BUDGETING WITHIN OUR (LIMITED) MEANS: A CAO/CFO/CEMO COLLABORATION

2022 Institute for Chief Academic Officers with Chief Financial and Chief Enrollment Officers
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with Chief Financial and Chief Enrollment Officers

TENACIOUS. CONFIDENT. FORWARD-LOOKING.

The Council of Independent Colleges

guidebook

WILEY University Services
Presenters

**Julee Gard**, Vice President for Administration and Finance, University of St. Francis (IL)

**Beth Roth**, Vice President for Academic Affairs and Provost, University of St. Francis (IL)

**Eric Wignall**, Vice President for Admissions and Enrollment Services, University of St. Francis (IL)

Chair: **Samir Datta**, Vice President for Finance and Administration, Lawrence University
Prepare for a Participants Poll

On your phone please browse to: vevox.app

Enter Session ID: 109-398-737
Budgeting Within Our (Limited) Means
A CAO/CFO/CEMO Collaboration

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The University of St. Francis

• Catholic, Franciscan University Founded in 1920 in Joliet, IL.
  – 3700+ Students – Grad and Undergrad
  – Substantial Off-campus/On-line Presence

Bigger thinking. Brighter purpose.
Today’s Agenda

1. Learning Outcomes
2. Budgeting as a Necessary Evil
3. Inviting More to the Party
4. Budgeting Within our (Limited) Means
5. Key Takeaways
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Participants Will...

• Learn about budgeting and planning processes that engage many stakeholders in shared work
• Gain information about a workgroup structure applicable to any CIC member school
• Consider the role of VPs and Presidents in this model
Participants Will...

- Gain strategies for overcoming initial challenges to implementing this approach
- Understand the benefits to the financial health of an organization by adopting this budgeting methodology
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What are people saying?

• “No one understands how the budget is developed.”
• “They ask our input during the budgeting process, but clearly they aren’t listening!”
• “I have nothing left to cut in my department”
• “What transparency?!?”
• “Why can’t we just cash in some of the endowment?”
What are YOU saying?

To participate in a three-question poll:

On your phone please browse to: vevox.app

Enter Session ID: 109-398-737
What one word describes your current budgeting process (keep it PG, please)?
How involved are you in your institution’s budgeting process?

1. I embody the budget 42.68%
2. I know enough to be dangerous 48.78%
3. What budget? 8.54%
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Clear Accountability...

<table>
<thead>
<tr>
<th>BUDGET and PLANNING</th>
<th>ACCOUNTABLE</th>
<th>RESPONSIBLE</th>
<th>CONSULTED</th>
<th>INFORMED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Design</td>
<td>President</td>
<td>VPAF thru Budget &amp; Planning Cmte</td>
<td>Necessary Resources</td>
<td>President/VPAF reports to Exec Council</td>
</tr>
<tr>
<td>Academic Dept/Division Budgets</td>
<td>B&amp;P Recommends to Pres</td>
<td>Budget Managers</td>
<td>Affected Department</td>
<td>B&amp;P reps report back to constituents</td>
</tr>
<tr>
<td>Priority of Capital Expenditures</td>
<td>B&amp;P Recommends to Pres</td>
<td>B&amp;P Facilities and Infrastructure</td>
<td>Constituents rep serves</td>
<td>Workgroup Reps report to constituents</td>
</tr>
<tr>
<td>Employee Compensation and Benefits</td>
<td>B&amp;P Recommends to Pres</td>
<td>B&amp;P Comp and Benefits Workgroup</td>
<td>Constituents rep serves</td>
<td>Workgroup Reps report to constituents</td>
</tr>
<tr>
<td>Tuition rates</td>
<td>B&amp;P Recommends to Pres</td>
<td>B&amp;P Enrollment Workgroup</td>
<td>Constituents rep serves</td>
<td>Workgroup Reps report to constituents</td>
</tr>
<tr>
<td>Room and Board rates</td>
<td>B&amp;P Recommends to Pres</td>
<td>B&amp;P Enrollment Workgroup</td>
<td>Constituents rep serves</td>
<td>Workgroup Reps report to constituents</td>
</tr>
<tr>
<td>New Positions</td>
<td>President</td>
<td>B&amp;P through a VP champion</td>
<td>Cabinet and Division/Dept affected</td>
<td>B&amp;P Reps report to constituents</td>
</tr>
<tr>
<td>Finalize Annual Institutional Budget</td>
<td>Board of Trustees</td>
<td>President</td>
<td>Budget &amp; Planning Committee</td>
<td>President communicates at Town Hall following BOT approval</td>
</tr>
</tbody>
</table>

**Vice Presidents**
* Chair Workgroups
* Members of Budget & Planning Committee
* Accountable for bringing balanced budget to President

**President**
* Accountable for bringing balanced budget to Board
How Many Are Invited to YOUR party?
What % of your employees are involved in and/or have input into the budgeting process?

Average: 16.67
Membership expanded (50+) for transparency and inclusion.
## Workgroups

### B&P Committee vs Workgroup Only

<table>
<thead>
<tr>
<th>Enrollment Workgroup</th>
<th>Workgroup Only</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff/Admin</strong></td>
<td>Dean of Student Life</td>
</tr>
<tr>
<td>Cabinet member</td>
<td><strong>Dean/Admin</strong></td>
</tr>
<tr>
<td>Cabinet member</td>
<td>Dean - COBHA</td>
</tr>
<tr>
<td>Cabinet member</td>
<td>Dean - LCON</td>
</tr>
<tr>
<td>Director of Financial Planning &amp; Analysis</td>
<td>Assistant Registrar</td>
</tr>
<tr>
<td><strong>Director/Admin</strong></td>
<td>Director of Financial Aid</td>
</tr>
<tr>
<td><strong>Dean/Admin</strong></td>
<td>Director of Institutional Research</td>
</tr>
<tr>
<td><strong>Director/Admin</strong></td>
<td>Director of Enrollment Services</td>
</tr>
<tr>
<td><strong>Asst/Admin</strong></td>
<td>Asst Director of Athletics</td>
</tr>
<tr>
<td>Faculty</td>
<td>Faculty member from COE</td>
</tr>
<tr>
<td>Faculty member from COBHA</td>
<td>Faculty member from LCON</td>
</tr>
<tr>
<td>Faculty</td>
<td>Faculty member from LCON</td>
</tr>
<tr>
<td>Faculty</td>
<td>Faculty member from CAS</td>
</tr>
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Budgeting & the Business Plan

• Zero-Based Budget
• Day +5 Month-End Close (Budget vs Actual)
  – Shared Monthly
  – Understanding YTD variances (timing vs perm)
  – **Reforecasting** at least 3x per year
Capital Planning Process...

• 3-year Rolling CapEx Budget
  – Annual spending targets – including deferred maintenance

• Projects Vetted and Prioritized by Facilities & Infrastructure Workgroup
  – Ultimate prioritization by Cabinet
...Supports Strategic Planning

• Annual Budget Targets Established per Strategic Plan
  – 2-4% Operating Margin
  – Breakeven Student Revenue Coverage
  – Funding for Strategic Initiatives

• Cash Flow Forecast to Support CapEx, Covenant Compliance, and Cash Reserve Building
Not All Cupcakes & Unicorns

* Challenging timelines
* Hard to pass blame
* Educating the educators
* Difficulties with estimating by month

* This is NOT the way we have always done it!
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And... Our Key Takeaways

- CAO, CEMO, and CFO collaboration
- Inclusive, Transparent Budgeting Process to Drive Business Results
- The budget belongs to EVERYONE
Thank You...&

Pace e Bene!

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QUESTIONS?