Lesson: Budgeting Fundamentals

Slide

Slide 1: Budgeting Fundamentals

Notes

Slide 2: What is BFP?

- ASA "the Budget Office"
- Reports to Executive Vice President
- Budget development and forecasting
- Forecasting current and future years
- Trend analysis

Slide 3: Defining Budget

- Budget: plan or bug
- Forecasts planned expenses and revenues
- Clarifies spending priorities
- Provides authorization of expenses
- Allocates resources to achieve organizational objectives
- "Best guess" at a point in time
**Slide**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>WFU Budget</td>
<td>All revenues and expenses related to running the institution</td>
</tr>
<tr>
<td>Operating</td>
<td>Supports day-to-day activities</td>
</tr>
<tr>
<td>Capital</td>
<td>Significant physically and monetarily multi-year plans</td>
</tr>
<tr>
<td>Restricted</td>
<td>Funds designated for a specific purpose</td>
</tr>
</tbody>
</table>

**Notes**

- For Profit:
  - Forecast more important
  - Sales forecast drives spending
  - Emphasis on bottom line profit
  - "Margin" driven

- Higher Education:
  - Not profit focused
  - Forecast and set revenue
  - Budget established annually
  - Flexibility to spend given once budget set
  - Minimal performance pressure
  - Fund driven

**Supporting the Budget**

- Goals:
  1. Data/Information
  2. Components
  3. Priorities
Budget Cycle

Methods and Approaches
- Incremental
- Bottom Up
- Top Down
- Zero Based
- Start at $0 each year
- Hybrid

Questions?
Contact BFP!

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