MEMORANDUM

DATE: August 31, 2009

TO: Deans, Vice Presidents and Budget Planners

FROM: Bob Kozoman, Strategic Resource Allocation Committee Chair

RE: 2010-11 Budget Planning Instructions

The budgeting process for fiscal year 2010-11 is commencing and the Strategic Resource Allocation Committee (SRAC) is issuing these instructions to provide an overview of the budgeting process and to communicate each area’s budget planning responsibilities.

Committee Membership

The voting membership of this year’s committee is:

- Bob Kozoman, Executive Vice President, Committee Chair
- Helmut Epp, Provost
- Bonnie Hirsch, Vice President for Finance
- Marisa Alicea, Dean of the School for New Learning
- John Culbert, Dean of the Theatre School
- Phil Funk, President-Elect, Faculty Council
- Kevin Stevens, Faculty Council Representative
- Victoria Simek, President, Staff Council
- Dillon Goodson, President, Student Government Association.

The non-voting committee members include:

- Jay Braatz, Office of the President
- Eric Nelson, Office of the President
- Mark Titzer, Office of the Executive Vice President
- Alyssa Kupka, Academic Affairs
- Kelly Johnson, Academic Affairs
- Ed Lawler, Internal Communications
- Margaret Strzynski, Staff Council Representative

Additionally, staff from the Office of Budgets and Operational Reporting and Academic Fiscal Administration will be engaged with the committee throughout the process in a supporting capacity.
Budgeting Process – Key Dates

**September 8, 2009** – The Budget Planning System opens. Budget planners throughout the University can begin entering proposed 2010-11 budget information into the Budget Planning System starting on this date.

**October 18, 2009** – The Budget Planning System closes for all departments reporting to the President and the Executive Vice President. Proposed budgets from departments from these executive areas need to be entered into the system by midnight on this date.

**October 20, 2009** – The Budget Planning System closes for all departments within Academic Affairs. Proposed budgets from departments from this executive area need to be entered into the system by midnight on this date.

**October 23, 2009** – New initiative proposals due to executive area liaisons.

**October / November** – SRAC will conduct budget meetings with each of the three executive areas – first EVP, then President, then Provost. Each area will have two meetings lasting approximately two hours each. At these meetings the responsible executive and executive area staff will review proposed budgets with committee and respond to questions. During this period, the committee will also review tuition rate recommendations and fee adjustments as recommended by the Tuition Pricing Committee.

**Late November** – SRAC will review summaries of each of the new initiative funding requests submitted by each of the three executive areas, and conduct deliberations to consider proposed adjustments to base budgets, salary merit pool adjustments, new initiative funding levels and other components of the budget. At the end of this period, SRAC will vote on a budget recommendation to be delivered to Fr. Holtschneider.

**December 8, 2009** – The three executive officers will present the budget to the Finance Committee of the Board of Trustees.

**March 6, 2010** – Representatives of the Finance Committee and the three executive officers present the recommended budget to the full Board of Trustees for final approval.

**July 1, 2010** – The 2010-11 fiscal year commences.

Submission of Proposed Budgets

As stated above, the Budget Planning System will be open for entry of proposed budgets from Tuesday, September 8th to Sunday, October 18th for departments reporting to the President and the EVP and Tuesday, October 20th for departments in Academic Affairs. Budget Managers can access the Budget Planning System by logging in to Campus Connection then, under “Main Menu”, selecting <For Employees>, <Financial System>, <DePaul Budget Planning>.

Proposed budgets should be entered in a manner consistent with these instructions (see below for guidance regarding particular issues). Amounts entered into the Budget Planning System should be based on anticipated activities and include any expected cost of doing business increases (such as service cost increases, technology replacements, cost of goods increases, etc.). Note that salary increases should not be included. Also note that new initiative funding requests should be submitted via the attached form and not entered into the Budget Planning System (see below for more information about salary planning and new initiatives).

Internal Meetings
Each of the three executive areas – departments reporting to the President, Provost and EVP - will conduct internal meetings in October to prepare for formal SRAC budget meetings. A liaison for each area is responsible for coordinating the internal meeting process in his or her respective area. These liaisons are:

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<tr>
<th>Executive Area</th>
<th>Liaison</th>
<th>E-mail</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the President</td>
<td>Eric Nelson</td>
<td><a href="mailto:enelson@depaul.edu">enelson@depaul.edu</a></td>
<td>2-7140</td>
</tr>
<tr>
<td>Academic Affairs</td>
<td>Alyssa Kupka</td>
<td><a href="mailto:akupka@depaul.edu">akupka@depaul.edu</a></td>
<td>2-6585</td>
</tr>
<tr>
<td>Office of the EVP</td>
<td>Mark Titzer</td>
<td><a href="mailto:mtitzer@depaul.edu">mtitzer@depaul.edu</a></td>
<td>2-8053</td>
</tr>
</tbody>
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More information about the internal meeting process is available from the liaison for your area.

**SRAC Meetings**

SRAC budget meetings with each executive area will begin in late October and run through mid-November. There will be meetings for each executive area. Budgetary departments will be represented by the executive responsible for the area, the executive area liaison, and departmental leadership and staff as specified by the executive during the internal meeting process.

**New Initiative Funding**

The new initiative decision-making process is a responsibility shared by SRAC and the President’s Cabinet (consisting of the President, the Provost, the EVP, the SVP for Advancement and the President’s Chief of Staff). SRAC has responsibility for setting an aggregate new initiative funding amount as part of the overall budget recommendation while the President’s Cabinet decides how that funding will be used.

If you wish to request new initiative funding, please work with your executive area liaison to complete the attached *New Initiative Funding Request Form*. Funding requests will be reviewed during the internal meeting process and then brought forward to SRAC by the executive liaison. Once the budget has been adopted by the Board of Trustees in March 2010, the President’s Cabinet will further review these proposals and make specific funding determinations.

Please note that a “new initiative” is distinguished from a “cost of doing business increase,” which are increased costs (such as utilities cost increases, equipment replacements, vendor fee increases, etc.) required to maintain current activities. New initiative funding requests should be submitted via the attached form while costs of doing business increases should be incorporated into the proposed budget amounts entered into the Budget Planning System.

If you are uncertain as to whether a proposed increase should be submitted as a new initiative or as a standard cost of doing business increase, please contact your executive area liaison to discuss.

**Reporting Revenue**

For departments with revenue components, revenue should be estimated very
conservatively using historical performance as the primary basis for revenue projections. Departments and programs recording or reporting tuition revenue should work with their executive area liaison to ensure that these amounts are planned appropriately.

**Salary Increases and Benefits**

Please use the salary amounts budgeted for the current fiscal year, final 2009-10, when submitting budget proposals for fiscal year 2010-11. The Budget Planning System will automatically calculate the corresponding benefits based on the entered salary amount. The benefit amounts will be automatically budgeted at a calculated percent (the 0910 rate is 34%) of budgeted salaries for full-time, benefits-eligible positions and a calculated rate (historically 10 percent) of budgeted salaries and wages for part-time positions.

The salary increase and benefits pool for 2010-11 will be added to your budget via the salary planning process once these amounts have been determined by SRAC and approved by the President and the Board of Trustees. The annual salary planning process, as in previous years, will occur in the spring.

To aid in the process of salary and budget planning, units should confirm that final 2009-10 salary budgets, by department and account code, accurately reflect actual 2009-10 salaries and wages – including those for any vacant positions. If you note a discrepancy, please work with your executive area liaison to make the necessary corrections to the final 2009-10 budget. Though salary planning is conducted in the spring, it is important to verify now that 2009-10 salary amounts are correct to ensure that allocations for benefits and merit pool increases are made using accurate base amounts.

**Expendable Gift Funds (Fund 200)**

New gift funds received are available in the year of receipt and for the subsequent two fiscal years. At the end of the second fiscal year after the year of receipt, unspent funds will be assigned to a quasi-endowment at an applicable Executive/VP/Dean level. (As FY10 nears its conclusion, conversations concerning soon-to-expire unspent Fund 200 balances will occur in respective executive areas.) It is not necessary for individual departments to plan the revenue or expenditure of that revenue for FY11. In addition, any funds received in FY10 that remain unspent at the end of FY10 do not need to be budgeted by individual departments and will remain available for expenditure.

*Historical Balances (Accrued Through 6/30/07):*

Departments may obtain access to historical accumulated carry-forward balances during the budget cycle, transfer unused budgets, or request access through the President’s Office, Academic Fiscal Administration, or the Executive Vice President during the fiscal year. When planning access through the budget cycle, please use the following accounts:

- 416252 – Carry-forward Scholarships
- 501922 – Salaries Carry-forward
- 531922 – PT Salaries Carry-forward
- 542112 – Benefits Carry-forward
- 555252 – Departmentals Carry-forward
Revised financial activity reports are available on Campus Connection to make the distinction between new gifts and historical carry-forward apparent.

**Endowment Distributions (Funds 230 & 240)**

Departments do not need to budget current year distributions or expenditures of the current distributions. These endowment distributions will be calculated by the Controller's Office and pre-populated in the budgeting system. Endowment distributions will continue to be available for expenditure in the fiscal year distributed. Any unspent distributions will be returned to the endowment’s principal at the end of the fiscal year. These returns will grow the respective endowment’s principal, creating a higher distribution in subsequent years available for expenditure.

**Carry-Forward Balances (Fund 220)**

Budgeting for other carry-forward/220 balances, such as indirect cost recoveries, fee sharing, etc., will be handled in a manner consistent with past years. If you manage a carry-forward department, please work closely with your executive area liaison to evaluate budgetary needs and to plan accordingly. Please contact your executive area liaison for additional information.

**Questions?**

For additional information about any aspect of the budget planning process, please contact your executive area liaison. For assistance with the use of the Budget Planning System, please email finsystemsecurity@depaul.edu

**Attachments**

- New Initiative Funding Request Form
- Budget Planning & SRAC Calendar of Events