

MGA Budget Process

Executive Summary

The goal of the MGA Office of Budget and Planning (OBP) is to promote an inclusive, strategic and transparent budgeting process for all campus budgets. To achieve this goal, MGA has documented and will publish information regarding both the final budgets and the resource allocation strategies and metrics. Our hope is to increase knowledge of the budget development method as well as satisfaction with the results of the budget planning process among all constituents.

Introduction

The budget is a required financial document for MGA and reflects the strategic priorities and choices for the coming fiscal year. The budget is also an important internal control tool used to manage and safeguard the resources of the institution.

Documentation of the revised process is important to the campus community to demonstrate MGA's commitment to an inclusive and strategic budgeting process. Published reports will help stakeholders better understand the allocation strategy and methodology, and publishing the documents feeding into the budget will increase the strategic relevance of the budget.

As MGA develops as a university, increased formalization and change of the budget process is expected.

Budget Model Discussion

MGA uses a centralized, incremental planning and resource allocation model which allows for more strategic use of resources, more discretion in budget revision, and more deliberate use of excess funds. The President establishes several annual budget priorities at the beginning of the budget process to help focus the decision making. The Annual VP Budget Hearings gives each department an opportunity to bring new initiatives and needs to their VP, but then gives the VP the authority to determine which initiatives go forward to the OBP as priorities.

As the institution grows and revenues diversify, MGA expects to modify the budget process to achieve a better balance between academic authority/accountability and financial

responsibility. This however, will not be possible until significant enrollment growth occurs along with a much improved budget picture.

Budget Development Process

The budget development process will be based on these significant components:

- The President's Strategic Budget Priorities and Salary Administration Policy;
- Vice President Budget Hearing requests;
- Institutional Capital Plan; and
- State Allocations.

The Capital Plan will be developed during the Fall Semester with input from the various working groups. The President's strategic budget priorities (typically three, no more than five) will be announced in early January and guide and direct the requests brought forward at the Vice President Budget Hearings. State Allocations are received after the April BOR meeting.

Using the information obtained above along with internal revenue projections, the budgets will be developed by the MGA OBP in March and April of each year. The incremental allocation strategy will direct new funds towards strategic priorities and the re-direction of currently budgeted funds will also be utilized to ensure an equitable and strategic allocation across all departments.

The original budget will be approved by the President and submitted to the USG in early May of each year. The Board of Regents votes to approve the budget at their May meeting. After the budget approval, faculty contracts and staff salary administration letters are issued and the new tuition and fee rates for the upcoming fiscal year are also published.

The OBP prepares the new fiscal year information packets for budget managers that includes:

- G report: This report shows total personal services, travel, operating and equipment budgets.
- G1 report: This report shows personnel as of the budget due date. Many changes may not be reflected due to the timing differences – new hires, terminations, other salary adjustments, etc.

The budget packets are delivered to each Vice President to be distributed out to the budget managers.

Budget Deliverables

The budget deliverables include both information to be submitted to external constituents as well as internal information used in the budget development process as follows:

- Deliverables to External Constituents
 - Annual Budgets submitted to the University System of Georgia (USG)
 - Education & General
 - Restricted Education & General
 - Auxiliary Enterprises
 - Departmental Sales & Services
 - Indirect Costs
 - Technology Fees
 - Capital (Unexpended Plant Funds)
- Deliverables to Internal Constituents
 - Three Year Capital Plan – Completed by the EVP, Finance & Operations with the assistance of the AVP Facilities and the advice of the Capital Working Group.
 - Campus Vice President Budget Hearing Results – Based on requests from the Vice Presidents.
 - Salary Administration Annual Policy – Developed by the President and EVP, Finance & Operations and based on strategic priorities of the institution, availability of resources, and instructions from the USG.
 - Stakeholder Budget Report – includes an overall look at the new budget. Shows allocations to personnel, travel, operating and equipment as well as other important budget information.

Budget Accountability

Budget Managers are selected and authorized by the area Vice President, Assistant Vice President or the President and are responsible for managing and controlling their budget throughout the fiscal year.

Budget Managers may monitor their budgets through PeopleSoft Financials or through the Budget Activity Reports distributed by the OBP on a monthly basis. The OBP also monitors the budget utilization rates on a monthly basis and takes action when necessary.

Budget Managers are also tasked with completing a quarterly budget review and notifying the OBP of any discrepancies. They also have the ability to request additional funds or to request

an amendment moving funds between travel and operating budgets. Further development and training for budget managers is a priority as MGA grows.

Budget Use of Metrics

The MGA OBP calculates cost per credit hour by academic discipline, benchmarks various expenditures to other USG institutions, and participates in a nation-wide expenditures benchmarking study. The use of metrics in decision-making is important for the university to ensure comparability and competitiveness within the higher education market place.

Budget Web Presence

The MGA OBP maintains a website with useful information such as the current fiscal year budget calendar, copies of the internal deliverables mentioned above, and forms for budget managers.

Budget Cycle Calendar

The budget cycle calendar reflects the year round continuum of the budget process. The MGA OBP simultaneously manages the current year budget while preparing the next fiscal year's budget. The first half of the budget cycle focuses on the revenue side of the budget including state appropriation requests, revenue projections and fee requests. The second half focus is on the allocation of the resources and includes setting the budget priorities, the budget hearings, and the actual allocation process.

A typical budget cycle calendar is as follows:

Budget Cycle Calendar

	Budget Administration	Budget Preparation
July	Original Budget Activity reports are emailed to budget managers.	Submits Capital, Retiree, Square Footage, and Health Insurance information to USG
August		Academic Affairs submits Faculty position requests for next fiscal year and are informed of positions approved to be advertised.
September	First Quarter Budget Amendment due. Submit preliminary Fall enrollment numbers to USG.	
October	Budget & Planning prepares/submits to USG Quarterly Financial Reports. Quarterly Budget review forms are due from budget managers.	Submits USG Budget Hearing Information. Requests/gathers data on dining utilization, proposed dining rates, and proposed housing rates. Distributes elective and mandatory fee requests.
November		Student Affairs Committee budget hearings. Submits Housing and Dining Rates to USG.
December	Second Quarter Budget amendment due.	Submits Revenue Projections, Mandatory Fee Requests, Elective Fee Requests, PPV 10 year projections and 5 year Auxiliary Plans.
January	Budget & Planning prepares/submits to USG Quarterly Financial Reports. Quarterly Budget review forms are due from budget managers.	President establishes Strategic Budget Priorities. Distribute budget request templates to Vice Presidents.
February		Internal Budget Hearing Held

March	Third Quarter Budget Amendment due.	Prepare draft Salary Administration Policy and worksheets.
April	<p>Budget & Planning prepares/submits to USG Quarterly Financial Reports.</p> <p>Budget & Planning begins approving year-end requests.</p> <p>Quarterly Budget review forms are due from budget managers.</p>	Receive allocations and salary administration instructions from the USG and salary worksheets are distributed.
May		<p>Submit all budgets to USG.</p> <p>Prepare salary administration letters and continuing faculty contracts.</p>
June	<p>Submits final budget amendment.</p> <p>New Fiscal Year budget information delivered to budget managers</p>	Prepare new faculty contracts.