

Colgate University

Memorandum

To: Members of the President's Cabinet

From: Constance Harsh, Interim Dean of the Faculty and Provost
JS Hope, Interim Vice President for Finance & Administration

Date: October 13, 2016

Subject: **Colgate University Budget Process for 2017-18**

Background

We are writing to ask for your participation in the preparation of the 2017-18 university operating budget.

Colgate has been able to make significant strides in recent years in a number of key areas. The number of permanent faculty positions increased, we expanded the opportunities for students to engage in a global learning experience, we have launched new residential commons, and we increased financial aid allowing more students access to a Colgate education. Further, we have made significant investments in our campus infrastructure.

These new investments in our core activities was made possible through fundraising, favorable financial markets, and budget discipline over the years. As we move forward to support existing programs while also providing funds for new strategic initiatives, we will face near and long-term financial challenges. Our net tuition revenue (Colgate's largest source of income) along with endowment support are projected to increase only at modest levels, thus placing pressure on the ability of our operating budget to meet the needs of our increased enterprise. Our ability to provide an exceptional educational experience for our students while also supporting the work of our faculty, therefore, will demand careful planning throughout this budget season.

2017-18 Budget Process

We will ask Deans and Vice Presidents to assume responsibility for their division's aggregate budget submissions. As we enter the 2017-18 budget process, non-compensation budgets are being held to a 0% increase. We do understand that there will be uncontrollable cost increases in some areas. But, if we are to be successful in achieving this goal, the majority of budgets will remain the same as 2016-17 while some budgets will need to be reduced in order to reallocate budget dollars to Colgate's highest priority initiatives and to fund nondiscretionary cost increases. The ability to incorporate incremental budget requests will be evaluated separately and is dependent upon available resources. For 2017-18 we will again implement several "zero-based" accounts (mainly related to equipment purchases and non-recurring expenses) as part of the budget materials. Each zero-based account needs details justifying the expense for each item in these account lines.

Overall divisional budget submissions that include increases over the 2016-17 budget must be accompanied by detailed justifications supporting budget growth. These incremental increases should be listed separately and will be summarized by division to determine what can be accommodated in next year's operating budget. Please keep in mind that additional new staffing requests could place additional pressure on the 2017-18 budget, so it is critical that we effectively control our expenditure growth in non-compensation lines. The ability to fund any incremental budget requests is largely dependent on the university's highest priorities and

overall strategic direction. Therefore, it is critical that we prioritize and weigh each initiative or request for incremental funding within the larger financial framework and needs of the university.

As part of the budget process, it is necessary for each Dean or Vice President to inform us of any anticipated staffing requests on the horizon for 2017-18 with supporting documentation for these requests. The annual budget process represents each division's opportunity to request new staff positions for the upcoming fiscal year. Requests for replacement staff positions will continue to be evaluated on an ongoing basis, however, it will be important to consider both the non-compensation budget submissions in conjunction with potential new staffing requests. We do not anticipate the ability to accommodate many new positions in 2017-18.

The budget timetable, guidelines and budget worksheets are attached. The Budget Office will host multiple drop-in sessions over the next several weeks to discuss the process and answer questions. If there is any additional information that would be of assistance, please contact Associate Provost Trish St. Leger (academic budgets) or Associate Vice President for Budget, Financial Planning and Analysis John Collins (all other budgets). John and Trish are ready to assist you throughout this process.

We thank you in advance for your cooperation and support in this important university process.

cc: Brian Casey, President
Trish St. Leger, Associate Provost
John Collins, Associate Vice President for Budget, Financial Planning and Analysis
Drew Porter, Senior Budget Analyst

COLGATE UNIVERSITY
2017/18 BUDGET DEVELOPMENT SCHEDULE

October 13	Budget summary spreadsheets issued to Deans and Vice Presidents , along with Budget Development Guidelines and budget request worksheets for onward transmission to Budget Managers .
November 2	Suggested date for all administrative budget request worksheets to be submitted to Deans and Vice Presidents .
November 9	Academic Departments submit completed summary spreadsheets to the Academic Division Directors . All directors whose budgets are reviewed by the Dean/Provost (with the exception of the four academic division directors) submit budget request worksheets to Trish St. Leger, Associate Provost .
November 16	Academic Division Directors submit budget request worksheets to Trish St. Leger, Associate Provost .
November 21	All non-academic budget summary spreadsheets and staffing plans submitted to the Budget Office .
November 23	All Dean of Faculty/Provost budget summary spreadsheets and staffing plans (non-faculty) submitted to the Budget Office .
December 5- Dec 21	Deans and Vice Presidents operating budget review.
Early-Mid Dec	Budget Office prepares consolidated draft budget. On-Campus Budget Committee reviews first draft.
Mid December- Late January	Budget balancing with Vice Presidents and Deans will occur.
Late January	Board of Trustees to review budget and discuss total student charges.
Late February- Early March	Trustee Budget Committee and Executive Committee to review and approve budget.
April 7-8	The recommended 2017/18 operating budget will be presented to the Board of Trustees for its review.

2017/18 Budget Development Guidelines

Welcome to the start of the 2017/18 budget process. Enclosed are some useful tips and reminders for guidance as you prepare your budget.

What's New?

- This year, you will be given your base budget and if you have no changes, just fill in your zero-based accounts and you are done. You may re-allocate your expenses within your Org as long as you do not exceed your 17 Approved Budget.
- If you have new initiatives, add your incremental requests to the bottom of the yellow sheet with a justification and priority (low, medium, high). Those using the electronic spreadsheet to complete their budget will add their incremental requests on the designated tab.
- Restricted Funds: Peach colored sheets will not be distributed this year. There is a Tableau dashboard with your restricted funds already estimated for 2017/18. You only need to take action if you feel there is a substantial change in your restricted budget. Access to the Tableau dashboard will be distributed via email. Please contact Tom O'Neill ext. 7865 if you have any questions regarding restricted funds.

Key Dates

Academic Departments

October 13 – spreadsheets, guidelines and worksheets issued to Deans/VPs.

November 9- Academic Department budget requests due to Academic Division Directors

November 16 – Budget request worksheets due to Trish St. Leger

November 23 – Dean of Faculty budget spreadsheets due to John Collins in the Budget Office

Administrative Departments

October 13 – spreadsheets, guidelines and request worksheets issued to Deans/VPs

November 2 – Administrative budget requests due to Deans and Vice Presidents

November 21 – Administrative budget spreadsheets due to John Collins in the Budget Office

Getting Started

The benefits for stipends (account 105), OT (account 122), casual wage (account 141), and cell phones (account 143), will be calculated for you on the electronic spreadsheet. Keep in mind this will impact your overall budget request. Generally, 10% is allotted for the benefits on these accounts. Please use this estimate for your budget if you are preparing a yellow worksheet.

Zero-Based Budgets

A few accounts have been identified as “zero-based” for 2017/18. These accounts will have a budget amount of \$0 in the 2017/18 base budget. Budget managers are asked to enter the amount they need for 2017/18 and justify (explain) why they need that amount. ***The zero-based accounts this year are: 202, 203, 310, 311, 338, 699.***

Example: Account 202 – Major Equipment: \$7,000

Justification: 2 Lab centrifuges @\$3,500 each replacing old, out-of-warranty ones.

Budget Worksheets – Unrestricted (Yellow) Worksheets

Please verify that all of the expense and revenue budgets you normally use are represented. If you are missing a specific revenue or expense organization worksheet, please contact Roy Langworthy, ext. 7455, immediately.

1. Complete the Unrestricted (Yellow) Worksheets

a) No change to the Base Budget

The Base Budget column for 2017/18 contains a budget amount based on the current year's budget. If this budget is acceptable **you to need take no action other than initialing the sheet** and forwarding it to your Division Director (Academic Budgets) or your Dean or Vice President (non-Academic budgets).

*** If there is no change, please do not write "0" in the "REQUEST FY2018" column since this may create confusion.

b) Need to change the Base Budget

If you need to change any of the amounts, please cross out the printed figure, enter your request in the "REQUEST FY2018" column, and include a brief explanation in the justification column where appropriate. Requests for funding of any significant program initiatives that cannot be accommodated by the reallocation of the existing budget should be made on the bottom of the yellow sheet with justification and priority (Low, Medium, High).

*** If there is no change, please do not write "0" in the "REQUEST FY2018" column since this may create confusion.

c) Zero based account

Enter the amount of your request in the REQUEST FY2018 column. In the Justification column, enter your explanation for the amount requested.

Example: Account 202 – Major Equipment. "Need to replace a conference room table: \$6,000. Justification: Old conference room table was delaminated and cracked.

2. Forward Completed Worksheets to Your Budget Contact

Academic areas: Division Director by **November 9** and then to Trish St. Leger by November 16.

Administrative areas: John Collins by **November 21**.

Fine Tune Your Budget

1. Transferring Amounts (Budgets of "\$1.00")

When you see a one dollar budget, please provide your best estimate of future expenditures and reduce another account by the same amount. For example, if you are using account 486 – Office Supplies for the first time, you will have \$1 for a budget. Most budget managers have been charging office supplies to account 299. When completing the FY2018 budget, please estimate your office supplies and add it to account 486 and reduce account 299 by the same amount.

*Example: Account 299: -\$1,000
Account 486: \$1,000*

2. Student Wages/Casual Wages

The New York State minimum wage increased to \$9.00 in January 2016. As a result, Colgate student wage rates will increase annually through the 2017/18 budget cycle. We recommend that if your hiring

needs will remain fairly constant into 2017/18, your *student wage* budget should be increased to reflect the mandated wage increase. **In January 2017, the minimum wage will be increased to \$9.70/hr. The minimum wage increases again in January 2018 to 10.40/hour.** This also applies to the casual wage budget. Unless you currently pay your *casual wage* employees considerably more than the 2017 minimum wage of \$9.70/hour, please adjust your budget accordingly.

3. Requesting Budget Support for Costs Not Included in Your Budget

ITS equipment and software is budgeted centrally rather than at the department or office level. Please refer to the attached “Information on Computer and Software Purchases” for documentation on how to request classroom computing, projection and multimedia equipment, office workstations or software.

4. Endowment Income Funds

Please remember to consider the availability of any endowed resources that will help your department or program achieve its goals. For these funds, assume a 3% increase over the current year amount. If you have immediate questions, please call Tom O’Neill, ext. 7865.

Questions?

The staff members listed below are available to assist you with preparing estimates or completing the worksheets.

<i>Topic</i>	<i>Contact</i>
General information/assistance	
Academic programs	Trish St. Leger, ext. 7224
Administrative programs	John Collins, ext. 7714
Deadlines	Roy Langworthy, ext. 7455
Account Codes	Roy Langworthy, ext. 7455
Computer equipment/software	<i>See attached ITS guidelines</i>
Classroom technology	Trish St. Leger, ext. 7224
Non-computer equipment	Alan Leonard, ext. 7477
Building repairs and renovations	Mike Jasper, ext. 7143
Student employment	Jill Dinski, ext. 7411
Temporary employment (casual wages)	Jill Dinski, ext. 7411
Overtime for continuing employees	Jill Dinski, ext. 7411
Postage & Printing costs	Kip Manwarren, ext. 7487
Motor Vehicle Use	Bill Ferguson, ext. 7333
Budgeting for restricted funds	Tom O’Neill, ext. 7865

Attachments: 2017/18 Budget Development Schedule
 Information on Computer and Software Purchases
 List of common accounts is available on the Budget office webpage.

Budget Manager Drop-In Sessions

The Budget Office is providing two drop-in sessions to assist you with your budget preparation.

Session 1: Wednesday, October 19, 10:00 am – 11:30 am in 438 Case-Geyer

Session 2: Tuesday, October 25, 10:00 am – 11:30 am in 438 Case-Geyer

Bring your budget questions or your budget materials and prepare your budget with the help of the Budget Office.

Information on Computer, Software, and Classroom Multimedia Equipment Purchases

2017 - 2018 Budget

Information Technology Services (ITS) budgets for faculty and staff desktop/laptop computer hardware, standard productivity software, classroom projection equipment, multimedia equipment, and instructor computers for classrooms. **All computing purchases must go through ITS.** Purchases using budget codes or corporate cards will be flagged by the Purchasing Department and the Colgate Bookstore and referred to ITS. ITS cost-shares 50% of some curricular software with departments. If you would like assistance with this process please call us at x7111 or email itshelp@colgate.edu. All requests are considered in light of Colgate's overall budget. ITS will maintain communication about requested, approved and deferred items through your academic Department Chair or the Director of your administrative department.

Replacing Computing Equipment in Offices and Labs

Replacement cycles for computing equipment vary by equipment type and use pattern. There are times when extending the life of the equipment in place is appropriate, and a few times when accelerated replacement is warranted. You may assume that any replacement computer or printer will be the current make and model that is supported by ITS unless prior request for a specialized unit has been made. Please contact the Helpline or your area's Technology Support Consultant for assistance if you have special requirements. Refer to the Colgate ITS web site for information about currently supported hardware - <http://www.colgate.edu/offices-and-services/information-technology/getting-help/hardware-standards>. Any computer hardware request which exceeds these specifications should be reasonably justified in writing. The specifications listed are subject to change during the year.

Computer Inventory

ITS inventories computing and classroom equipment to assure equipment is assigned to the proper contact person or department and to correct other inventory inaccuracies. Budgeting for replacements for departmental equipment depends on the accuracy of the inventory. Please do not reassign computers within your offices without prior contact with ITS - an up to date inventory helps ensure departmental units are up to date and reliable, while surplus items can be recycled for cost savings. Units formerly used by faculty/staff who have left Colgate are reassigned by ITS.

Additional Computers, Printers and Peripherals

Requests for additional computers, printers and multimedia equipment will be scrutinized closely. Additional equipment will need to be fully justified. Priority for these incremental machines will be given to those to be used for curricular needs. Additional peripherals such as scanners, printers or other hardware devices should be itemized and justified. Again, requests may not be able to be granted in the next fiscal year. Colgate also makes an effort to save resources by consolidating printing, faxing and similar services.

Computer Software

ITS fully funds the standard software (i.e. Microsoft Office, Web Browsers, Banner, Utilities) typically installed on all Colgate-owned computers. ITS often funds 50% of curricular software costs when the software has been submitted for prior review during the normal budgeting process. If not submitted at

budget time, the department will be responsible for 100% of the cost. A list of standard productivity and curricular software may be found at <http://www.colgate.edu/offices-and-services/information-technology/getting-help/supported-software>.

New Hires

Determination of new staff positions is not on the same cycle as budget submission. If your department gains a position, you should inform ITS of computer needs as soon as possible after you know a new position will exist, to ensure timely setup of the equipment. Newly created positions should have computing needs budgeted at the time of hire. The department pays for the first computer issued for the position, and any non-standard peripherals. If a position is eliminated, the computer for that position must be returned to ITS and will be recycled to another need within the University.

Classroom Computing, Projection, and Multimedia Equipment

ITS continues to equip appropriate classrooms with the resources needed for presentations and instruction using computer technology and multimedia equipment. Requests for classroom instructional technology should be made via a Help Request as outlined above.

If you have further questions about equipment or this part of the budgeting process, please contact ITS at extension x7111 or send an email to itshelp@colgate.edu and you will be routed to your Technology Support Consultant.