

VCU Memo

Monroe Park Campus

V i r g i n i a C o m m o n w e a l t h U n i v e r s i t y

TO: Vice Presidents, Vice Provosts, Associate Vice Presidents,
Deans, and Unit Heads

FROM: David Hanson, Senior Vice President and Chief Operating Officer 

DATE: July 1, 2013

SUBJECT: Budget Development: FY 2015

**Office of the Senior
Vice President and Chief
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Colleagues:

Last year at this time, I wrote to you about a new budget process at VCU. The new process focused on transparency and open communication of issues. Through the University Budget Advisory Committee (UBAC), all units of VCU presented their mission, outlined their funding needs as they related to *Quest for Distinction*, and were encouraged to provide input on issues impacting our budget. At the same time we held a series of campus-wide open forums on VCU's Financial Structure, Operations and Budget 101. These were aimed at helping anyone interested in better understanding how the budget process works and the underpinnings of VCU's finances. We have strived to create a strategic budgeting process as we work toward achieving the goals of the *Quest for Distinction* and respond to state demands.

This year, I want to thank you for your participation in that new process. I think we saw improvement in the communication and understanding of the budget issues the University faces. The presentations and discussions during the UBAC meetings played a key role in the prioritization of spending requests submitted by units. Those prioritizations allowed the Board of Visitors to adopt a strategic budget. Not only did the UBAC meetings provide the basis for the FY 2014 budget, but also provided a sound base for FY 2015, and beyond. Again, thank you for your dedication to the process. Please continue to provide suggestions on how the process can improve and allow us to develop the best budget to meet the needs of students, faculty, and staff.

Although FY 2014 has just begun, it is time for us to focus on the budget realities and timelines of FY 2015. Additional revenue to meet unavoidable cost increases as well as high priority programs will continue to be limited. I know budgets have been stretched over the past five years and many funding requests have not been approved; however, it remains important for us to continue to review and analyze budgets to ensure programs are implemented in the most cost effective manner possible. Although often frustrating to continue to make requests that are not funded, this is an ongoing effort that we all must take so we know what our needs are.

There are important FY 2015 budget development items that need to be addressed in the next two months.

UBAC

UBAC budget meetings for FY 2015 will begin in August. Similar to last year, this is an opportunity for units to discuss budget opportunities and challenges with the UBAC. To assist in the preparation of these meetings, a summary of FY 2013 sources and uses for each major budget unit (MBU) in your area will be emailed to you by your budget analyst. This summary will give an overview of all fund sources and uses for an entire MBU and also supporting summaries for each department contained in the MBU. For a more detailed analysis of this data, your fiscal administrator can easily run the following report from the Banner Reporting Center using the following parameters:

- Under the “Finance” folder, choose the report “Departmental Detail Budget Status”
- Enter “2013” for the Fiscal Year
- Select “14- Adjustments” for the Fiscal Period
- Enter your MBU number for the Organization Code
- Select “Excel” to export the data where it can be sorted and filtered to best accommodate your analysis

In addition to the base financial data, each unit should complete and be prepared to discuss the following items:

1. Identification of the top three priorities in your unit. These would be priorities that most align with *Quest* and the University’s mission and goals. **Due August 15th**
2. The Appropriation Act, *Chapter 806, 2013 Acts of the Assembly*, requires the reallocation of \$2.9 million of VCU’s budget in FY 2014 (\$2.2 million of VCU’s budget was reallocated in FY 2013) to support VCU’s Six-Year Plan initiatives and/or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011. While we do not know what the state will require in the new biennium we will continue to need your assistance in reallocating budget across the University to meet these legal requirements and to support underfunded areas that are critical to meet the requirements and the themes and goals of *Quest*. In a related effort, we will ask UBAC to begin to develop more specific dollar amounts for the many ways you are already reallocating resources via new ideas and programs so that we can show all VCU is doing to meet the state’s requirements.
3. Identify anticipated funding needs for fiscal years 2015, 2016, and 2017 that align most with *Quest* and VCU’s Six-Year Plans. This will help frame University level discussions and decisions on how and where the reallocated funds would best serve the strategic initiatives in *Quest*. **Due August 15th**
4. An executive summary of no more than three pages. This summary should outline and support the three items above. **Due August 15th**

5. A list of all Entrepreneurial Program Tuition (EPT) Agreements. Over the summer, a UBAC subcommittee will begin working on the review and proposed standardization of EPT Agreements in light of *Quest for Distinction* (this should not have changed for most since the prior year). **Due August 30th**
6. A carryforward commitment schedule for FY 2012 and 2013 will be provided to you by your budget analyst. Carryforward balances will be explored during the budget meetings to fully understand all the available resources that you and the University have while seeking to fund strategic initiatives. Units should provide an estimated carryforward amount for FY 2014. **E&G due September 15th; All other funds due October 15th** (if your meeting is prior to September 15, please submit E&G carryforward information at least 2 business days in advance).

Your budget analyst will provide a packet of information to you to help prepare all of these documents. Please submit the information by the due dates listed above in **bold** in order to prepare for the late summer/fall budget meetings. The available meeting dates is attached. You can schedule your budget meeting by going to this link: <http://training.vcu.edu> and search for sponsor = Budget.

If you or your unit has any data needs or requests that will be helpful in assisting you in this process, please let me know by July 15, 2013. **Please submit the requested information along with any comments, questions, and/or requests directly through the email address GOTBUDGET@vcu.edu.**

State Budget Process

The state budget process begins during the summer each year. Although additional funding by the state is by no means guaranteed, when reviewing your budget priorities and initiatives in preparation for UBAC, consider any items that may be funded by the state. If you could make a list of those particular items and forward them to the Budget Office by August 30, 2013, that would help in culling those from the overall requests. This will allow those items to be considered by VCU for inclusion in our submission to the Governor.

Thank you for your assistance and I look forward to healthy discussions and positive collaboration as we build the budget for FY 2015.

Cc: Michael Rao
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