduate Studies	Ben Bradshaw
Library	Barbara McDonald
Housing	Irene Thompson
Communications and Public Affairs	Lori Bona Hunt
Alumni Affairs & Development	Jason Moreton
Government and Community Relations	Mellissa MacDonald
VP FAR Central Offices	Don O' Leary
Financial Services	Lori Kimball
Human Resources	Martha Harley
Physical Resources	Dan MacLachlan
Hospitality	Ed Townsley
VP Research	Malcolm Campbell
AVP Research	Karina McInnis

Budget Plan Submission Overview 2019 2020

Submission Expectations

- This is the first year of the process...
 - Timeline crunch (February)
 - Acknowledgement of the various levels of budgetary planning expertise exist across the planning units
 - Moving to long range budget planning
 - 2019 2020 fiscal year comes with a higher degree of financial uncertainty from Provincial Grant Funding and Tuition Framework.
 - Plans are not perfect, we may need to adapt in year
 - Conduct a post 2019 2020 review of the process in July 2019

Budget Plan Submission Overview 2019 2020

Submission Details

- **Scope of Submission**
 - BPU required to submit a Budget Plan that includes only *approved* expected funding and anticipated spend, therefore excludes requests for additional funding
 - BPU will outline the budget gap in achieving objectives
 - The Committee will review alternative solutions for recommendation to the Provost and President
- **Submission Process**
 - Required level for the budget plan submission is the BPU level
 - The Budget and Financial Planning Office will review submissions and validate the information supplied
 - Each plan will be made available for review by the Committee (UGBC, CBC) in advance of Planning Unit Leaders to discuss their plan in front of the committee

Budget Plan Submission Overview 2019 2020

Budget Plan Guidelines

- Budget Plan Submission Package:
 - Planning Document
 - Budget Plan Form (appendix)
 - Required Approvals (appendix)

Budget Plan Submission Overview 2019 2020

Budget Plan Guidelines - Planning Document

- Maximum of three pages (excluding appendices) consisting of three sections:
 - Budget Plan Highlights and Narrative
 - Summary and Change in Financial Position
 - Major Activities / Initiatives (including return on investment opportunities)

Budget Plan Submission Overview 2019 2020

Budget Plan Guidelines - Budget Plan Form

- Budget Plan Form
 - Excel file with typical revenue and expense categories
 - The categories are grouped differently:
 - “Inbound” funds (i.e. net budget amount, revenues)
 - “Outbound” funds (i.e. payment of expenses and transfers to cover expenses in other funds)
 - Three year presentation (last year, this year, next year)
 - FTE Summary to measure some key resources (teaching and non-teaching)
 - Summary section presenting BPU’s financial position over time

Budget Plan Submission Overview 2019 2020

Budget Plan Guidelines - Budget Plan Form

- What is different about the Budget Plan Submission?
 - It is a budget plan, the detail expectation is not the same as the accuracy level of the current forecast process or the current detailed unit and project budgets in the FRS base budget
 - The Budget Plan form is an overall summary for the BPU
 - The presentation to the committee is an opportunity to share:
 - The BPU's core functions and contributions to the mission – new and continuing
 - Evolving demands that may come from a variety of internal and external sources – resulting in priority decisions

Budget Plan Submission Overview 2019 2020

Budget Plan Form – Inbound (Budget Transfers)

2019/2020		2017/2018	2018/2019	2019/2020	Note
		FRS	Forecast	Plan	References
(B) Inbound					
B.1 Budget					
B.1.1	Net Annual Budget	17,991,677	18,388,144	19,733,484	
B.1.2	Carryforward	3,234,462	5,427,482	7,495,430	
B.1.3	RAG Transfer	40,512	50,000	50,000	
B.1.4	Research Overhead	8,094	10,000	10,000	
B.1.5	Other Budget Transfers	-	-	-	
B.1.6	Total Budget	21,226,139	23,815,626	27,228,914	

- **B.1.1 Net Annual Budget** – BPU's bottom line annual budget excluding Carryforward
- **B.1.2 Carryforward** – Representative of in year carryforward reflecting prior year results
- **B.1.3 RAG (College Only)** – Graduate Growth funding is reflective of the expected in year change on top of the base amount already in Net Annual Budget (B.1.1)
- **B.1.4 Research Overhead (College Only)** – College's share on grants and contracts
- **B.1.5 Other Budget Transfers** – Includes any already approved budget transfers that will increase the total in year budget

Budget Plan Submission Overview 2019 2020

Budget Plan Form – Inbound (Revenues)

2019/2020		2017/2018	2018/2019	2019/2020	Note
		FRS	Forecast	Plan	References
(B) Inbound					
B.2 Revenues					
B.2.1	General Revenue	984,987	1,034,236	1,054,921	
B.2.2	Institutional Revenue Transfers	2,277,726	2,516,887	2,567,225	
Transfers In:					
B.2.3	GH Transfer	1,867,878	1,961,271	2,000,497	
B.2.4	OMAFRA Transfer	250,000	250,000	250,000	
B.2.5	Other Transfers	1,290,938	1,355,485	1,382,595	
B.2.6	Total Revenues	6,671,528	7,117,879	7,255,237	
B.2.7	Total Inbound	27,897,667	30,933,505	34,484,151	

- [B.2.1 General Revenue](#) – Representative of other revenues into a BPU that excludes B.2.2 – B.2.5
- [B.2.2 Institutional Revenue Transfers](#) – Revenue attached to a fee that is credited to the unit that is providing the service (i.e. tuition fee sharing agreements, compulsory student fees, other fees for services provided to students and transfer payment agreements)
- [B.2.3 – B.2.5 Transfers](#) – Includes amounts from Guelph Humber, OMAFRA and Other expected transfers

Budget Plan Submission Overview 2019 2020

Budget Plan Form – Outbound (Expenses)

2019/2020		2017/2018	2018/2019	2019/2020	Note
		FRS	Forecast	Plan	References
(C) Outbound					
C.1	Expenses				
C.1.2	Personnel	19,530,926	20,352,339	23,320,389	
C.1.2.1	Faculty	7,099,211	7,920,624	9,075,715	
C.1.2.2	Other Teaching	6,136,416	6,136,416	7,031,310	
C.1.2.3	RFT Staff	3,936,240	3,936,240	4,510,275	
C.1.2.4	Other Salaries	2,359,059	2,359,059	2,703,089	
C.1.3	Travel	808,879	825,057	891,062	
C.1.4	Operating	1,929,872	2,007,067	2,609,188	
C.1.5	Equipment > \$5K	81,029	85,080	91,887	
C.1.6	Internal Charges	1,233,469	1,258,138	1,358,790	
C.1.7	Internal Recoveries	(1,601,671)	(1,601,671)	(1,601,671)	
C.1.8	Transfers Out	487,680	512,064	768,096	
C.1.9	Total Outbound	22,470,185	23,438,076	27,437,739	
C.1.10	Net Results	5,427,482	7,495,430	7,046,412	

- C.1.2 (C.1.2.1 – C.1.2.4) Personnel – Separated into four personnel categories (Faculty, Other Teaching, RFT Staff and Other Salaries)
- C.1.3 – C.1.7 Expenses – As defined by FRS
- C.1.8 Transfers Out – Representative of transfers to other departments or for payment for services provided by another department
- C.1.10 – Net results which is representative of total inbound less total outbound

Budget Plan Submission Overview 2019 2020

Budget Plan Form - Summary

2019/2020

Budget Planning Unit:		BPU A
(A) Budget Plan 2019/2020		2019/2020
2019/2020 Plan		
A.1	Total Inbound	34,484,151
A.2	Total Outbound	<u>27,437,739</u>
A.3	Net Results	7,046,412
A.4	Change in Net Results	(449,018)

- **A.1 Total Inbound** – Line B.2.7 from the detail planning table representing total resources (budget and revenues) into a BPU.
- **A.2 Total Outbound** – Line C.1.9 from the detail planning table representing total expenditure of a BPU.
- **A.3 Net Results** – Line C.1.10 from the detail planning table representing the net results for the year (Total Inbound less Total Outbound) of a BPU.
- **A.4 Change in Net Results** – The increase (decrease) in the total BPU funds at the end of 2019 2020.

Budget Plan Submission Overview 2019 2020

Budget Plan Form – Budgeted FTEs

2019/2020		2017/2018	2018/2019	2019/2020	Note
		FRS	Forecast	Plan	References
(D)	FTEs				
D.1	Budgeted FTE Counts				
D.1.1	Faculty	108.90	116.62	121.77	
D.1.2	Staff	165.33	168.56	172.26	
D.1.3	Total Budgeted FTEs	274.23	285.18	294.03	

- **D.1 (D.1.1 – D.1.2) Budgeted FTEs** – Includes all budgeted FTEs (established positions) including CL and RFT for both Faculty and Staff.

Budget Plan Submission Overview 2019 2020

Budget Plan Form – Sessional Count

2019/2020		2017/2018	2018/2019	2019/2020	Note
		FRS	Forecast	Plan	References
(E)	Sessionals				
E.1	Sessional Section Counts				
E.1.1	Sessionals	220	216	223	
E.1.2	Total Sessional Sections	220	216	223	

- [E.1.1 Sessionals](#) – A measure of sessional teaching requirements by course section.

Budget Plan Submission Overview 2019 2020

Budget Plan Guidelines - Required Approvals

- Required Approvals
 - The submission package must be accompanied by a signature page with approvals from:
 - Financial Support Leader
 - Budget Planning Unit Leader
 - Appropriate AVP / Dean*

**Could be the same as the BPU Leader*

Budget Plan Submission Overview 2019 2020

Break

Budget Plan Submission Overview 2019 2020

Budget Request Overview

- What is different in this request process versus years past?
 - More streamlined and efficient process
 - **They will be reviewed by the respective Budget Committee with a fulsome context alongside a planning unit's budget plans**
- Rationale behind new request process and form?
 - Common evaluation point
 - Better capacity to plan the coming year according to earlier approval
 - Better long range budget tracking
- Is it only applicable to the budget plan submission process?
 - No. If there are urgent in year developments, the same form will be used to submit a request.

Budget Plan Submission Overview 2019 2020

Budget Request Overview

- Formalized Request Process for Additional Financial Support

- Requests* < \$200,000
 - Budget Request Form Only

- Requests* >= \$200,000
 - Budget Request Form PLUS
 - Budget Request Rationale Submission

Budget Plan Submission Overview 2019 2020

Budget Request Form

Budget Request Form

Budget and Financial Planning Office



Header	
Division (required)	CENTRAL_ADMINISTRATIVE_OFFICES
SubDivision	S51475_CENTRAL_ADMIN_SERVICES
Department	0325XX_BUDGET_AND_FINANCIAL_PLANNING_OFFICE
Contact	Stephanie Devost
Title	Administrative Assistant
Description	An administrative assistant is being requested to help with the day to day organization of the BFPO. Without this position, the BFPO will not be able to meet deadlines and increased workload.
<i>For requests greater than \$200K, please fill out additional Request Rationale Form</i>	
Request Year	2019/2020

Request	<i>(In Thousands of Dollars)</i>				
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Base					
<i>Personnel</i>	45				
<i>Operating</i>					
<i>Other</i>					
One-Time					



Budget Plan Submission Overview 2019 2020

Budget Request Form

Budget Request Form

Budget and Financial Planning Office



Header	
Division (required)	UNIVERSITY COLLEGE DIVISION
SubDivision	
Department	
Contact	Stephanie Devost
Title	New Program
Description	Request for OTO Start Up, Operating, 1 FTE Administrative Assistant, 1 FTE Faculty Please see Budget Request Rationale Form, attached.
<i>For requests greater than \$200K, please fill out additional Request Rationale Form</i>	
Request Year	2020/2021

Request	(In Thousands of Dollars)				
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Base					
<i>Personnel</i>			45	115	
<i>Operating</i>			30		
<i>Other</i>					
One-Time		10			



Budget Plan Submission Overview 2019 2020

Budget Request Rationale

- No Template Provided for the Budget Request Rationale
- Submitters May Use Any Format They Wish
- Not to Exceed 3 Pages Total
- Budget Request Rationale MUST Include:
 - Alignment of the Request to the University of Guelph Mission
 - 1-3 Points Rationalizing the Budgetary Need
 - Key Metrics Supporting the Request
 - Organization Chart (*Optional/If Applicable*)

Budget Plan Submission Overview 2019 2020

Budget Request Form - Approval

- First approval by the College Dean or Divisional Director
- Budget and Financial Planning Office (*electronic submission*)
- Request Approval will follow the same timeline as **Budget Plan Approvals***

Approval Log		
Approved By	Name	Approved Date
Dean/Division Director		
Budget and Financial Planning Office		
Final Approval		

** There will be another opportunity to submit budget requests at a designated point within the fiscal year*

Budget Plan Submission Overview 2019 2020

Timeline

- November 12, 2018
 - Information Session on Budget Plan Submission Process
- November 16, 2018
 - Release of Budget Plan and Request Forms
- February 7, 2019
 - Expense Forecast Submissions Due
- February 14, 2019
 - Budget Plan Submissions
- February 28-March 6, 2018
 - Budget Submission Committee Meetings
- March 8, 2018
 - Budget Submission Committee Recommendations
- March 15, 2018
 - Budget Plan Approvals

Budget Plan Submission Overview 2019 2020

Communication/Support

- Follow Up Operational Support Communication
 - (November 14th) Academic Budget Leadership Group Meeting
 - (November 22nd) Finance Professional Network Group Meeting
- Follow up on Budget and Financial Planning Support
 - (November 13th to December 21st) Any additional one on one conversations and meeting necessary and as requested by budget planning units.

Thank you