

BUDGETARY PROCESS TASK FORCE
FINAL REPORT
OCTOBER, 2007

Introduction

The Budgetary Task Force was constituted at the close of the spring semester, 2007, in agreement between the President of the College, John Smarrelli, the Vice President for Finance and Administration and Treasurer, Roger Stackpoole, and the President-Elect of the Faculty Senate, Cliff Donn. As a follow-through on the work of the Task Force on Faculty/Staff Salaries, constituted in response to a fiscal crisis issue over salaries that surfaced in January of 2007, the Budgetary Task Force was charged with the responsibility to reconstitute the College Budget Committee after carrying out a thorough review and reconsideration of the issues surrounding budgetary processes at the college. The members of this Task Force are:

Sul Young Choi, Faculty Finance Committee

Dean Crawford, ad hoc member

Rob Flower, Chairperson of the Faculty Finance Committee

Susan Havranek, Faculty Finance Committee

Linda LeMura, Provost and Academic Vice President

Roger Stackpoole, Chair of the Task Force, Vice President for Finance and Administration

Theresa White, Faculty Finance Committee.

The Task Force has met regularly, throughout the summer and fall semester. The work of this Task Force has been brought to completion. What follows, below, is the final report.

Caveats

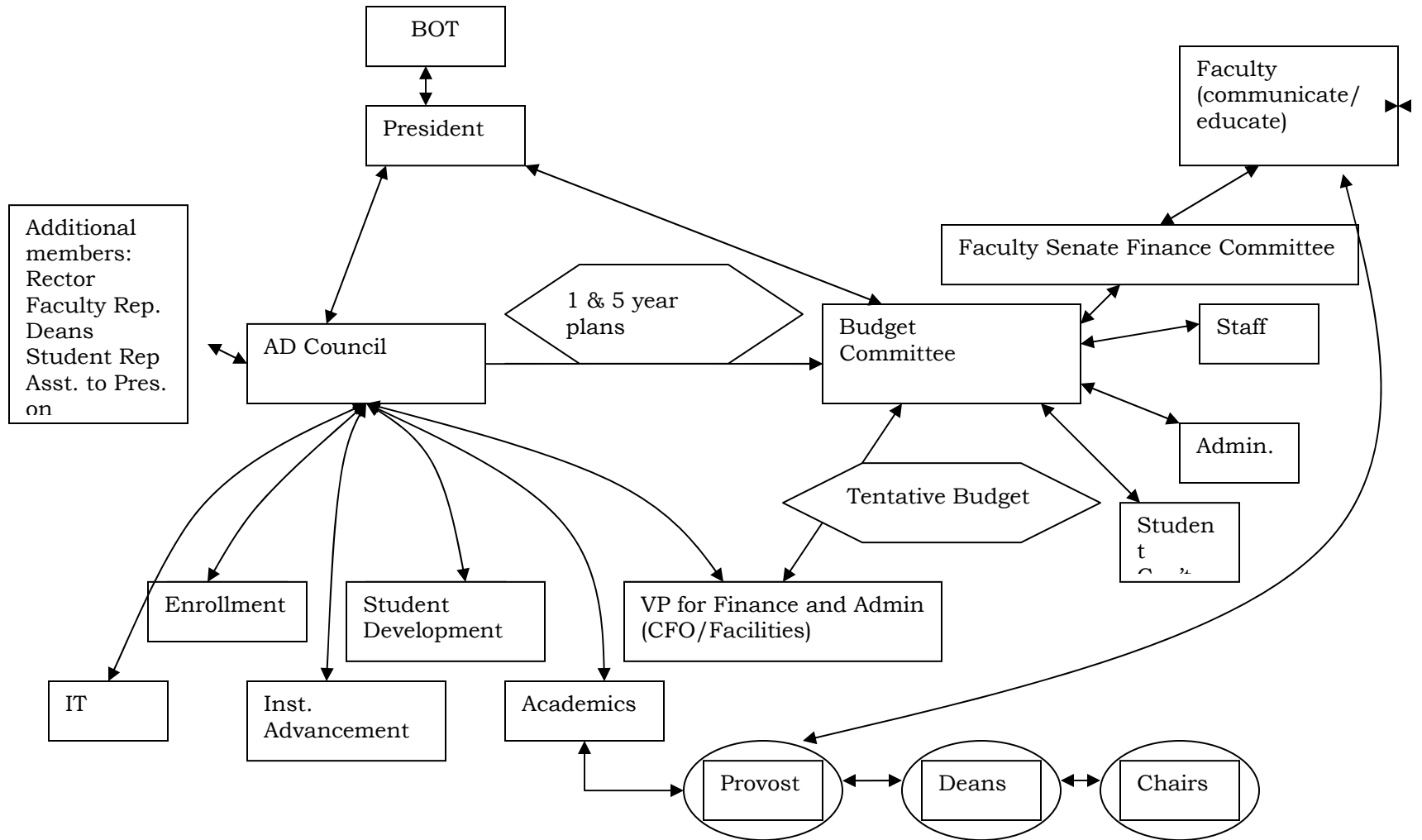
1. Arguably, the most significant guide in the work of the Task Force was to enhance college-wide transparency. Transparency is simply the principle that all information surrounding the work of the college should be readily accessible, openly shared and responsibly communicated to all relevant parties in a timely manner. The principle presumes that the burden of proof falls upon one who would think it appropriate not to share information. Thus, while transparency must occur within discretionary limits, it is presumed that such matters must bear the weight of “defensible exception.”
2. The operating principle of the Task Force was collegiality. Not only was the extended life of the Task Force marked by such decorum but, as acknowledged by the membership, was so as a matter of precedent for future such collaborative efforts.
3. Consistent with collegiality, the deliberations of the Task Force were exercises in balance. At virtually every turn, members of the Task Force came to appreciate that successful resolution of an issue would mean to locate the matter in a balance of competing interests. Efforts to find such a locus became paramount questions concerning the function of the College Budget Committee surfaced. Without detailing such, be it enough to say here that our final report bespeaks our sense of success.
4. Finally, nothing in this report is meant to cast matters in irremediable concrete. While the conclusions brought forth in this report are seen as prudent and “of good counsel” the Task Force recognizes that its findings are and should be open to revision.

Final Report

The body of this report articulates five considerations:

- the cartographic location of the Budget Committee with the governance structure of the college;
- the function(s) and scope of responsibility of the Budget Committee;
- the general procedures of the committee/committee chairs;
- the membership and chairperson assignments within the Committee; and
- a recommended calendar of meetings for the Committee which also delineates the way in which the committee calendar is meant to intersect with the calendar of budget planning throughout the year.

LOCATION OF THE BUDGET COMMITTEE WITHIN THE COLLEGE GOVERNANCE STRUCTURE



FUNCTIONS

The Budget Committee (BC) consists of representatives from all constituencies (students, faculty, administration, and staff) of the Le Moyne College community. It will review and provide recommendations to the Chief Financial Officer (CFO) and the President regarding strategic planning and budget issues. The mission of the committee is to increase meaningful contribution, communication, and participation by faculty, staff, administration, and students in Le Moyne College's (LMC) budgetary processes. This committee will serve as a conduit of financial information for all constituencies, so that they will be represented in deliberations of budgetary issues that affect Le Moyne College's academic mission, such as long-range planning, allocation of financial and personnel resources, and establishment of academic priorities.

1. The BC serves several functions, including the following: Studying and recommending strategic policies for the allocation of financial resources; Examining budgets and providing advice on the preparation of the budgets, as well as the allocation of funds within budget categories; Maintaining close contact with the Faculty Senate and other constituencies so that the work of the LMC community is reflected in budget policies. Each of these functions is elaborated below.
 - 1.1. The BC serves as an advisory group to the process of converting the one and five year strategic plans to financial budgets. This role involves understanding and considering how the annual operating budget aligns with and supports the College's near and long-range strategic plans. The BC is responsible for collecting, studying, and questioning on behalf of the LMC community the results of these events, as well as comparing actual performance with budget. This active review process will result in the BC providing feedback to the CFO, and if appropriate to the President (see number 3 under the "General Procedures" section below).
 - 1.2. The BC's central role is to facilitate and actively participate in a level of transparency in budgetary processes and decisions. As such, the members of the BC are responsible for examining budgets and providing advice on the allocation of funds in accordance with both the interests of their constituencies and the one and five year strategic plans.
 - 1.3. The BC also serves to facilitate communication between students, faculty, staff, and administration. To support and enable this communication, the BC has the responsibility to act in an advisory (or sounding board) role regarding the content and modes of delivery of training, self-study, and communication of information relative to budget development, stewardship, and financial policies, procedures and protocol. The BC is expected to support the development and delivery of programs to educate the constituent groups about financial and budgetary issues (e.g., encourage attendance at training sessions and open forums), and foster a culture that values budget accountability. One function of the committee is to host "think-tank" meetings focused on long-term questions about the College.
 - 1.4. BC members will act as liaisons between their constituent groups and the BC on macro fiscal matters. BC members fill an integral role in campus outreach to ensure all members of the Community are aware of avenues available to them to learn about the College's fiscal position and strategic plan, to access information about budget-related policies, procedures and processes. This is an important element of the College's commitment to ensuring all employees have an awareness of the College's strategic plans and priorities and the realities of the LMC's financial condition. BC members are expected to communicate their constituents' observations and feedback to the BC.
2. Although the BC is not an oversight body and does not have responsibility for monitoring actual operating results versus budget, it is responsible for reviewing, understanding and comparing the budget with actual results. Members of the BC should work to comprehend the holistic financial condition of the College through this information and evaluate the control environment surrounding budget accountability. Dialogue at the BC on these matters may lead to both positive and constructive feedback for the CFO pursuant to the BC's advisory role.
3. As stated above, summary operating budget results will be presented to the BC for purpose of helping the BC understand the College's financial condition and associated outcomes, opportunities and challenges relative to the strategic plan. Likewise, the College's Master Plan, Capital Budget, and any other information necessary to understand the totality of the College's financial condition will be presented to the BC.

4. The BC is expected to be familiar with LMC's strategic plans. The Administrative Council is charged with producing and updating College-wide one and five year strategic plans which take into consideration the individual strategic plans of the seven functional areas of the College. The updated College-wide strategic plans are provided to the BC and serve as guidance for the budget. The BC strongly recommends that these plans should be widely disseminated to members of the community and at a minimum should be included on the College's website in a readily accessible location.

GENERAL PROCEDURES

1. The BC will meet throughout the year to address budgetary matters (see attached calendar of anticipated meetings). The BC will work with the CFO to ensure the actual budget supports the College-wide strategic plan. In addition, the BC will support the CFO in the process of considering and possibly identifying opportunities and needs for budget reallocations, cuts and additions.
2. It is the responsibility of the CFO to present the finalized budget to the President. It is presumed that the budget has the endorsement of the BC. However, if this is not the case, see number 3 below.
3. The Faculty Co-Chair of the BC has the option of submitting a document to the President expressing concerns about the budget.

COMPOSITION AND TENURE

The BC has seven members, filled as follows:

- Faculty Senate Finance Committee Members
 - The Chair and one additional member will serve. Their terms will follow the term of their appointment to the FS-FC with a minimum of two years. The Chair of the Faculty Senate Finance Committee will be the Co-Chairperson of BC.
- CFO (Co-Chairperson; permanent member)
- Provost (permanent member)
- One Staff Representative (three year term)
- One Administrative Representative (three year term)
- One Student Representative (when possible, a two year term) – Either the Vice President of Financial Affairs of the Student Senate or the Controller of Student Government will serve in the position. A member of the BC will make a commitment to work with the student to ensure that their skill set is developed sufficiently to allow them to participate meaningfully in the process. (See the attached information regarding the student representative commitment.)
- Resource Persons will be involved as needed (they will not be voting members)

Responsibilities of Student Representative on Budget Committee

1. The student representative is expected to attend all BC meetings. The BC generally meets once a month during the school year. Twice-a-month meetings may be required during the months of December and January.
2. All necessary meeting materials will be distributed to BC members in a timely manner in advance of a scheduled meeting. The representative should expect to spend approximately two hours of preparation time reviewing materials prior to each meeting.
3. The representative is required to meet with the BC mentor as needed to develop an understanding of the budget process. The college CFO or one of the Faculty Finance Committee members will serve as the BC mentor.
4. The representative will be required, at least annually, to present an overview of the budget process and major budgetary decisions to the student body. Most likely areas of focus will include tuition increases, housing issues, and major capital expenditures. BC members and administrative staff will assist in presentations when necessary.

Corollary Findings

In addition to its central recommendation regarding the structure and function of the BC, the Task Force makes the following corollary recommendations on matters that arose during its deliberations:

1. **The College Web Site must undergo substantial renovation.** In order to facilitate the posting and communication of information relevant to budgetary matters, the college web site must be upgraded. This posting should include (at least/among possible others): the Strategic Planning of all Vice Presidential Offices; minutes/updated reports from such bodies as the Administrative Council, the Staff Council, the Faculty Senate/ Board of Trustees (and the like); master planning, etc. Second, these postings should be placed within a newly-framed, "user friendly" cite. Finally, these postings should be made and monitored under the auspices of the college web master.

2. **The focus of college interests should be expanded to include the work under all Vice-Presidential Offices.** While it cannot but be acknowledged that certain areas of the college life may seem more central than others to certain interest groups, the health of the college, in particular of college planning, will be enhanced if segments of the college were more conversant with each other. For example, it is seen as telling that the Faculty Senate does not have a standing committee on student life/affairs.

Tentative Calendar

BC – Budget Committee
 BOT – Board of Trustees

Note: Le Moyne College’s fiscal year runs from June 1 to May 31.

July	Outside Audit of Actual Results (no BC involvement)
August	<p>Mid to end of month – finalized results of prior fiscal year actual and budgeted results (no BC involvement)</p> <p>BC meeting end of month: Summer revenues, projected fall enrollments, projected net tuition revenues (e.g., discount rate outlook), prior year results as known, revisit role and procedures of BC.</p>
September (one meeting; Members will have substantial self-study and electronic communication)	<p>Mid-month – 1 & 5 year plans from the VPs and President.</p> <p>Following publication of 1 & 5 year plans – CFO to send request to department chairs for as much information as possible on budget needs for the next fiscal year and beyond (main focus on macro issues)</p> <p>Prior year actual results presented to BOT.</p> <p>BC meeting end of month: Discussion of strategic plans and impact on near and long-range operating projections. BC may invite select VPs to present. Discussion to incorporate facilities Master Plan. Discussion of BOT response to prior year results.</p>
October (one meeting; Members will have substantial self-study and electronic communication)	<p>Mid- month - Baseline Budget given to BC</p> <p>10/20 – Macro Budget request to Controller and Director of Finance. Follow up with deans on data requested from department chairs</p> <p>By 10/31 – Admissions provides information on forecasted enrollment, discount rate and tuition price sensitivity to BC</p> <p>BC meeting end of month: Present prior year operating budget outcomes and audited financial statements to BC; review baseline budget for succeeding year; other fiscal related topics as appropriate (e.g., enrollment, process, etc.).</p>
November (one meeting; Members will have	<p>Consolidate macro-budget, request data from Controller and Director of Finance, and quantify impact on the operating budget</p> <p>BC meeting early to mid month: review macro budget requests and impact on operating budget and long-range forecasts. Discuss major opportunities and challenges facing the College for the operating budget, including employee compensation, net tuition revenue, etc.</p>

substantial self-study and electronic communication)	<p>Summarize feedback for CFO relative to BC's preliminary sense of budget priorities or concerns. CFO to communicate BC's feedback as appropriate to VPs/Deans, Admin Council and President</p> <p>By Thanksgiving – Presentation to Faculty Senate of Preliminary Results current Budget & Baseline Budget facts for subsequent budget year. BC members to communicate with constituent groups; communications should be carefully coordinated with CFO for consistency/accuracy.</p>
December (semi-monthly meetings)	<p>BC expects to meet on or about 12/15, 12/21.</p> <p>BC 12/15 meeting: discuss tuition, room and board rate increases, salary/wage increases, and other macro budget assumptions. CFO will share BC sense of these issues with VP/Deans, Admin Council and the President.</p> <p>BC 12/21 meeting: review President's preliminary conclusion on macro budget assumptions, especially tuition, room and board rates and salary/wage increases.</p>
January (semi-monthly meetings)	<p>BC expects to meet on or about 1/7 and 1/21.</p> <p>BC 1/7 meeting: discuss budget opportunities and challenges and produce any changes or additions to BC's recommendations/feedback for CFO, VPs/Deans, Admin Council and the President in preparation for President's recommendations for approval by the BOT in February.</p> <p>BC 1/21 meeting: review President's proposed preliminary budget for the succeeding year.</p>
February	<p>Preliminary Budget goes to BOT; Board approves employees' salary/wage increase and tuition, room and board rates.</p> <p>BC meeting end of month: review BOT outcomes. Review current year-to-date operating results.</p>
March	No meeting, but BC members are expected to have self-study requirements.
April	Early April review of preliminary operating budget and capital budget.
May	BOT approves Operating and Capital Budgets. Committee should revisit role and procedures of BC.
June	(no meetings planned)