

## **BEST PRACTICES, Budget Office**

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**Title:** Immediate Feedback System for Budget Process Decisions

# 43

**Source:** Brevard Community College

**Co Area:**

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices/2003.html](http://www.sacubo.org/sacubo_resources/best_practices/2003.html)

**Abstract:** Participative, collegial-style administration requires extensive participation of the entire President's Executive Staff in the budget decision process. Chief Financial Officers no longer have the luxury of spending days and weeks in a back office crunching numbers. The budget needs to be molded by the Executive Administration as a group. As budget issues are considered the financial ramifications must be factored. Brevard Community College created a menu-driven database program which tracks budget decisions and shows budget status after every decision. The system is used during a 2-day budget workshop to provide immediate feedback to budget issues.

The budget modeling program handles across the board salary increases by employee, classification, new personnel, merit or other non-standard salary increases, operating expense changes, equipment allocations, and strategic initiatives. The program can handle any desired level of detail. Budgeted fund balance is analyzed and tracked against the desired target. The use of this program allows the non-financial administrators to understand the major decision factors of the budget process, and it helps to build trust that the CFO is not withholding large pots of funding from the budget discussion. It is a useful tool for the financial and non-financial executive administrator.

## **BEST PRACTICES, Budget Office**

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**Title:** Budgeting Process

# 68

**Source:** Book by Steven M. Bragg

**Co Area:**

**Addl Info:** [Accounting Best Practices - Chpt 5, pg 87 - Contact Dianne Parkerson, 561 297-3946](#)

**Abstract:** Because of the State's requirements and our current system, the following may not be too useful for FAU's operations, therefore only the list of suggested best practices is listed. Contact Dianne Parkerson, 7-3946 for additional information

### Budget Assumptions

- 5-1 Clearly define all assumptions
- 5-2 Clearly define all capacity levels
- 5-3 Establish project ranking criteria
- 5-4 Establish the upper limit of available funding
- 5-5 Identify step-costing change points

### Budget Models

- 5-6 Budget by groups of staff positions
- 5-7 Create a summarized budget model for II use by upper management
- 5-8 Include a working capital analysis
- 5-9 Link to performance measurements li and rewards
- 5-10 Use activity-based budgeting
- 5-11 Use flex budgeting

### Budget Management

- 5-12 Automatically link the budget to purchase orders
- 5-13 Issue a budget procedure and timetable
- 5-14 Purchase budgeting and planning software
- 5-15 Reduce the number of accounts
- 5-16 Revise budgets on a quarterly basis
- 5-17 Simplify the budget model
- 5-18 Store budget information in a central database
- 5-19 Use on-line budget updating
- 5-20 Use video conferencing for budget

## **BEST PRACTICES, Budget Office**

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**Title:** Integrated On-Line Planning and Budget Development System # 94

**Source:** Baton Rouge Community College

**Co Area:**

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices/2005.html](http://www.sacubo.org/sacubo_resources/best_practices/2005.html)

**Abstract:** The planning phase of this project began in Fall 2002 with the development of 10-5 year strategic priorities for the College. Baton Rouge Community College (BRCC) formed a cross-functional committee to review its' current practices and develop strategies for improvement. Both strategic priorities and unit plans were crafted through an inclusive process involving faculty and staff from all Departments. The cornerstone of this process was the in-house development of an on-line system that clearly linked College strategic priorities and unit plan goals and objectives with financial resources. The system was designed to summarize all of the budget requests and modifications at the institutional, cost center, expenditure classification and detail object levels. There were many advantages realized through implementation of the on-line planning and budget development system:

- \* facilitated a process that kept the College's focus on institutional strategic initiatives and unit goals and objectives during the budget development process
- \* provided a mechanism for end users to directly link planning objectives with budget allocations
- \* provided the Executive Cabinet with real time access to detail and summary data as budget decisions and allocations were developed and modified
- \* facilitated an inclusive process that involved input from all departments
- \* promoted thoughtful, informative, and productive discussion during budget hearings that resulted in cost savings and effective realignment of fiscal, physical, and human resources
- \* simplified and expedited development of the FY04 Operating Budget document due to the Community College System Board and Board of Regents in August 04

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**Title:** Strategic Financial Management of Capital Projects: A Web-Based Approach # 135

**Source:** University of Virginia

**Co Area:** Facilities Planning

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices/2005.html](http://www.sacubo.org/sacubo_resources/best_practices/2005.html)

**Abstract:** The University of Virginia has developed a web-based planning and management tool to help the institution guide financial decisions concerning its ambitious capital project program. This system has database and spreadsheet elements, coupled with a robust series of reports, that succinctly inform users about the status and funding plans of projects (individually and collectively), aggregate cash flow needs, and the potential effects on future financial health arising from new construction. Equally important, this system helps the administration shape the timing, size, and type of debt issuance in order to minimize financing costs. The University currently enjoys the highest possible bond ratings from agencies Standard & Poors, Moody's, and Fitch. With this system the institution can continue to evaluate and determine the optimal deployment of financial resources in order to achieve the University's long-term goals.

## **BEST PRACTICES, Budget Office**

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**Title:** Integration of Planning, Budgeting, and Effectiveness # 163

**Source:** Southwest Tennessee Community College **Co Area:**

**Add Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices/2003.html](http://www.sacubo.org/sacubo_resources/best_practices/2003.html)

**Abstract:** Imagine an annual budget process where: (a) planning actually drives budgeting, (b) all organizational units develop zero-based budgets with item-by-item justification on-line through the Internet, (c) administrative review and approvals take place electronically, (d) real-time budget status reports are generated instantly, (e) budget analysis requires no paper forms or manual calculations, and (f) units and supervisors can enter revisions to proposed budgets to balance expenditures with projected revenues. Further imagine that all resulting resource allocations would be linked to specific college goals for later analysis of goal achievement and costs.

The online "Planning-Budgeting-Effectiveness System" at Southwest Tennessee Community College now performs all those functions (plus extensive support for unit planning and institutional effectiveness documentation) on a routine basis. The system is a proven, working model for fully integrating planning, budgeting, and evaluation processes at an institution of higher education. For FY03 budget preparations, the system reduced at least two weeks of processing time as well as eliminated human errors of transcription and data entry.

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**Title:** A More Precise Method of Overhead Cost Recovery # 512

**Source:** University of Georgia **Co Area:**

**Add Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices/2006.html](http://www.sacubo.org/sacubo_resources/best_practices/2006.html)

**Abstract:** Under current practice, the University of Georgia's (UGA) Auxiliary Enterprises (including the UGA Athletic Association) receive significant overhead support from various administrative units whose operating costs are funded solely by UGA's Resident Instruction budget. Working collaboratively with representatives from Auxiliary Enterprises and the Athletic Association, the University's Budget Office and Controller's Office developed a mechanism that recognizes and properly apportions overhead costs to the self-supporting units. The result achieves the University's goal of minimizing the level of state-appropriated and tuition-generated funding that subsidizes these self-supporting operations.

The resulting overhead cost recovery plan benefits all involved. It enables the University to reduce the flow of state funds to auxiliary units and rewards auxiliaries with a more equitable and, ultimately, lower assessment for overhead costs as the University's efficiency in this area improves.

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**Title:** Publications - National Association of State Budget Officers # 530

**Source:** National Association of State Budget Officers **Co Area:**

**Add Info:** <http://www.nasbo.org/publications.php>

**Abstract:** Founded in 1945, NASBO serves as the professional organization for all state budget officers of the fifty states and U.S. territories. NASBO is an independent association with membership consisting of the heads of state budget offices, state finance departments and their staffs.

The Publication page lists many resources relating to State Budgeting

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## **BEST PRACTICES, Budget Office**

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**Title:** Best Practices for Shared Governance at the University of Arizona # 764

**Source:** University of Arizona **Co Area:**

**Addl Info:** <http://fp.arizona.edu/senate/Implementing%20Shared%20Governance%20-%20Best%20Practices.html>

**Abstract:** These "best practices" described below are intended as guidance for the university and college-level units to implement and bring about shared governance in all appropriate areas. They are selected from experiences on our campus as well as from frequently mentioned activities on other campuses. To be most useful, the best practices should apply to every level of administrative organization: unit, division, department, college, and upper administration. The overall intent is to create a culture that embraces shared governance throughout the university and to create opportunities for shared governance in all units at all levels. At the University of Arizona, the common terms for a college-wide organization dealing with shared governance are: council, advisory council, advisory committee, or forum with dean or college as a modifier. These councils are 8-16 members; most are all faculty but some include administrators, academic professionals, staff, and students. Some meet regularly and some infrequently. All are advisory to the head of the administrative unit involved.

In general, as difficult as it can often be, all leaders and members of university units should actually strive for an atmosphere where ideas are shared and debated to ensure that all decisions arise from the best collective wisdom.

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**Title:** Best Practices and Department Business Practices # 765

**Source:** Cornell University **Co Area:**

**Addl Info:** <http://www.cals.cornell.edu/cals/faculty-staff/bsc/best-practices.cfm>

**Abstract:** Best Practices (College of Agri & Life Sciences,)  
The CALS FBSC will follow University policies and procedures at all times and the staff will be well trained. Separation of responsibilities, appropriate transaction authority, retention of records, timely completion of documentation, and communication to departments will be standard operating procedure. The CALS FBSC will be proactive in partnering with departments and will be responsive to requests in a timely way.

Department Business Practices

The Department will follow CALS FBSC procedures. These procedures include the timely submission of accurate information and necessary documents; appropriate procurement of goods and services; and timely feedback to improve service and efficiency. The Department will be proactive in partnering with the CALS FBSC and will be responsive to requests in a timely way.

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**Title:** Possible Best Practices Initiatives # 768

**Source:** Wake Technical Community College **Co Area:** University Wide

**Addl Info:** <http://planningandresearch.waketech.edu/bestpractices.php>

**Abstract:** Includes Cost Containment and Savings Strategies and Revenue Generation - good bullet points

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## **BEST PRACTICES, Budget Office**

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**Title:** Internet Budgeting Solution (IBS) # 796

**Source:** Georgia Institute of Technology **Co Area:** IRM

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices/2007.html](http://www.sacubo.org/sacubo_resources/best_practices/2007.html)

**Abstract:** Budgets at Georgia Tech are maintained at the project level and include details by position. Each department maintains its own budget, while the Budget Office provides oversight and overall university control. Because of this detailed process, the Budget Office has designed and implemented an internet-based budgeting application called “Internet Budgeting Solution” (IBS). IBS allows users across the university to manage and view their own budgets, while the Budget Office retains control over budget postings to the General Ledger. The application has allowed Georgia Tech to save substantial staff time and paper, while improving the timeliness and quality of budget management information required by the academic and administrative departments.

IBS was built by people who work in the university budget environment and therefore understand the nuances of higher education budgeting. Because this is an “in-house” product, the campus users are involved in the continuing development of IBS. Many of the reports and much of the functionality of IBS have originated from requests by users. Although IBS was written specifically for Georgia Tech, the Budget Office wrote IBS with transferability in mind. Because of the lack of quality higher education budgeting products on the market, the Budget Office has been able to speak with many other universities concerning the budget system development process. In fact, IBS has been installed on a beta test basis at another research university in the southeast.

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**Title:** Centralized or Decentralized Benefit Expenditures? Try Specialized Benefits Pools - It's the Best of Both Worlds # 799

**Source:** North Carolina State University **Co Area:** Human Resources

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices/2007.html](http://www.sacubo.org/sacubo_resources/best_practices/2007.html)

**Abstract:** Employee salaries and associated benefits represent the largest expense category for institutions. To maximize resources, what can be done to ensure appropriate resources support associated benefits for employee salaries? Should benefit costs be born at the unit level, with decentralized budget and authority to redirect resources to manage surpluses or shortfalls? Should benefit costs be managed at the institution level, allowing administration the flexibility to redirect resources in times of budget reductions or in support of institutional priorities?

The solution doesn't have to be an “all” or “nothing” environment. Special Benefit Pools afford institutions the leverage to move on a continuum between centralized and decentralized benefit cost strategies. Utilizing a largely centralized strategy, an institution may choose to deploy costs such as FICA at the unit level and manage all other associated benefit costs centrally. On the other extreme, all associated benefits costs may be decentralized to units with a central benefits pool to serve solely for collective costs such as yearly unemployment insurance charges. The continuum can be anything in between – tailored to assist the campus with the appropriate level of accountability and flexibility that matches the institution's administrative culture.

Why has NC State adopted this approach? It works like an elastic waistband – stretching to include more in times when centralized resources best address costs and shrinks when decentralizing costs result in optimal resource utilization.

## **BEST PRACTICES, Budget Office**

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**Title:** STRIPES: Auburn University Budget System # 873

**Source:** Auburn University **Co Area:** Human Resources

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices\\_files/2008\\_files/Stripes-Auburn-University-Budget-System.pdf](http://www.sacubo.org/sacubo_resources/best_practices_files/2008_files/Stripes-Auburn-University-Budget-System.pdf)

**Abstract:** The recent implementation of Banner HR and Banner Finance necessitated the development of new budget processes.

Prior to STRIPES the budget system was primarily a manual process that was laden with paper. Departments received printed ledgers from the Budget Office, performed calculations, recorded entries onto the ledgers, submitted the paper ledgers back to the Budget Office, etc.

For FY2008 AU was live in both Banner Finance and Banner HR, and the Budget Office was in need of a system that provided them with control of processes from start to finish. The Budget Office needed to set essential variables that departments could not modify (ex., cost of living increases, departmental allocations, etc). They needed to be able to adjust securities, give users access to departments, give FOAP combinations to departments, and set complex relationships between the colleges and their departments. The end-users needed to be able to modify their section of the budget without introducing errors to the Budget Office's entries. Information Systems Support needed a way to create the seed data, help in the user administration, and upload the budgets into the system.

The development of STRIPES incorporates Banner's Salary Planner into a module that is user-friendly and more efficient than its predecessor, and further automates and streamlines the budget process for the entire Auburn University system.

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**Title:** An Eye on the Dashboard, an Eye on the Budget: Driving Higher Education Financial Operations in the Right Direction # 887

**Source:** Louisiana State University **Co Area:**

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices\\_files/2008\\_files/Driving-Higher-Ed-in-Right-Direction.pdf](http://www.sacubo.org/sacubo_resources/best_practices_files/2008_files/Driving-Higher-Ed-in-Right-Direction.pdf)

**Abstract:** The call for higher education institutions is to become more accountable to the students they enroll, its constituents, and financial supporters. How institutions utilize their resources is critical to accountability. Equally important is a statistically sound model on which leadership can base strategic decisions. Louisiana State University System developed a dashboard that responds to the call for accountability, but also provides a solid statistical foundation for planning, monitoring and tracking of its financial operations. The dashboard allows the system to speak to specific financial goals and achievements in a very succinct way. It also places at the fingertips of leadership a snapshot of system operations based on indicators that are mission critical to higher education success.

Document contains charts and a link to the system - <http://www.lsusystem.lsu.edu/dash/>.

## **BEST PRACTICES, Budget Office**

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**Title:** Texas A&M University's Budget Model

# 892

**Source:** Texas A&M University

**Co Area:**

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices\\_files/2008\\_files/Innovative-Budget-Model.pdf](http://www.sacubo.org/sacubo_resources/best_practices_files/2008_files/Innovative-Budget-Model.pdf)

**Abstract:** In 2004, Texas A&M University's Division of Finance was up against several budgeting and financial analysis-related challenges. Turnover had decimated the knowledge base at senior levels; loss of institutional knowledge was compounded by outdated legacy systems; and budgeting and financial analysis of strategic initiatives was largely a manual driven process involving a number of resources across the university.

Development of the model was separated into four phases, approximating the university's four fund groups (Educational and General, Designated, Auxiliary, and Restricted). The first phase, the Educational and General (E&G) budget, has been completed. The next phases in progress include Auxiliary and Designated budgets, which will then be followed by our Restricted Fund budget.

In the end, Texas A&M now has a centralized tool that takes into account both financial and operational statistics and their relationships with each other in order to predict a resulting outcome. Modeling of the budget and financial analysis of strategic initiatives is no longer people dependent. The model is built primarily using Microsoft Excel and Access, no other computing resources were required.