

THE BUDGET PROCESS

With Strategic Planning

STRATEGIC PLANNING

Strategic Planning is a process that focuses on the mission and the vision of the University and the goals that its leadership hopes to achieve. Each year, the President holds meetings, divisional roundtables and open forums to work through various components of the Strategic Plan. This Strategic Plan guides the development of the University's annual budget.

BUDGET DEVELOPMENT

The budget process combines strategic planning with financial management to provide the Administration with critical information for advancing the University.

Budget Needs

Once a unit's annual strategic plan is updated through the CampusLabs process a resource analysis and budget plan should be developed. See APPENDIX A for the Budget Process Timeline and Procedures. At the beginning of the budget process, Deans/VPs/Division Heads have the opportunity to begin analyzing their base budgets and prepare requests or reallocations for the upcoming fiscal year. A base budget is the amount in the upcoming budget year necessary to conduct the same programs and deliver the same level of service as in the current year. Normally, the only differences between the current year budget and the new base budget are costs that cannot be avoided, or controlled.

New Initiative Budget Requests (NIBR) are expenditures/expenses that will provide an improved level of service and/or enhance the quality of service. Generally, these are for new positions, technology and other equipment and associated supplies, and contractual services to support a new or expanded program. Information submitted in support of the new initiative or enhancement describes how the proposal will improve or add to the quality of service. The NIBRs will be reviewed and prioritized by the Division Head on an individual basis by department need. The value of the initiative/enhancement must be linked to the Strategic Plan of the Unit and also support the Strategic Plan of the University.

The second type of budget request should identify divisional requests for initiatives to be funded by Higher Education Assistance Funds (HEAF). Divisional HEAF allocations will be zero-based and must be justified on an annual basis. The HEAF Initiative Budget Requests Form (HIBR) should be completed for these requests. The HIBRs will be reviewed and prioritized by the Division Head on an individual basis by department need. The value of the HEAF initiative/enhancement must be linked to the Strategic Plan of the Unit and also support the Strategic Plan of the University.

The final type of budget request should identify increases to existing fixed cost requirements such as utility increases, maintenance contract inflation, or other contract/required increases. The Fixed Costs Budget Requests Form (FCBR) should be completed in the Fixed Cost column for these requests. Only the increased cost should be listed (Example, additional cost of utilities in 2016-17 vs. 2015-16).

DIVISIONAL PLANNING/BUDGET MEETINGS

The Budget Office with the VPFO will hold meetings with each division to review the proposed budget and all requests utilizing this structure.

Divisional Budget Meeting Presentation:

1. The first section of the presentation should be devoted to a brief summary of the unit's progress toward achieving the goals established in SHSU's Strategic Plan and the Division's Goals and Objectives established within CampusLabs.
2. In the second section, the unit may request three to five items for funding new programs/services or enhancements to existing services/programs. These requests must be prioritized and submitted on a completed New Strategic Initiative Budget Request Form (NIBR). This form should have been used in conjunction with the original planning and entry of New or Enhanced Strategic Initiative Budget Requests entered into Campus Labs
3. The third section may be used to identify divisional requests for initiatives to be funded by Higher Education Assistance Funds (HEAF). Divisional HEAF allocations will be zero-based and must be justified on an annual basis. The HEAF Initiative Budget Requests Form (HIBR) should be completed for these requests.
4. In the fourth section, the unit should identify increases to existing fixed cost requirements such as utility increases, maintenance contract inflation, or other contract/required increases. The Fixed Cost Budget Requests Form (FCBR) should be included in this section. Only the increased cost should be listed (Example, additional cost of utilities in 2016- 17 vs 2015 -16).

Existing budgets should not be reported. The New Initiative Budget Request Form, as identified in item two 2 above, should be submitted for new or enhanced funding requests for only the 2016-17 fiscal year. The HIBR or FCBR Forms should be used to list all budget requests as identified in items 3 and 4 above. The forms are available at the following Web link: <http://www.shsu.edu/~budget/budget/forms>. *All budget request forms must be forwarded to the Budget Office and/or VPFO at least three (3) days prior to the department's scheduled budget meeting. Departments/Divisions reporting to the Provost must also forward their requests to the Provost at least five (5) days prior to their scheduled budget meeting.*