BACKGROUND

The annual operating budget (the budget) is an essential planning tool, intended to assist in the management and stewardship of the financial resources of the University. The budget is the financial representation of the University's annual plans, as informed by the Strategic Plan and the mission. The budget is developed annually, and intended to set forth the anticipated unrestricted operating revenues and other forms of financial resources, along with the manner in which such anticipated resources are allocated. Allocations are made to areas, departments, the college and schools, reserves, contingencies, and other institutional commitments based on institutional, divisional, and academic sector objectives. Just as the nature of most academic programs and employment agreements are multi-year, so too must the budget process be informed by multi-year planning efforts, intended to forecast revenues and expenses over a period of time.

The annual operating budget is prepared under the direction of the President by the Vice President for Finance and finance staff in the Office of Budget and Financial Analysis, in collaboration with the Vice Presidents, and the University Budget Committee. Following review and consideration of institutional priorities in view of available resources, the operating budget is submitted to the Board of Trustees for approval.

The University's financial resources are limited, and consequently areas, programs, and other initiatives that require funding must be carefully considered in the context of available revenues, the Strategic Plan and mission. This process can never be perfect, can never satisfy all desires, and at times may involve sacrifice and compromise. Further, the budget is informed by contemporary issues – whether they come from external forces (such as recession, the overall market for higher education, competition) or internal forces (such as catastrophic events, shifting priorities, overall change). For these reasons, it is important to obtain various perspectives during the preparation of the budget.

BUDGET ROLES AND RESPONSIBILITIES

Structure of the University Budget Committee

The University Budget Committee (UBC) is an advisory committee to the Vice President for Finance. The Vice President for Finance, who serves as Chairperson of the Committee, is a member ex officio as are all the vice presidents with operating responsibilities.

Three members are elected by the Faculty Assembly to staggered three-year terms. Two members are elected by the Staff Assembly and one or more student representative(s) is appointed by the GSBA. One member of the faculty or administration is appointed by the President. The President of Faculty Assembly will appoint one member of the Senate.
Role of the University Budget Committee

In recognition of the importance of the annual operating budget, and the goal to be collaborative and transparent in its preparation, the University Budget Committee plays an important role. The responsibilities of the UBC include:

- Develop a general understanding at a high level of the Operating Budget of the University, including understanding its major sources and concentrations of revenue, expenses and expense trends, and overall financial sustainability.

- Receive regular updates on the financial performance of the University against the current operating budget.

- Review and comment on the primary, high level, revenue and expense assumptions that drive the budget including, but not limited to, student headcount and credit generation, pricing, inflationary matters, overall compensation pools, reserves, and contingencies.

- Provide input on short-term and long-term budget strategies that seek to provide stability in the University's budget and seek to maintain necessary financial and operating ratios for rating agency purposes.

- Consider multi-year planning considerations as they relate to revenues and expenses.

- Invite University colleagues to present at UBC meetings, particularly in areas relating to major revenue and expense assumptions, so as to provide opportunities for further education and transparency around those assumptions, as well as understanding the financial complexities and interdependencies that exist within the University.

- If requested by the President or Vice Presidents, review financial proposals for programs or other initiatives that may have a financial impact.

- Advise University leadership on specific budget matters upon request.

- Advise University leadership on the timing, extent and nature of budget communications to the greater University community.

- As representatives of various other governance groups (Faculty Senate, Faculty Assembly, Staff Assembly, and GSBA), report back to those groups as to the information shared and deliberated by the UBC.
Role of the Cabinet and Board of Trustees

Budget assumptions and final priorities on budget requests rest with each Vice President for matters relating to their respective areas and ultimately with the President who must approve the assumptions and requests and submit the proposed budget to the Board of Trustees for approval. Committees of the Board of Trustees also participate in review of the budget, as delegated by the Board of Trustees.

Role of the Finance Area Staff

The Finance staff is responsible for gathering, evaluating, and proposing funding levels for all budget categories, providing regular updates on the budget process, and submitting a balanced budget and budget narratives for executive level and UBC consideration and comment. The Finance staff work closely with executives, budget officers, and those responsible for preparing budget requests and revisions in order to consolidate budget information. This work is under the direction and supervision of the Vice President for Finance and is the primary responsibility of the Office of Budget and Financial Analysis. The Finance staff also support the work of the UBC, which includes administrative aspects of organizing meeting, preparing minutes and other support matters.

COMMITTEE MEMBERSHIP

*Academic Vice President
*Vice President for Policy, Planning, and Administration
Vice President for Finance (chairperson)
*Vice President for Student Development
*Vice President for University Advancement
*Vice President for Mission and Ministry
*Athletic Director
Chief of Staff
3 elected by Faculty Assembly
1 member of the Faculty Senate (appointed by the President of Faculty Senate)
2 elected by Staff Assembly (one exempt, one non-exempt)
1 to 2 student representatives, as appointed by GSBA (preferably at least one non-senior)
*Participation may be agenda driven.