

University of Washington Tacoma

BUDGETING PRIMER FOR FISCAL YEAR 2023

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Purpose

The purpose of this document is to serve as a preparatory vehicle to build the FY23 UWT budget.

Desired Outcomes

The desired outcomes are that the budget is built in a transparent and collaborative fashion, stakeholders across campus that represent students, faculty and staff participate in the process, that it accounts for both near-term and future context, and the budget is built in a way that best represents the priorities of the campus.

Chancellor's Forward

As we begin the FY23 Budget Planning season I want to offer some thoughts to provide context. Last year, we planned for budget reduction scenarios based on the impact of state related reductions due to COVID-19 that did not materialize as anticipated. While the state and University overall are on paths to recovery, we must be very careful as we proceed amidst a continuing pandemic. We exercised a very successful return to campus during the autumn quarter. That said, the effects of COVID-19 have impacted campuses nationwide and UWT is no exception. We saw a downturn in our enrollment which has impacted our revenue generation. While this primer is geared for FY23, we must think strategically as we consider the budget. Our academic plan must be tied to a comprehensive strategy with metrics, and that strategy and academic plan must be supported by a sustainability plan that is viable, workable and endures over time. As we develop and refine our strategic plan, we must consider accountability measures to accompany any future metrics that are developed. The near-term outcome is a budget that provides us with stability, serves as a platform to achieve the above while facilitating our core mission, and reflects our values as a campus.

I look forward to going on this journey with you. We all must come together and be good stewards of our precious resources.

For more information, read the [University of Washington's FY23 Annual Review Letter from the Provost](#).

Executive Summary / Budget Context

This FY23 Budget Planning season will be challenging while at the same time will present UWT with opportunities. In order to understand those challenges and opportunities it is important to understand some of the overarching context that shapes and influences how we operate. There are several factors impacting revenues in FY22 that we must be mindful of in planning for FY23. For example, our autumn 2021 enrollments were down significantly. We must carefully plan for realistic FY23 enrollment projections based on marketing, recruitment and retention activities. We have items such as faculty promotions, merit, market minimum adjustments and contractual increases that we are required to fund. These adjustments impact new costs such as annual reversions of administrators to faculty lines and replacement of faculty lines at higher salaries, and some new hire activity to meet strategic initiatives. Other adjustments we must make are directed by Washington State Labor and Industries (L&I), possibly some directed merit increases and some minimum wage increase impacts.

When we are operating from a deficit due to lower than projected revenues, our campus reserves are adversely impacted. In general terms, the campus makes up its revenue shortfalls by drawing against its reserve. Reserves are not on-going funds and when used can only be replenished by having a positive bottom line at the end of the year. If we are not generating enough revenue to backfill our reserve, that causes tension and is an untenable long-term trajectory. We have known commitments to our reserve that we must plan for; these include contributions to our new Milgard Building, potential initial requirements for a new Public Private Partnership (P3) in support of a new student residential housing and dining initiative and significant maintenance projects to prevent a backlog of deferred maintenance on our facilities. How we navigate FY22 will in part inform how we approach FY23. COVID-19 has significantly contributed to our fiscal posture. UWT is not alone. According to US News and World Report, [college enrollment was on track for the largest two year drop on record](#).

We traditionally underspend on our budgets, however, this does not account for the tuition revenue decline in FY22. We are currently in the data analytics phase to determine whether or not we formally request assistance from UW Seattle which is something we have never considered before. Unprecedented times may require unprecedented measures.

The remainder of this primer is intended to provide some historical context, provide some guiding principles, discuss process and flow, and offer best practices.

To better understand our fiscal posture, it is instructive to review the FY22 budget.

Regarding Enrollment

Growing the enrollment and retention of undergraduate and graduate students is a high priority. The University continues to work closely with prospective and continuing students to ensure that they can apply and enroll. However, the pandemic has impacted our enrollment; most students struggle to find the meaning and value that a UWT education delivers. As a result, we experienced a 6.3% drop in enrollment for autumn quarter of 2021 and project a further decline for the winter quarter 2022. Enrollments are down nationwide according to data from the National Student Clearinghouse Research Center, most especially among the community and technical colleges. There will be a few more challenging quarters as we climb out of this enrollment dip, and improving enrollment and the quality of the student experience requires a commitment from all of the campus community.

FY22 Budget for Reference

During the Budget Process in the spring of FY21 it was clear that there would not be sufficient funds to fill the requests for on-going funds. It was determined that to meet some critical needs there would be a distribution of one-time GOF funds as well as allowing for the carryforward of unspent funds for commitments made in the prior year and not yet completed. In the current model unspent allocated funds are rolled to the reserve. In order to provide funds for these two items it is necessary to utilize funds that have been captured by the reserves. For those reasons we are currently showing an annual year deficit bottom line. This then appears as a reduction to the beginning of the year reserves.

Not reflected in this chart (see Figure 1) is that generally UWT underspends budgeted funds by \$3million to \$4million each year. This will bring us close to a zero net margin for the year, meaning no contributions to the reserve. It is important to note that for FY22 we are anticipating an approximate shortfall in revenue of \$4.3million. To cover this, we will need to use our reserves.

Figure 1. FY22 Operating Budget Allocations

FY22 BUDGET ALLOCATIONS	GOF	GOF	DOF	TOTAL
AS OF OCTOBER 31ST, 2021	ON-GOING	ONE TIME	ONE TIME	ALL SOURCES
Tuition (Operating Fee)	\$52,825,183	\$ -	\$ -	\$52,825,183
State Appropriation	26,328,262	-	-	26,328,262
UWS Funding	-	9,065	-	9,065
Summer Quarter Revenue	-	-	3,000,000	3,000,000
Fee-Based & Self-Sustaining Programs	-	-	357,000	357,000
Misc. Other Sources	-	-	167,687	167,687
TOTAL REVENUE	79,153,445	9,065	3,524,687	82,687,197
Faculty Salaries	29,584,361	142,748	393,315	30,120,424
Professional & Classified Staff Salaries	19,929,154	144,400	278,512	20,352,066
Hourly, Excess Comp, Overtime Wages	1,396,281	146,552	206,553	1,749,386
Benefits	13,557,354	97,899	227,034	13,882,287
TOTAL PERSONNEL EXPENSES	64,467,150	531,599	1,105,414	66,104,163
General Operations	6,272,722	1,745,631	3,238,330	11,256,683
UWS Overhead	3,327,034	-	1,200,000	4,527,034
Equipment	903,107	50,000	124,835	1,077,942
Scholarships	3,905,946	-	56,200	3,962,146
TOTAL NON-PERSONNEL EXPENSES	14,408,809	1,795,631	4,619,365	20,823,805
TOTAL EXPENSES	78,875,959	2,327,230	5,724,779	86,927,968
UWS PROJECT FUNDS OUT / (IN)	-	(19,702)	(126,336)	(146,038)
RESERVE INFLOW / (OUTFLOW)	\$ 277,486	\$ (2,298,463)	\$ (2,073,756)	\$ (4,094,733)
RESERVE RECONCILIATION				
RESERVE BALANCES AT JULY 1, 2021		\$19,133,446	\$ 9,080,275	\$28,213,721
COMMITTED FUNDS		(7,400,000)	(1,400,000)	(8,800,000)
RESERVE INFLOW / (OUTFLOW)		(2,020,977)	(2,073,756)	(4,094,733)
RESERVE BALANCES AT JUNE 30, 2021 (PROJ.)*		<u>\$ 9,712,469</u>	<u>\$ 5,606,519</u>	<u>\$15,318,988</u>

UW Tacoma Budget Guiding Principles

In 2017, the then Campus Budget Committee approved the following budget guiding principles. In large part, these principles still apply today. As we begin the strategic and academic planning processes, these budget guiding principles will come under review as a part of the sustainment plan development so that they are completely nested and supportive of the desired outcomes of the strategic and academic plans. As examples, we will reconsider contingency or carryforward funds. We have to consider the impact of UW Financial Transformation and the implementation of a new budget system. Our budget and academic plan haven't historically been effectively nested. This will be an imperative moving forward. Additional areas that we will likely focus our attention on are inclusion, equity, accountability and stewardship.

The following guiding principles highlight important values used in the budget decision process by all constituencies at UW Tacoma. We acknowledge that there are many uncertainties that affect the decision process. We understand that all decisions represent risk and tradeoffs and will never be perfect. Therefore, to provide a decision framework for our students and our institution, we adopt the following values for budget development and management:

1. We value the academic mission as the institution's highest priority.
2. We value the campus strategic plan (which incorporates the academic mission and highlights the importance of access) and align budget priorities accordingly.
3. We value the long-term and sustainable perspective. To ensure sustainable budgets, the revenues of an operating cycle should be the only source of funds for continuing operations in that cycle. In addition, the institution will budget an appropriate net residual income each year to manage contingencies and capital needs. Individual units should not budget for capital needs. Only deans and vice-chancellors should budget contingency funds.
4. We value enrollment growth as it responds to the needs of the community and students, and to the requirements for institutional vitality (leveraging overhead as well as growing sustainably). Such needs and requirements will be driven by the academic plan and balanced by the availability of resources.
5. We value efficiency and effectiveness. All campus units—academic and non-academic—should show evidence of such in their use of resources using appropriate measures.

6. We value a collaborative and transparent process that prioritizes the common good. Therefore, all sources of revenue and costs are considered in the budget development process. If funds are not used for the original purpose, the funds require re-authorization in order to consider other institutional priorities.
7. We value an understanding of how each unit is part of the larger institution. Budget stakeholders should learn about the institutional challenges and opportunities to better understand the whole.
8. We value transparency and evidence-based decisions. The chancellor, who holds responsibility for final budget decisions, will provide the rationale for all major budget decisions to the campus.

UW Tacoma Budget Best Practices

In addition to guiding principles, there are a number of budget best practices that provide a solid foundation for building a comprehensive and flexible plan to optimize institutional results and student success. One example is the use of financial projections. It is important to look ahead for more than one or two years at a time to assess the probable long-term impact of budget decisions and capital needs.

Additional budget best practices include the following:

- All new unit requests should be considered in the context of the total unit budget so that appropriate benchmarks can be reviewed. (Note that reviewing total budgets is not zero-based budgeting, which involves reallocating the total budget without reference to what has been previously allocated.) The total unit budget represents how a unit's expenditure in one area compares to that of other areas. This can facilitate a review of existing activities or performance metrics against unit priorities which can enable reallocation of funds to most critical needs.
- There are two kinds of expenses in any institution or business: operating and capital. The former refers to the ongoing expenses that support the day-to-day institutional processes such as staff and faculty salaries and daily general operations. The latter refers to the one-time investments that are necessary to support discreet projects or needs such as new roofs, building systems, major software systems, lab equipment and buildings themselves, among other things, from routine and recurring operations and maintenance requirements. Note that capital expenses are typically "capitalized" but this

is an accounting treatment and not a defining element. Best practice budgeting manages these two types of expenses using different sources of funds.

- Best practice budgeting recognizes that shortfalls happen. Budgets are only estimates of future outcomes and as estimates, the actual will differ from the budget. If managers are chastised for going over budget minimally, then they will estimate conservatively. If everyone in an institution is estimating conservatively, then the overall budget can be expected to represent an inflated cost for the actual results delivered. The way to counter this overestimating tendency is to use contingency funds at the vice-chancellor and school level. Leaders must discuss, plan for the size of contingency funds and routinely monitor them to prevent inadvertently tying up resources. Budget managers should estimate budgets at the expected mean outcome with the understanding that the vice chancellors and deans hold some contingency for deviations from the mean. In this way, budgets are managed as a portfolio of outcomes across the institution and individual managers are not worried about being short a few dollars at the end of the year due to unforeseen circumstances.
- It is important to recognize that salary dollars are different than operating dollars in a university setting because salaries are the single largest expense. Vacant positions should not be used as a source of funding for operations to avoid the establishment of perverse incentives and unsustainable expectations. Best practice budgeting will sweep salary funds not used because of a vacancy to a central account or to the Executive Vice Chancellor for Academic Affairs (EVCAA), depending on the employee type.
- Operating dollars represent an estimate of desired and required activities for the year. Although the intent is to spend all operating dollars in a year, sometimes this is not feasible. To incentivize the use of operating funds to achieve goals in the period for which they were provided and to avoid individual units generating large savings accounts, a) unspent operating budgets should be collected in a central account at year end to support capital needs and, b) units should be allowed to keep a small percentage of the unspent budget for future one-time expenses. This encourages appropriate budgeting and avoids the 'use it or lose it' practice.

UW Tacoma Budget Process

Based on the current institutional margin, which at <1% does not provide enough contingency for current year unknowns or capital for future year opportunities, new central funding will be extremely limited for fiscal year 2023 for UWT as a whole and very dependent on enrollment success in 2022. We are currently analyzing various measures to mitigate shortfall.

Although tuition is expected to increase 2%, this increase will not be enough to cover expected inflation on contracts and merit adjustments. This, coupled with a planned 5% decline in tuition revenue, will not allow for the contribution to the reserve and may require an additional draw on the reserves. Please expect to address new program needs through reallocations.

At a high level, the overall budget process (see Figure 2) includes gathering input from Faculty Assembly, Staff Association, central administrative units as well as faculty, staff and student representatives (through the Executive Budget Committee).

Each central administrative unit and school will discuss budget issues and priorities to formulate general recommendations for the Executive Budget Committee (EBC). Even though there is no expected available new funding for new positions or initiatives for FY23, budget requests can be made with the understanding that supporting such requests will require reallocation from another unit, an obviously difficult decision.

All central administrative units and schools will submit their whole budget for FY23, with schools including SCH projections as well. Projecting SCH for each school will ensure that we continue to support the program with a sufficient budget.

In general, a budget process is about discovering where there are strategic opportunities and gaps and addressing those opportunities and gaps with additional or reallocated funding. Because the various institutional units are dependent on each other, the budget process must be iterative. For example, if we were hiring 10 new faculty, we would need to ensure that we have the appropriate office space and the corresponding staff and custodial support for those faculty, among other things. Therefore, once budget requests are submitted to the EBC, priorities will be assessed holistically and in reference to university impact goals and long-term needs. Such assessment will be the basis for feedback to the individual budget units for re-prioritization and re-submission.

After review and prioritization, the EBC will assess how well the strategic and academic plans are advanced and then forward their assessments and recommendations to the chancellor for consideration.

At a detailed level, each group (as identified in Figure 2) will have sub-processes and specific deadlines as determined by that group. The sub-processes will start with a grounding based on this primer. For each auxiliary and self-supporting unit, the full budget along with the projected residual income, if any, will be reported to EBC.

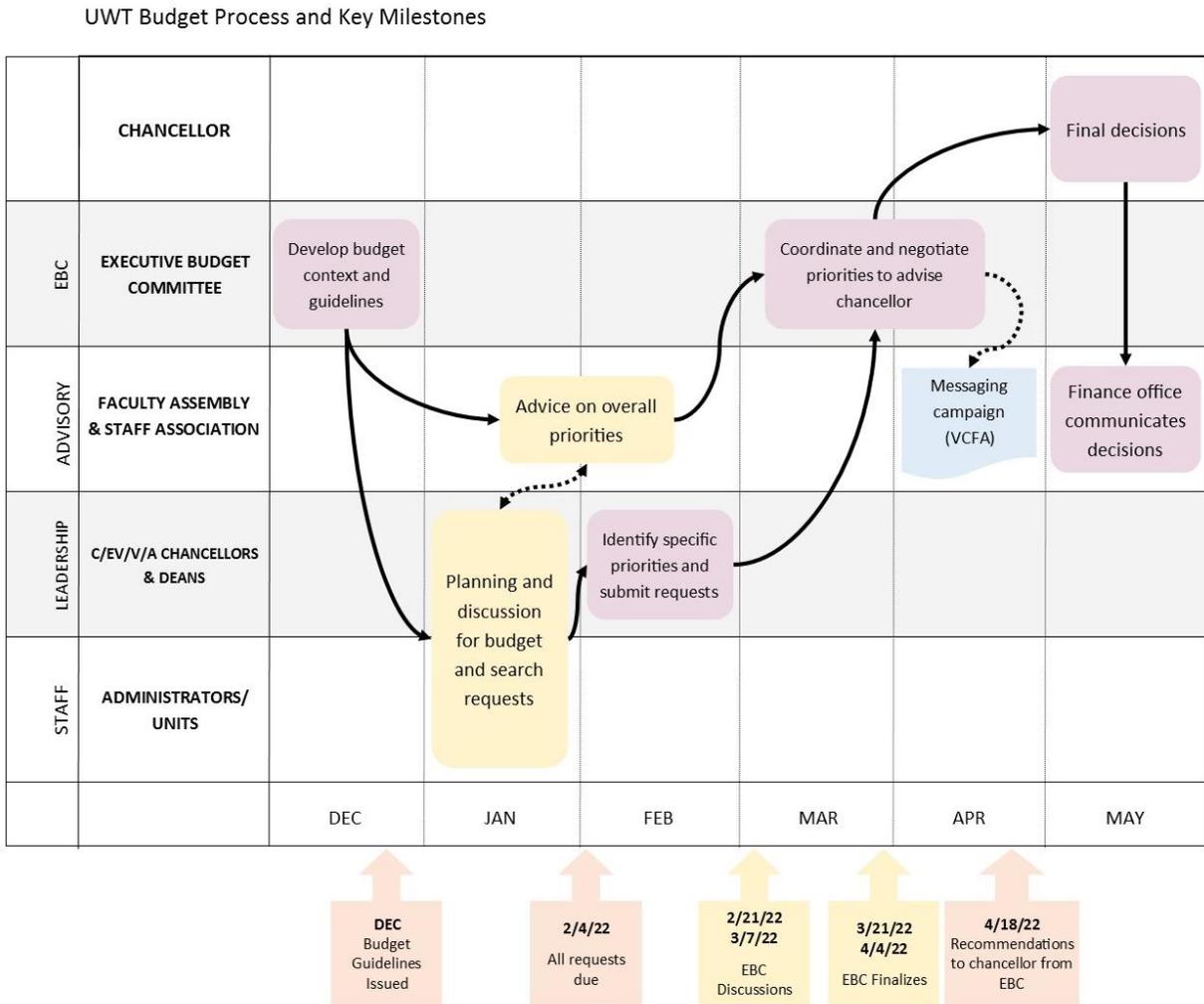
An essential component of any budget process is understanding what will not get done if a request is not funded. Clearly, if certain faculty lines are not funded and there is no other expertise in this area, then certain classes will not get taught and student graduations may be impacted. However, faculty lines for new programs may represent investments that the University cannot yet support. In that same vein, it may be desirable to see cuts (or no increases) in administrative and non-academic units. To make that decision, service reductions should be discussed, and impacts understood (assuming benchmarks show that services are delivered cost effectively to begin with).

An Excel spreadsheet will be provided to all budget units to provide a standardized input for any requests that will enable a consolidated summary for the institution, similar to the approach used in last year's budget process.

Budget Process Flow and Key Milestones

This year we have modified the process a little to place emphasis on staff level participation up front and to improve overall stakeholder participation and collaboration. See Figure 2 below.

Figure 2. UWT Budget Process and Key Milestones



Historical Budget for Reference

It is often instructive to know where you have been in order to inform where you are going. UWT is no different. Our historical data suggests growth over time with some leveling-off occurring from 2019-2021. See Figure 3 below.

Figure 3. UWT Historical Budget

UW Tacoma 10-Year Permanent Budget History

Permanent Budget by Division

DIVISION	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 as of 10/31/2021
ACADEMIC AFFAIRS	\$18,577,343	\$18,742,861	\$21,385,142	\$25,593,653	\$28,328,749	\$31,127,257	\$32,902,449	\$36,319,613	\$39,001,677	\$38,676,130	\$40,478,405
ADVANCEMENT	\$978,998	\$1,248,109	\$1,444,466	\$1,534,524	\$1,618,967	\$1,667,882	\$1,705,073	\$1,845,865	\$1,829,476	\$1,838,141	\$1,863,627
CHANCELLOR	\$923,062	\$952,472	\$981,530	\$1,278,865	\$1,005,613	\$1,126,944	\$1,301,510	\$1,738,463	\$1,692,895	\$1,665,185	\$1,733,462
EQUITY & INCLUSION	\$241,085	\$241,179	\$279,251	\$273,141	\$278,115	\$286,204	\$301,084	\$350,221	\$378,187	\$506,971	\$521,293
FINANCE & ADMINISTRATION	\$4,883,413	\$5,426,495	\$5,587,168	\$5,782,152	\$5,917,773	\$6,073,126	\$6,526,765	\$7,426,474	\$7,044,324	\$7,220,040	\$7,259,152
INFORMATION TECHNOLOGY	\$1,061,580	\$1,189,185	\$1,344,024	\$1,657,708	\$1,752,238	\$1,825,127	\$1,862,468	\$1,977,889	\$2,069,296	\$2,096,625	\$2,117,820
STUDENT AFFAIRS	\$2,260,716	\$2,530,125	\$2,996,447	\$3,314,192	\$3,556,271	\$3,645,750	\$3,813,519	\$4,006,805	\$4,019,273	\$4,084,528	\$4,168,431
RESERVE**	\$4,533,549	\$7,490,276	\$9,259,204	\$7,356,170	\$5,077,333	\$3,692,504	\$3,443,900	\$829,094	\$199,952	\$530,826	\$467,338
BENEFITS	\$7,509,824	\$7,997,706	\$8,342,165	\$8,890,632	\$10,574,520	\$11,812,574	\$12,415,006	\$12,923,929	\$13,247,338	\$13,199,198	\$13,284,973
UWS	\$2,438,538	\$2,889,375	\$3,349,098	\$3,760,062	\$3,837,202	\$4,001,072	\$4,202,941	\$3,704,967	\$3,705,951	\$3,227,391	\$3,365,998
Grand Total	\$43,408,108	\$48,707,783	\$54,968,495	\$59,441,099	\$61,946,781	\$65,258,440	\$68,474,715	\$71,123,320	\$73,188,369	\$73,045,035	\$75,260,499

Academic Affairs Detail

SCHOOL/UNIT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 as of 10/31/2021
ACADEMIC AFFAIRS-OTHER	\$2,801,417	\$1,982,128	\$2,159,210	\$2,153,420	\$2,172,479	\$2,494,820	\$2,493,846	\$3,034,621	\$2,937,967	\$3,092,704	\$3,171,406
LIBRARY	\$1,725,011	\$1,725,011	\$1,751,167	\$1,785,386	\$1,799,032	\$1,822,370	\$1,856,763	\$1,946,001	\$2,082,544	\$2,115,222	\$2,145,897
MILGARD SCHOOL OF BUSINESS	\$2,864,688	\$3,014,191	\$3,262,217	\$3,748,205	\$4,152,838	\$4,513,113	\$4,895,419	\$5,208,127	\$5,724,048	\$5,680,860	\$6,035,699
SCHOOL OF EDUCATION	\$1,353,355	\$1,497,288	\$1,799,693	\$1,937,435	\$1,993,268	\$2,069,402	\$2,134,866	\$2,364,802	\$2,363,060	\$2,354,137	\$2,399,964
SCHOOL OF ENGINEERING & TECHNOLOGY	\$2,192,815	\$2,247,888	\$2,556,006	\$3,260,517	\$4,266,350	\$4,791,720	\$5,122,090	\$6,191,955	\$6,482,321	\$6,364,387	\$6,757,167
SCHOOL OF INTERDISCIPLINARY ARTS & SCIENCES	\$4,733,837	\$5,175,067	\$6,169,948	\$8,273,309	\$9,055,022	\$10,276,615	\$10,933,722	\$12,025,068	\$13,380,453	\$13,188,061	\$13,557,787
SCHOOL OF NURSING & HEALTH CARE LEADERSHIP	\$1,273,912	\$1,186,238	\$1,331,461	\$1,485,806	\$1,510,692	\$1,602,893	\$1,722,377	\$1,787,650	\$1,949,176	\$1,927,017	\$2,003,277
SCHOOL OF SOCIAL WORK & CRIMINAL JUSTICE	\$1,041,337	\$1,185,728	\$1,374,200	\$1,743,044	\$2,001,186	\$2,097,040	\$2,237,766	\$2,214,033	\$2,386,222	\$2,377,552	\$2,624,737
SCHOOL OF URBAN STUDIES	\$590,971	\$729,322	\$981,240	\$1,206,531	\$1,377,882	\$1,459,284	\$1,505,600	\$1,547,356	\$1,695,886	\$1,576,190	\$1,782,471
Grand Total	\$18,577,343	\$18,742,861	\$21,385,142	\$25,593,653	\$28,328,749	\$31,127,257	\$32,902,449	\$36,319,613	\$39,001,677	\$38,676,130	\$40,478,405

*Beginning in 2019 a portion of UWS Overhead was transferred to non-permanent funds

**In 2021 the Reserve included \$456,000 set aside for tuition shortfall

UW Tacoma Budget-related Key Terms

For Fund types and definitions such as General Operation Funds (GOF), Designated Operating Funds (DOF), Research Cost Recovery (RCR) and found sources visit:

<http://finance.uw.edu/fmat/oversight/framework>

Additional Definitions for Reference

- **Carryforward funds** = reserves (which result from prior year unspent budget and over-realized revenue).
- **Permanent funds** = state appropriation and tuition revenue (based on prior year budget), an ABB unit-level term and not used at the UWT school level.
- **Temporary expenses** = operating expenditures that are identified as one-time in the budget year.
- **Auxiliaries / Self-sustaining** = service programs such as student housing, retail leases, parking and transportation, and food services that support non-educational needs of students, faculty and staff, and which should be self-sustaining.
- **“Summer money”** = the net residual income generated from summer quarter after covering all summer related costs and the Urban Waters lease, the faculty research quarter and the Summer Bridge program.
- **Tuition** = Operating Fee and Building Fee. The Building Fee is not collected during the summer quarter, and summer quarter tuition is considered Designated Operating Funds (DOF) not General Operating Funds (GOF). Thus, they are one-time not on-going.
- **Student Fees** = Services and Activities Fee (SAF), Student Technology Fee (STF), Course Fees and the University Y Fee, all of which are allocated for specific purposes.

Activity Based Budget Proof of Concept

During the FY23 budget development process, UWT seeks to employ a proof of concept to explore the potential for transition from an incremental budgeting model to an activity based budget (ABB) model.

UWT currently employs an incremental based budgeting model. This model takes the prior year's actual figures and adds or subtracts a percentage to obtain the current year's budget. It is a common method of budgeting because it is simple and easy to understand. Incremental budgeting is appropriate to use if the primary cost drivers do not change from year to year. Some of the limitations are:

1. It does not incent unit revenue growth or cost control
2. It is difficult to maintain in periods of stagnant growth
3. It does not flexibly accommodate changes in enrollment patterns

This is similar to our UWT context today. According to the Education Advisory Board (EAB), higher education units are trending towards some form of an ABB model.

An ABB model allocates net tuition revenue to the unit(s) that conducts the activity and generates the revenue. This allocation is done using a predetermined calculation and model created for just this purpose. In addition to the net operating fee portion of tuition, indirect cost recovery is allocated to units based on an approved formula. ABB provides opportunities to align activities with objectives, streamline costs and improve business practices. According to the EAB, ABB seeks to create organic flow of resources and unlocks unit base budgets for reallocation across the institution while instilling unit-level financial accountability, as units must examine value of programs and make targeted reallocations.

Find more information here:

http://depts.washington.edu/opbfiles/web/ABB_Trends_Brief+spreadsheet-v2.pdf?_ga=2.200877230.1483273454.1639443560-1801072419.1632783829

Allocations

Allocations involve the physical act of assigning available resources to the units here on campus. The allocation process is currently processed through the Financial Accounting System (FAS). This is an old system, and it is one of the systems that will be replaced with Financial Transformation go-live. In the current FAS system, the planning for budget is done outside of the system and when FAS opens several months after year-end, all adjustments must be manually entered into the system. For that reason, it is important for units to receive notification of adjustments that may not be appearing in the system in order to appropriately plan their expenses for the year.

On a monthly basis each division and school receives a report showing budget, expenses and explanations regarding budget adjustments. It is important for units to monitor these reports and be aware of changes, and to contact the Finance Office with any issues or errors. It is the responsibility of each Budget Head to assure that spending is within their allocated budget and that if issues arise which may cause over expenditures that they are discussed with their VC to determine appropriate methods to cover deficits. Equally important is monthly review of expenses to assure that they are charged against the correct fund source. For this reason, monthly reconciliations must be a part of the routine of the fiscal support staff in each unit. As we move to the new Workday Financial System there will be full account closings on a more regular basis and the ability to transfer expenditures after a closing will be significantly limited.

Closing

While planning for FY23 will run into its share of challenges on the heels of an unprecedented year-and-a-half, it will also present us with opportunities to collaborate in a way that best serves the priorities of our campus while creating a foundation from which to achieve strategic and academic goals. Keeping in mind the impacts of COVID-19 and enrollment being down, it is important that we come together as an institution and as responsible stewards of precious resources to build a budget that accounts for the near and long term, is inclusive of stakeholders across campus, and ultimately optimizes institutional and student success.