• **Budget Development**
  
  *Presenter: James Shore, AVP, Budget & Financial Planning*

• **University Fringe Benefit Rates**
  
  *Presenters: James Shore, AVP, Budget & Financial Planning & Beth Fay, Associate Director, Human Resources*

• **Sutton Wellness & Recreation Center**
  
  *Presenter: Keith Callahan, Assistant Director, Project Management*

• **Risk Services Overview**
  
  *Presenter: Julie Groves, Manager, Risk Services*
Got Budget?

Budget Development Overview

CFAR October 17, 2012
• Defining Budget and What it Means
• Budgeting in Higher Education
• Where do I start?
• Methods & Approaches to budgeting
Definition (*Wikipedia & Webster's*)
From French word *bougette*, which means purse or bag
Forecast or list of planned expenses and revenues
Plan for the coordination of resources and expenditures

**Budgets define spending priorities**
- Provides authorization of expenses
- Helps ensure money is available
- Provides tool for analysis and benchmarking

**Budgets are a means of allocating resources to achieve an organization's objectives**
Set at a point in time based on best available information

**Operating vs. Restricted vs. Capital Budget**
Budgeting in Higher Education

For Profit

- Budget not as important as forecast
- Sales forecast drives spending
- More emphasis on bottom line profit
- “Margin” driven

Higher Education

- Not “profit” focused
- Forecast and set revenue
  - Budget is established on an annual basis
- Once budget is set, given flexibility to spend
  - Performance pressure is minimal
- Fund driven
Public/State Supported Universities

- Receive apportionment revenue from State
- Still dependent on tuition & enrollment
  - Out of state students charged more
- State is the governing body & has more control on spending
- Can have endowment & annual fund raising
- Lots of pressure lately in the form of budget cuts

Private Universities

- More dependent on tuition & enrollment
- Minimal state support if any
- More reliant on endowment
- Smaller student population
- Independent Boards
Data/Information

Defensible revenue & expense estimates

Components:

Fixed vs. variable costs
Personnel vs. non-personnel
One-time vs. recurring

Take into account your budget structure

Remember qualitative aspect

Priority setting

Established set of decisions, rules & principles
Incremental

Top Down – developed at top and imposed on the “lower” layers

Bottom up – developed at “lower” layers and submitted “up” for approval

Zero-based budgeting

Can also use top down/bottom up

Hybrid

Based on actuals or budget
Which way is right?

Your way!
Does my budget matter?
How does it fit into the University’s budget?
FY 12-13 UNRESTRICTED OPERATING BUDGET

SOURCES OF REVENUE*

Net Tuition & Fees 63%
Other Revenue 26%
Short Term Investment 1%
Endowment Distribution 5%
Gifts 5%

Additional $16M in Restricted Endowment Distribution supporting Financial Aid, Professors, and Programs

Total Revenue = $314M

*Includes General University, College, Professional Schools, & Auxiliaries.
FY 12-13 UNRESTRICTED OPERATING BUDGET

EXPENDITURES*

- Includes General University, College, Professional Schools, & Auxiliaries.

Total Expense = $291M
Debt Service = $12.5M
Transfers, Contingencies, Capital, etc. = $10M

66% of Operating Budget is for Faculty & Staff Compensation

*Includes General University, College, Professional Schools, & Auxiliaries.
A Closer Look at Detail Budgets

Does my budget matter?
How does it fit into the University’s budget?
Do I have to spend all my budget?
Do I have to match actuals with budget?
What happened to my budget request?
Questions or Comments?

Contact

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Lori Wrenn – wrennla@wfu.edu ext. 5084
Mandy Fleming – fleminma@wfu.edu ext. 4402
http://www.wfu.edu/budget/
CFAR Meeting

Fringe Benefits Overview

Wake Forest University
Human Resources

October 17, 2012
1. What are fringe benefits?

2. Fringe costs at WFU

3. Development of Fringe Rate
Fringe benefits are a collection of various benefits provided by Wake Forest to faculty and staff. The cost of these benefits is shared by the university and faculty and staff. Departments pay for their share of the costs through our fringe rate.

**Statutory Benefits**
Medicare, Social Security, Worker’s Compensation, Unemployment

**Elective Benefits**
Medical, Dental, Retirement, Tuition Concession, Life Insurance, Long Term Disability, ElderCare, Employee Assistance, Back-up Child and Elder Care, and administrative costs for other benefit programs.
FY 2012-2013
Benefits Breakdown

<table>
<thead>
<tr>
<th>Fringe Budget</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory benefits</td>
<td>$12M</td>
<td>29%</td>
</tr>
<tr>
<td>Elective &amp; other benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical and Dental</td>
<td>$13M</td>
<td>31%</td>
</tr>
<tr>
<td>403(b)</td>
<td>$11M</td>
<td>27%</td>
</tr>
<tr>
<td>Tuition Concession</td>
<td>$4M</td>
<td>9%</td>
</tr>
<tr>
<td>Other (Admin costs, etc.)</td>
<td>$2M</td>
<td>4%</td>
</tr>
<tr>
<td>Sub-total</td>
<td>$30M</td>
<td>71%</td>
</tr>
<tr>
<td>Total</td>
<td>$42M</td>
<td>100%</td>
</tr>
</tbody>
</table>
• Budget mechanism to distribute fringe expenses evenly across the university

• Calculated annually based on projected fringe expenses & projected salary base

• Charged on each dollar of salary based on eligibility, not elected benefits

• Rates:
  • Full-time faculty and staff : 27.4%/25%
  • Part-time faculty and staff with benefits:17.4%/15%
  • Part-time faculty and staff w/o benefits, Temps, and Adjuncts: 10%

• Paid Time Off for staff is paid by the departments
• Background
  • Stand-Alone Building to Addition / Renovation
• Timeline
• Current Programming Update
• Floor Plans
• Renderings
• Questions
Wellness & Fitness Center Timeline

Programming

- Detailed discussions with users on Function, Design & Sustainability

Schematic Design

- Prepares general views (to scale) for all design components

Design Development

- Furthers schematic phase to solidify the design with Architectural, Mechanical, Electrical and Structural systems

Construction Documents

- Prepares working drawings, specifications and Construction Bidding Documents

Construction


- Schematic Design Complete
- Design Development Complete
- Construction Documents Complete
Wellness & Fitness Center Update

• **Programming Workshops**
  - Workshop #1 - September 4-6, 2012
    - Detailed discussions with Health & Exercise Science, Student Health Service and Athletics.
    - Validated Athletics Programming from JUL 2011 discussion
  - Workshop #2 – October 31 – November 1, 2012
    - Validate / Review Programming with Campus Recreation and Workshop #1 information
    - Review Space Layouts with all users
    - Continue Wellness / Wellbeing Concepts

• **Schematic Design**
  - Continue Programming into Schematic Design Phase
  - Begin Initial Geotechnical Analysis, Site Survey and Reynolds Gym 3D Building Scan
Questions/Discussion
• Why do we need Risk Services?
The goal of Risk Services is to help reduce the University’s exposure to risk by:

• Working across campus to identify, manage, and possibly eliminate risks
• Developing loss control measures and providing training
• Ensuring adequate property and liability coverage
Risks Are Everywhere
Identify, Manage, and Eliminate Risks

- Campus-wide building and grounds visits
- Accident reviews
- Policy creation
- Training
- Partnerships
Insurance Fast Facts

- 25 different policies
- Property value covered – approximately $705 million
- Approximately 244 vehicles
- FY 12 insurance premiums - $1.2 million
- Deductible on “furniture and fixtures” type property has been reduced to $2,500 per incident
- WFU has established an insurance reserve which sets the deductible at $1,000 per incident on this type of property loss
Resources

• Coming soon – the new Finance Division website with Risk Services info and forms
• WFU Driver Safety Fair, tomorrow from 1:00 – 5:00 on Manchester Plaza
• Auto Packets for every WFU-owned automobile
Also coming soon – Accident Reporting Phone App
Questions

Contact Information:
Julie Groves – x4197
Upcoming Meetings

Wednesday, November 14th 2:00-3:30 Benson 401CD

Wednesday, December 12th 3:30-5:00 Benson 401CD