# Wellesley College

**DATE:** December 14, 2012
**TO:** Department Chairs and Department Heads
**FROM:** Donna Ng, Senior Associate Provost for Budget and Planning
Tim Porcello, Finance and Systems Analyst
**RE:** FY14 Budget Materials

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This memo contains materials for the FY14 operating and capital budgets.

Important Dates

The following summarizes the important dates for the FY14 budget process:

**February 15, 2013 -** Capital budget submission deadline date
**February 28, 2013 -** Departmental zero-based operating budget submission deadline date to Division Head (administrative departments)
**March 14, 2013 -** Operating budget submission deadline date (academic departments)

Operating Budget

As we begin the process for rebalancing the College's operating budget, the President has set a non-personnel budget target reduction for each division. To achieve that target, each division will implement a "zero-based" budgeting process for non-personnel expenditures. This process assumes that all budgets begin at a base of zero. In general, no budget line is taken for granted or carried over from previous years without a rationale. All reductions in the non-personnel budget will be reallocated to fund the maintenance line in the Asset Renewal and Replacement fund (ARR).

Divisions will implement the zero-based budget process over two phases. In FY14, divisions will budget 50% of the targeted reduction for administrative departments. In FY15, the remaining 50% of the targeted reduction for administrative departments and 100% of the targeted reduction for academic departments will be budgeted.

Zero-based budgeting is a new concept for the College and requires additional training. Therefore, we will be providing training on zero-based budgeting between mid-December and the end of February for administrative departments. In addition, we have developed an online system for making zero-based budget submissions.

The need to reduce the budget is an institutional one and we can only achieve our goal if we are all thinking outside of our departmental and divisional boundaries as we approach this work. Eliminating expenses in one department or division by shifting them to another will not advance our goal. In fact, we anticipate that as we look at our budgets with this new lens, we will identify some expense reduction ideas that cross divisions. Some changes in a department may require the cooperation of another department, often one that is in another division. Alternatively, savings may result from institutional changes that are agreed upon by most or all divisions and departments

To facilitate cross-divisional collaborations, we will be soliciting ideas and suggestions during this month and then holding a meeting in January to discuss these ideas and to identify those that merit further development. We recognize that savings from cross-divisional collaborations may require more time to plan and implement and expect that many of these savings will contribute to the FY15 reductions.

Once the FY14 divisional budgets have been submitted, the Senior Staff will review the overall budget to ensure against any significant cost-shifting and to see whether any additional opportunities for institutional collaboration emerge. The Senior Staff will also review the recommendations that come out of the January meeting to develop a plan for implementation for FY15.

For the academic departments, we will input default amounts to the operating budget line items as follows:

- Fund 10000, default will be the FY13 budget
- Endowed funds, default will be the FY14 distribution amount (net of any applicable administrative fee)
- Gift funds, default will be the current balance available

Departments that can accept the default amounts as their FY14 budget will need to do nothing. For departments that need to change the default amounts, they will need to go through the budget process online to submit their budgets.

Capital Budget

The capital budget process is used to request items that have a life of more than one year and cost more than $1,000. Items that cost less than $1,000 should be purchased by reallocating funds from your departmental operating budget. The maximum dollar amount for an item funded by the capital budget from the College's general (10000) fund is $100,000 (an increase from $50,000 in prior years). If the amount is over $100,000, the amount in excess of $100,000 must be funded by restricted endowed or gift funds. For any departments that have restricted endowed or gifts funds, please plan to use these sources first for any capital requests as allowed by the fund restriction before requesting capital funding from the general fund.

Attached to this memo are the following:


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Feel free contact us if you have any questions about the operating and capital budget process. Thank you for your assistance and cooperation.

**Academic Departments**

**EXHIBIT A**

**Operating and Capital Budget Checklist**

1. Sign up for training (not mandatory but recommended) ☐
   (see EXHIBIT A-1 for training schedule)

2. If you have any gift or endowment funds, run report in Discoverer ☐
   (see EXHIBIT A-2 for instructions on report)

3. Complete any **capital** budget requests by **February 15, 2013** ☐
   (see EXHIBIT A-3 for instruction on completing the form)

If the following default amounts to the operating budget line items are appropriate for your FY14 budget, simply do nothing and the default amounts will be submitted for you:

- General fund 10000, default will be the FY13 budget
- Endowed funds, default will be the FY14 distribution amount (less any applicable administrative fee)
- Gift funds, default will be the current balance available

**STOP HERE IF YOU CAN ACCEPT DEFAULTS, OTHERWISE CONTINUE**

4. Enter FY14 operating budget detail in Banner Self Service ☐

5. Check that the bottom line total of the budget for 10000 general fund in Banner Self Service does not exceed the **FY13 budget**. ☐
   - If the total request exceeds the FY13 budget due to reallocation between orgs, please explain details of reallocation in the comment box.

6. When you are done entering your operating budget detail in Banner Self Service, Click on the Submit Budget button. ☐

7. Complete **operating** budget submission by **March 14, 2013** ☐

**Academic Departments**

**EXHIBIT A-1**

**Operating and Capital Budget Training Dates**

All training will last for about one hour and will be held in the Library Computing Classroom Room 131 unless otherwise noted.

To ensure availability of computers, please email Tim Porcello (tporcel@wellesley.edu) to reserve a spot. **Training will not occur on days when no one has reserved a spot.**

| **Date** | **Day** | **Time** |
|---|---|---|
| Jan 16* | Wednesday | 10 am |
| Jan 17* | Thursday | 2 pm |
| Jan 23 | Wednesday | 10 am |
| Jan 31 | Thursday | 2 pm |
| Feb 5 | Tuesday | 10 am |
| Feb 12 | Tuesday | 10 am |
| Feb 21 | Thursday | 2 pm |
| Feb 28 | Thursday | 2 pm |

* Location is Science Center Library.

**Academic Departments**

**EXHIBIT A-2**

**Restricted Funds Report**

**Restricted Funds Report:** If you have any restricted funds, you should obtain a list of these funds and the estimated balance available for the FY14 budget.

1. Log into **MyWellesley** and go to the **Budget Services** tab.
2. Click on **Discoverer Viewer** under Budget Reporting.
3. Select the **FY14Budget_RestrictedFundsReport**.
4. Select **All Restricted Funds** and then enter your org number and month. Print this report by clicking on the Printable Page button on the left hand side under Actions. It will bring you to print options, select printable pdf on the top right.
5. This report lists the following information:
    - Fund number of the restricted fund
    - Description of the fund
    - FY 13 beginning balance of that fund (the final audited ending balance as of 6/30/12)
    - The FY13 annual endowment income for this fund (taking into consideration any applicable administrative charge)
    - Actual gifts received through the month of the report (based on the month you entered when you ran the report)
    - FY 13 year-to-date spending or charges to the fund through the month of the report (based on the month you entered when you ran the report)
    - Balance available for that fund (calculated as FY13 beginning balance plus FY13 annual endowment income plus gifts received less FY13 YTD spending)
    - The FY14 annual endowment income for this fund (based on the current number of units and taking into consideration any applicable administrative charge)
    - Estimated amount available for FY14 (equal to the balance available plus the FY14 annual endowment income). This assumes no further spending on your fund. If there will be further spending from this fund, please take them into consideration when submitting your operating budget for this fund.

**Academic Departments**

**EXHIBIT A-3**

**Capital Request Form Instructions**

The capital request form is used to request items that have a life of more than one year and cost more than **$1,000**. These can be general needs such as furniture or equipment; technology needs that would not be in the normal replacement cycle; or space needs such as modification of an office. One form needs to be filled out for each item. There is a maximum of **five** requests per department. Not all requests can be approved, so it is important to provide enough information for the decision makers to do a proper assessment. There is a maximum dollar amount of **$100,000** for each item that may be funded by the College's general (10000) fund. The amount requested that exceeds $100,000 must be funded for by restricted endowed or gift funds.

It is important that you plan ahead for your needs so they can be considered along with others for approval. Dollars are not the only resource needed. Fulfilling requests involves people and time as well. The needs must also align to the priorities of the college, your division and the overall facilities planning effort. **Having money "left over" in your departmental budget or having access to endowment funds or gifts as a funding source is not sufficient.**

Following are instructions for accessing the capital form in Banner Self Service:

1. Log into Banner Self Service (this is the same place where you would enter your time, view your direct deposit, access class lists, etc.)
2. Click on the **FY 2014 Operating Budget Submission** link.
3. Click on the **Capital Funding Request** link.
4. Select your **org** from the drop down list and then click on the submit button. You will only see those orgs that you have access to in Banner.
5. Click on **New Capital Request**.

Following are instructions for the specific fields on the form.

**Organization/Department:** It will be listed on the top of the form. Please verify that it is accurate.
**Type:** In the drop down box choose General/Equip, Space, or Technology.
**Priority # and Item Total:** Because the cumulative requests across the college always exceed the dollar/time/people resources available, it is important that you rank your requests, e.g., 1 of 5, 2 of 5, etc.
**Item Requested:** Be as specific as possible in describing the item.
**Reason/Purpose:** Describe the reason for this request and how it supports the work of your department or program, division, or the institutional priorities.
**Alternatives:** What other alternatives have you considered to meet your needs other than this capital request? For example, could you share equipment with another department? Is there any change in processes that might eliminate the need, etc.?
**Minimum and Maximum Price Estimate:** If known, use these fields to give an estimated cost range for the item. Please do not spend a lot of time researching costs. If you do not know, just make your best guess.
**Funds and Gifts:** For any department that has these restricted sources of money when the purpose permits use for capital needs, these funds should be considered the first source of funding. Be sure to consider how use of funds and gifts in your operating budget would affect the amount available for capital needs.

**Academic Departments**

**EXHIBIT A-4**

**Operating Budget Instructions**

1. Log into Banner Self Service (this is the same place where you would enter your time, view your direct deposit, access class lists, etc.) or access from MyWellesley, Budget Services.

2. Click on the **FY 2014 Operating and Capital Budget Menu** link.

3. Click on the **Operating Budget Submission** link.

4. Select the **fund and org** that you would like to enter the budget for from the drop down list and then click on the submit button. You will only see those funds and orgs that you have access to in Banner.

5. The right two columns labeled **Budget 2014 and Comments** are the two columns which you can enter information in. The comments are limited to 55 characters. The other columns are for the previous 2 years budget and actual data. These are for informational purposes. You can click on the number in the actual column to get the transaction detail information as you would do in Banner (FWIBDST).

6. If you would like to add a new account number that has no activity in the past, click on the **Add Row** button at the bottom of the page. You can choose the account number that you want to add from the drop down box. You will then be able to enter the amount and comment in the Budget 2014 column.

7. After entering the FY14 budget and any comments that you would like to save, click on the **Recalculate** button to save the information that you just entered. This will also recalculate the total for the year. For the 10000 general fund, you need to **be sure that your FY14 budget does not exceed the FY13 budget.** If you are reallocating between orgs, please enter a comment when you submit your budget. You can recalculate at any time throughout the process. Be sure to recalculate before closing the program so that your work will be saved.

8. Once you have entered your desired budget, click on the **Submit Budget** button at the bottom of the page to submit your budget. Once you have submitted your budget, you will not be able to make any changes.

9. **Optional** Activity Detail Form**:** This is **not a required form**. If desired, you could break out your budget further by Activity Code. For example, if you have budgeted $300 under account code 7124 Copying, and you would like $200 of it to go to a specific activity, then you would enter this information of the Activity Detail Budget form found using this link:
   http://new.wellesley.edu/budget/managingbudgets/fy14budgetactivitycode_form
   Open the Excel file and enter the Fund, Org, Account, Activity and Amount. This file should be emailed to Tim Porcello.

**NOTE**: At any time during the budget submission period, you may work on your budget and come back to it at a later time to finish entering your budget. Be sure that you click on the Recalculate/Save each time you exit the program so that your information will be saved. It does not automatically save upon exit.

**Administrative Departments**

**EXHIBIT B**

**Operating and Capital Budget Checklist**

1. Sign up for training (not mandatory but recommended) ☐
   (see EXHIBIT B-1 for training schedule)

2. If you have any gift or endowment funds, run report in Discoverer ☐
   (see EXHIBIT B-2 for instructions on report)

3. Complete any **capital** budget requests by **February 15, 2013** ☐
   (see EXHIBIT B-3 for instruction on completing the form)

4. Complete **zero-based budget** for the **10000** general fund. ☐
   (see EXHIBIT B-4 for instruction on the application)

5. Complete **zero-based budget** request by **February 28, 2013** for division head review ☐

If the following default amounts to the operating budget line items are appropriate for your FY14 budget, simply do nothing and the default amounts will be submitted for you:

- Endowed funds, default will be the fiscal year 2013 distribution amount (less any applicable administrative fee)
- Gift funds, default will be the current balance available

**STOP HERE IF YOU CAN ACCEPT DEFAULTS FOR YOUR RESTRICTED FUNDS, OTHERWISE CONTINUE**

6. Enter FY14 operating budget detail in Banner Self Service ☐
   - If you want to budget by activity code, complete Activity Detail Form in Excel
     (see EXHIBIT B-5 for instructions on completing the form)

7. When you are done entering your operating budget detail in Banner Self Service, Click on the Submit Budget button. ☐

8. Complete restricted fund **operating** budget submission by **March 14, 2013** ☐

**Administrative Departments**

**EXHIBIT B-1**

**Operating and Capital Budget Training Dates**

All training will last for about one hour and will be held in the Library Computing Classroom Room 131 unless otherwise noted.

To ensure availability of computers, please email Tim Porcello (tporcel@wellesley.edu) to reserve a spot. **Training will not occur on days when no one has reserved a spot.**

| Date | Day | Time |
|---|---|---|
| Jan 4* | Friday | 11 am |
| Jan 8* | Tuesday | 11 am |
| Jan 11* | Friday | 11 am |
| Jan 14* | Monday | 11 am |
| Jan 15* | Tuesday | 11 am |
| Jan 22* | Tuesday | 11 am |
| Jan 24 | Thursday | 2 pm |
| Jan 30 | Wednesday | 10 am |
| Feb 7 | Tuesday | 2 pm |
| Feb 14 | Thursday | 2 pm |
| Feb 19 | Tuesday | 10 am |
| Feb 26 | Tuesday | 10 am |

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**Administrative Departments**

**EXHIBIT B-2**

**Restricted Funds Report**

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    - Estimated amount available for FY14 (equal to the balance available plus the FY14 annual endowment income). This assumes no further spending on your fund. If there will be further spending from this fund, please take them into consideration when submitting your operating budget for this fund.

**Administrative Departments**

**EXHIBIT B-3**

**Capital Request Form Instructions**

The capital request form is used to request items that have a life of more than one year and cost more than **$1,000**. These can be general needs such as furniture or equipment; technology needs that would not be in the normal replacement cycle; or space needs such as modification of an office. One form needs to be filled out for each item. There is a maximum of **five** requests per department. Not all requests can be approved, so it is important to provide enough information for the decision makers to do a proper assessment. There is a maximum dollar amount of **$100,000** for each item that may be funded by the College's general (10000) fund. The amount requested that exceeds $100,000 must be funded for by restricted endowed or gift funds.

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3. Click on the **Capital Funding Request** link.
4. Select your **org** from the drop down list and then click on the submit button. You will only see those orgs that you have access to in Banner.
5. Click on **New Capital Request**.

Following are instructions for the specific fields on the form.

**Organization/Department:** It will be listed on the top of the form. Please verify that it is accurate.
**Type:** In the drop down box choose General/Equip, Space, or Technology.
**Priority # and Item Total:** Because the cumulative requests across the college always exceed the dollar/time/people resources available, it is important that you rank your requests, e.g., 1 of 5, 2 of 5, etc.
**Item Requested:** Be as specific as possible in describing the item.
**Reason/Purpose:** Describe the reason for this request and how it supports the work of your department or program, division, or the institutional priorities.
**Alternatives:** What other alternatives have you considered to meet your needs other than this capital request? For example, could you share equipment with another department? Is there any change in processes that might eliminate the need, etc.?
**Minimum and Maximum Price Estimate:** If known, use these fields to give an estimated cost range for the item. Please do not spend a lot of time researching costs. If you do not know, just make your best guess.
**Funds and Gifts:** For any department that has these restricted sources of money when the purpose permits use for capital needs, these funds should be considered the first source of funding. Be sure to consider how use of funds and gifts in your operating budget would affect the amount available for capital needs.

**Administrative Departments**

**EXHIBIT B-4**

**Zero-based Budget Request (10000 fund only)**

Log into the FY 14 Budget Requests application for zero-based budget submission using this link: https://webapps.wellesley.edu/budget_request/
**General**: Please use **TAB** and NOT the Enter key to move from one field to another in this application.

1. At the top menu, click on New Budget Request Form for a new request or click on View All Budget Request Forms to edit a request
    - If editing a request, click on the org code of the request to edit

2. Org Code
    - Enter at least the first 3 number of the org code
    - The org code number and description options will appear below Org Description
    - Select your org
    - The system will fill in the Org Description

3. Division Head
    - From the dropdown, select the name of your division head

4. Users Authorized
    - This functionality is to authorize other users to enter and submit for the org (a maximum of three users other than you may be added)
    - Enter the first few letters of the person's last name
    - A list of options will be displayed
    - Select the person to authorize
    - Repeat steps for other users.

5. Budget Request
    - Account Description – from the dropdown select the account (this list is in alphabetical order)
    - Account Code – will be displayed from the Account Description selected above
    - Amount – enter the amount of your request for this account (no commas and no decimals)
    - Ongoing annual expense question – check this box if your request is for FY14 but is not an ongoing annual expense request. Describe further under Explanation/Cost Assumptions
    - Explanation/Cost Assumption – Use this field to describe the details for the amount requested for this account code. Provide a description of your assumptions in arriving at that amount. Please see your division head for the level of detail needed. In general, citing historical spending alone is not sufficient explanation. Examples of zero-based budgeting explanations are provided in the below chart.
    - If additional account codes are needed, click on the Add 5 rows above
    - The totals for your requests will appear at the bottom of your form

6. Additional Comments
    - Provide any additional general comments that you may have about your requests (not a required field)

7. Click on Save if your request is not complete. You may return to this form at any time.

8. Click on Submit once your request is complete.

9. **Optional** Activity Detail Form**:** This is **not a required form**. If desired, you could break out your budget further by Activity Code. For example, if you have budgeted $300 under account code 7124 Copying, and you would like $200 of it to go to a specific activity, then you would enter this information of the Activity Detail Budget form found using this link: http://new.wellesley.edu/budget/managingbudgets/budgetprocess Open the Excel file and enter the Fund, Org, Account, Activity and Amount. This file should be emailed to Tim Porcello.

**Examples of zero-based budgeting explanations:**

| Amount Requested | Traditional Explanation | Zero-Based Explanation |
|---|---|---|
| $4,000 | Travel cost for staff to conferences | Alternate staff conference travel; 4 staff member but only 2 will travel in FY14; estimate travel cost at $2,000 per conference; calculation (2 staff members*$2,000 per conference) = $4000 |
| $720 | Meals for staff meeting | Assume 2 monthly staff meetings per year; 3 staff members per meeting; lunch cost at $10 per person; calculation (2 meetings* 12 months per year*3 staff *$10 per person = $720) |
| $35,000 | Membership to various groups | Membership to XYZ Consortium to collaborate with Boston colleges to achieve cost savings ($30,000); membership to COFHE for benchmark data ($5,000) |
| $2,500 | Office supplies spent based on prior year spending | Routine office supplies at $50 per FTE with 10 FTEs in dept ($50); annual purchases of W2 forms for 1,000 employees at $2 per form ($2,000) |
| $30,000 | Outside services for specialty projects | XYZ firm for actuarial services related to union defined benefit plan ($5,000); XYZ firm for legal services relating to mortgage closings (assume 25 mortgages at a cost of $1,000 per mortgage = $25,000); |
| $5,000 | Printing brochures for annual report | Annual report is the College's audited financial statements; assume 50 pages at a cost of $1 per page; quantity of 100; calculation (50 pages * $1 per page* 100 quantity) |
| $22,500 | Maintenance fee for equipment | Maintenance fee for 10 servers at $2,000 per server ($20,000); fee for repair of elevators (5 elevators at a cost of $500 per elevator=$2,500) |

**Administrative Departments**

**EXHIBIT B-5**

**Operating Budget Instructions**

1. Log into Banner Self Service (this is the same place where you would enter your time, view your direct deposit, access class lists, etc.) or access from MyWellesley, Budget Services.

2. Click on the **FY 2014 Operating and Capital Budget Menu** link.

3. Click on the **Operating Budget Submission** link.

4. Select the **fund and org** that you would like to enter the budget for from the drop down list and then click on the submit button. You will only see those funds and orgs that you have access to in Banner.

5. The right two columns labeled **Budget 2014 and Comments** are the two columns which you can enter information in. The comments are limited to 55 characters. The other columns are for the previous 2 years budget and actual data. These are for informational purposes. You can click on the number in the actual column to get the transaction detail information as you would do in Banner (FWIBDST).

6. If you would like to add a new account number that has no activity in the past, click on the **Add Row** button at the bottom of the page. You can choose the account number that you want to add from the drop down box. You will then be able to enter the amount and comment in the Budget 2014 column.

7. After entering the FY14 budget and any comments that you would like to save, click on the **Recalculate** button to save the information that you just entered. This will also recalculate the total for the year.

8. Once you have entered your desired budget, click on the **Submit Budget** button at the bottom of the page to submit your budget. Once you have submitted your budget, you will not be able to make any changes.

9. **Optional** Activity Detail Form**:** This is **not a required form**. If desired, you could break out your budget further by Activity Code. For example, if you have budgeted $300 under account code 7124 Copying, and you would like $200 of it to go to a specific activity, then you would enter this information of the Activity Detail Budget form found using this link:
   http://new.wellesley.edu/budget/managingbudgets/fy14budgetactivitycode_form
   Open the Excel file and enter the Fund, Org, Account, Activity and Amount. This file should be emailed to Tim Porcello.

**NOTE**: At any time during the budget submission period, you may work on your budget and come back to it at a later time to finish entering your budget. Be sure that you click on the Recalculate/Save each time you exit the program so that your information will be saved. It does not automatically save upon exit.