2015/16 Budget Process
Strategic Financial Planning Framework

Engage strategic and financial planning models that ensure a financially sustainable and resilient university for the future.

Integrated Resource Planning
- Comprehensive asset/liability management
- Integrative-single institutional point of view
- Long-term in nature
- Analyzes returns on investments
- Proactive
- Dynamic and scenario-based
- Transparent

Guiding Principles
- Strategic – We align incentives with our mission and with strategic behaviors.
- Predictability – We build models that provide reliable foundations for planning.
- Flexibility – We build planning models that anticipate and are responsive to changes in the economic environment; we incorporate appropriate risk management strategies.
- Integration – We consider the university as a whole and make intentional connections between varying types of organizational needs and priorities.
- Stewardship – We exercise prudence in managing our resources; diversify revenues to promote resilience; maintain appropriate reserves; and reward efficiency and effectiveness.

Goals
- Predictability – We build models that provide reliable foundations for planning.
  - Establish and maintain a published planning calendar;
  - Ensure clarity and consistency in the budget model and in distribution methodologies;
  - Eliminate any unnecessary complexity in our budget model and accounting practices;
  - Establish policies that clarify the intended purposes of different funding streams.
- Flexibility – We build planning models that anticipate and are responsive to changes in the economic environment; we incorporate appropriate risk management strategies.
  - Remap budgets to funding streams to maximize revenues and ensure that funds available match our strategic purposes;
  - Establish disciplines around reserve levels – both at institutional and unit levels; maximize reserves at decanal and university levels and minimize held by programs/individuals.
    - Insufficient reserves = lack of flexibility
    - Excessive reserves = not fully utilizing our resource capacity
- Integration – We consider the university as a whole and make intentional connections between varying types of organizational needs and priorities.
  - Understand linkages between operating and capital budgets and needs – e.g., hiring and space; enrollments and classrooms.
  - Understand returns on investment and use them as long-term financial planning and management strategy;
- Understand where cross-subsidies exist and ensure they are consistent with strategic intent;
- Recognize debt as an institutional resource and manage it accordingly.

- **University Goals for the 2015/16 Annual Resource Planning Process:**
  - Build a Strong, Productive, and Diverse Faculty
  - Recruit, Educate, and Graduate Talented, Diverse, Successful Students (Curricular Distinction)
  - Maintain State-of-the-Art Infrastructures
  - Impact the Challenges of Our Time (Communities of Excellence)
  - Build a Leading Global Presence
  - Engage in Partnerships That Enrich UB & Our Publics

**Budget Planning Calendar**

**August:**
- Prior Year carry forwards loaded
- Initial 5-Year Financial Plan and planning assumptions completed
- Budget Model solidified for following fiscal year

**September – December:**
- Annual plan reviews and budget requests presented
- Enrollment, tuition and fee plans solidified
- Hiring plans solidified
- Capital plans solidified

**January–June:**
- 5-Year Financial Plan updated
- Budget hearings
- Resource allocation decisions finalized and communicated to units
- Units prepare and submit final budgets

**July:**
- Prior fiscal year closed
- New fiscal year budgets loaded in financial system