

BUDGETING



“All change is not growth; all movement is not forward.”

– Ellen Glasgow

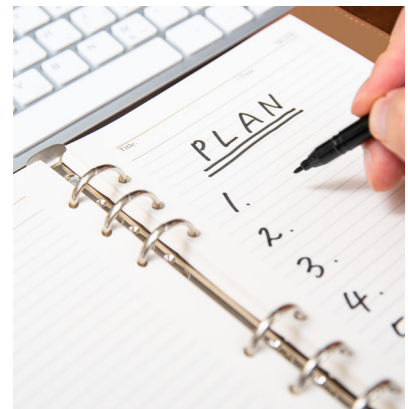
INTRODUCTION

You have many responsibilities as a manager. You're expected to manage your people to be productive, to manage your space and facilities for efficiency, and to really stretch a dollar. This section will present the basic principles behind managing your budget at BYU to help you make the most of your financial resources.

FUNDS

Church appropriations are the largest single source of resources used to support operations at BYU. However, there are many other sources, including tuition and fees, donations, sales and services on campus, investment income, and research grants.

Different sources of financial resources are labeled “funds” by BYU in order to keep track of allocation and usage. BYU must be able to track govern-



ment and private donation monies to verify that they are used for the purposes specified by the government or donor.

Below is a list of the most common funds you may encounter as a manager at BYU:

FUNDS	
FUND 11	General University income and Academic/Administrative budgeted expense units. Primary funding is from Church support and student tuition.
FUND 15	Support units that generate revenue and that are primarily self-supporting.
FUND 19	Activities using administration-designated funds for operations.
FUND 23	External donor funds with restrictions for usage. Typically, other university spending has satisfied the restriction, but the administration has determined that donor funds will be used at another time or in a more specific way.
FUND 28	Research grants and contracts funded by resources external to the University.
FUND 31	Funds spendable from endowment income.

Each department has a unique mixture of funds for their use. Are you

aware of all the funds available for your department? Do you know which funds are flexible and which are not? Take a broad view of the resources available to you and manage them as a whole.

For example, do you have money that was donated to your department? A donor may have earmarked that gift for a specific purpose and no other. It is possible, however, that a donor gave to a general fund and the University earmarked the money for a specific purpose. Under these circumstances, there is flexibility to work with the administration to potentially change its designated purpose. What kind of donation did your department receive and could a reallocation of those funds help you manage your department more effectively?

STRATEGY

Under the direction of the University Planning and Assessment Office, a “Strategy and Planning” process was created to help each department plan a strategy consistent with the university’s mission and prepare its budget accordingly. Deans and Directors receive a complete Resource Planning packet at the beginning of each budget cycle to help them plan for the departments under their purview.

Use the questions below to scrutinize your plans, clarify your vision, and to help assure successful implementation. Make sure you understand the process your vice president uses to review your submitted budget and give him or her strong rationale to support your proposals. This will also



help your budget discussions with your boss be more productive and he or she will be better prepared to champion your cause throughout the approval process. The more specific you are when answering these questions, the higher quality your product will be.

TIPS AND OTHER INFORMATION YOU NEED TO KNOW

There is a lot of information you need to know to manage your budget effectively. Here are some tips and general information to get you started:

1. There are two ways you can reallocate your budget:
 - During the annual Resource Planning process
 - Anytime using a Budget Adjustment form (see the Budget Office Financial Services website for guidelines and an electronic form)
2. For non-research speedtypes in Fund 11, there is an automatic 1% carryover each year (based on 1% of your budget) if you have sufficient balance available remaining at the end of the year. Also, all remaining money from your original access device, equipment and software budgets will carry over to the next year. This allows you to make larger one-time purchases of more expensive items.
3. The budget preparation and approval process lasts a full year. Please refer to the calendar on the right for details.
4. To meet Church requirements, the budget runs on the calendar year even though salaries and many other university activities operate on the Academic year. This causes necessary budget adjustments to take place in the fall to adjust for raises and other changes. Don't be surprised if you see your budget change mid-stream. Just realize that your budget may increase or decrease at this time due to salary



adjustments or personnel movement to or from your department.

TO DO LIST

- ✓ Take another look at your financial resources. Make sure you know what funds offer you flexibility in allocating resources. It may help you achieve your department goals.
- ✓ Where applicable, use the Budget Office's "Strategy and Planning" process in preparing your budget proposal. It will help you plan, articulate your proposal, and find a champion for your efforts.
- ✓ Call the Budget Office if you have any questions; they can help resolve the detailed questions you have. There are also online resources at <http://finserve.byu.edu/index.jsp>.

THE BOTTOM LINE

Effective resource management can propel your organization forward. Strategy and planning can help your department achieve remarkable results.

