

Campus Finance & Administration Representative Meeting



WAKE FOREST
UNIVERSITY

OCTOBER 17, 2012

- **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 organizations objectives

Set at a point in time based on best available information

Operating vs. Restricted vs. Capital Budget

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

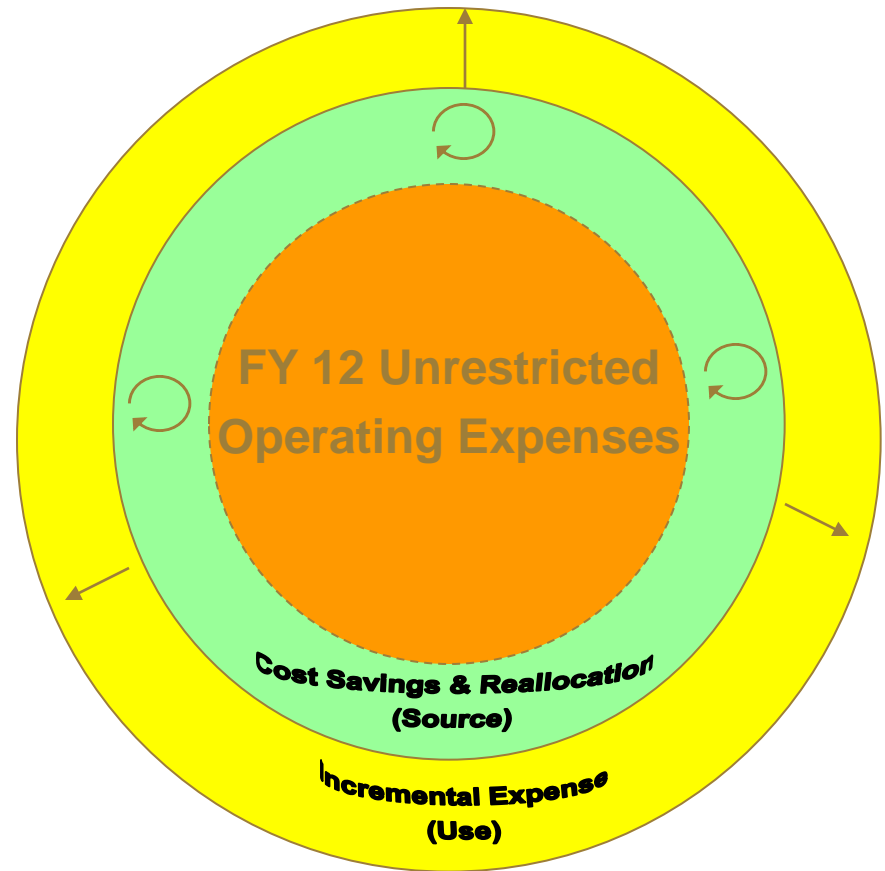


Which way is right?

Your way!



FY 13 Unrestricted
Operating Revenue



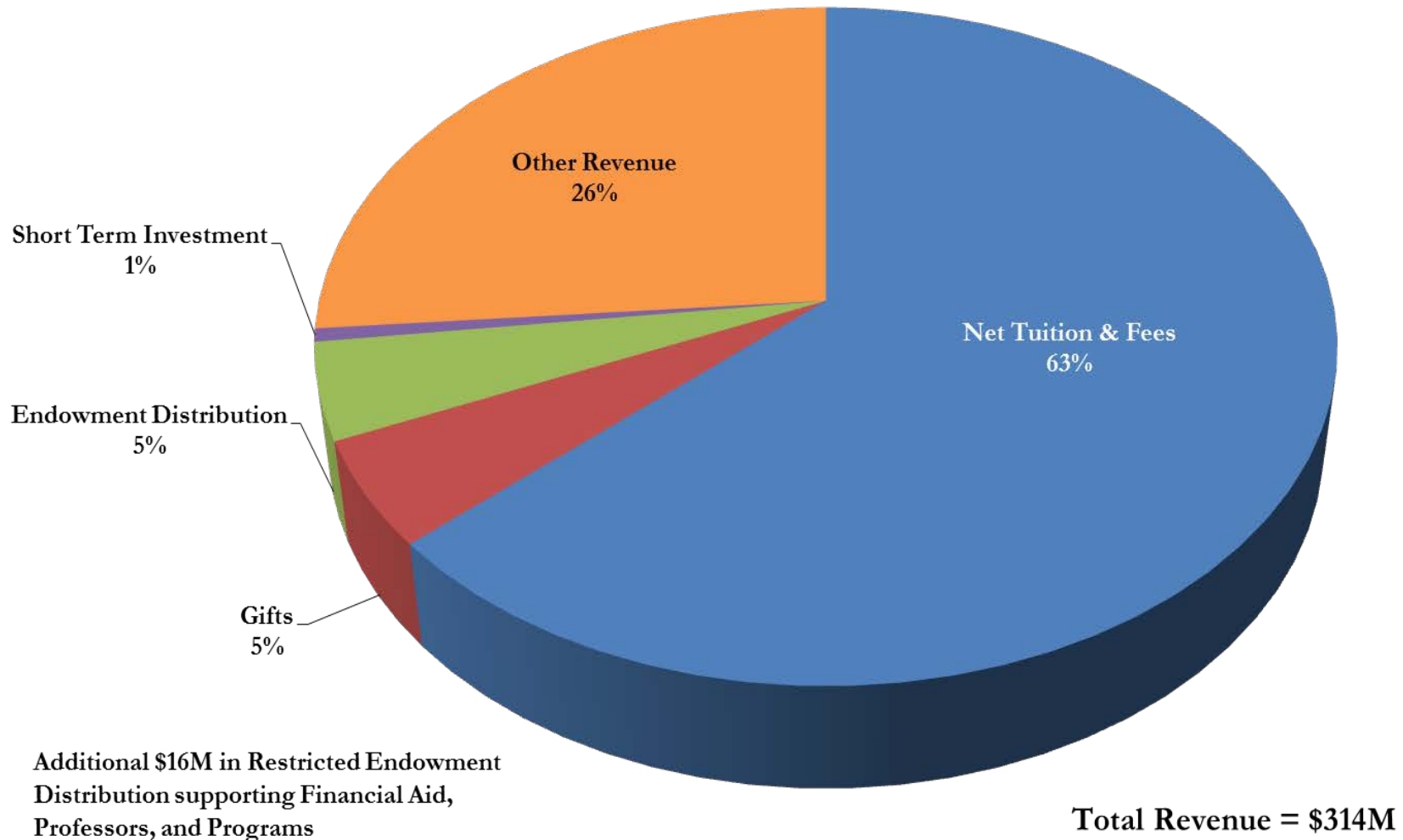
FY 13 Unrestricted
Operating Expenses

Does my budget matter?

How does it fit into the University's budget?



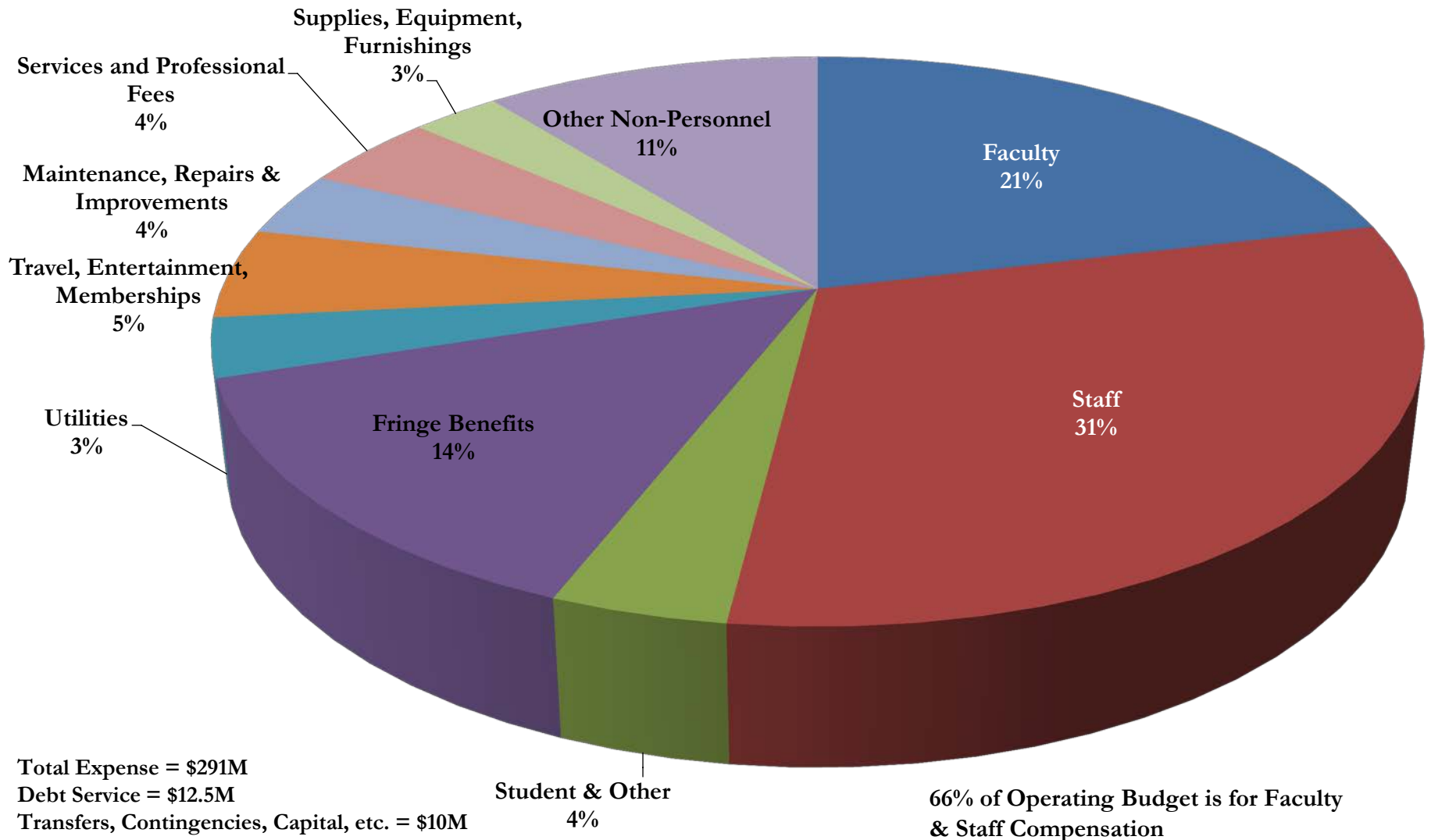
FY 12-13 UNRESTRICTED OPERATING BUDGET SOURCES OF REVENUE*



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



FY 12-13 UNRESTRICTED OPERATING BUDGET EXPENDITURES*



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

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

budget@lists.wfu.edu

James Shore – shorejn@wfu.edu ext. 1955

Shannon Badgett – badgetss@wfu.edu ext. 3159

Lori Wrenn – wrennla@wfu.edu ext. 5084

Mandy Fleming – fleminma@wfu.edu ext. 4402

<http://www.wfu.edu/budget/>

CFAR Meeting

Fringe Benefits Overview



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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.

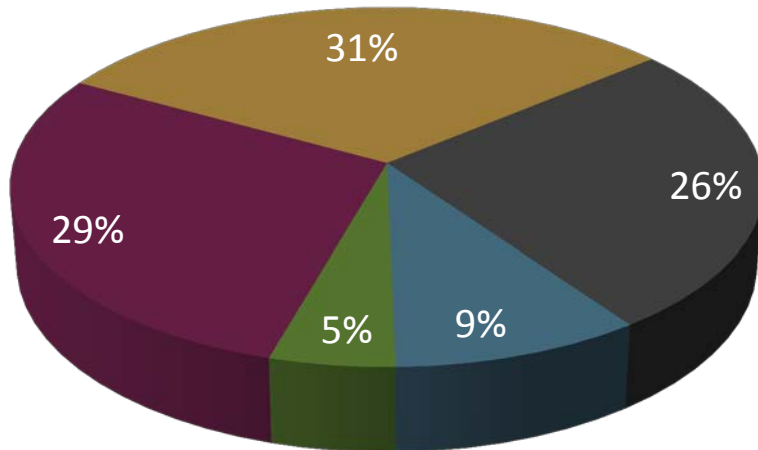
Statutory Benefits

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



Fringe Budget	\$	%
Statutory benefits	\$12M	29%
Elective & other benefits:		
Medical and Dental	\$13M	31%
403(b)	\$11M	27%
Tuition Concession	\$4M	9%
Other (Admin costs, etc.)	\$2M	4%
Sub-total	\$30M	71%
Total	\$42M	100%

- 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
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Sutton Wellness & Recreation Center CFAR Information Briefing

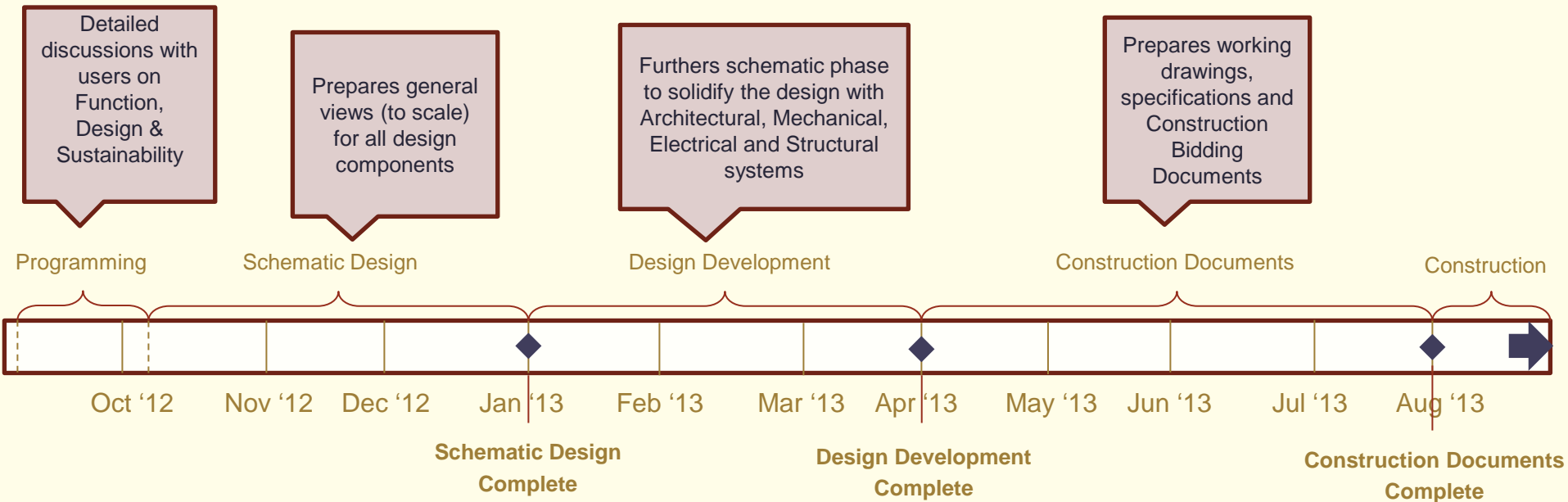
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- **Background**
 - Stand-Alone Building to Addition / Renovation
 - **Timeline**
 - **Current Programming Update**
 - **Floor Plans**
 - **Renderings**
 - **Questions**
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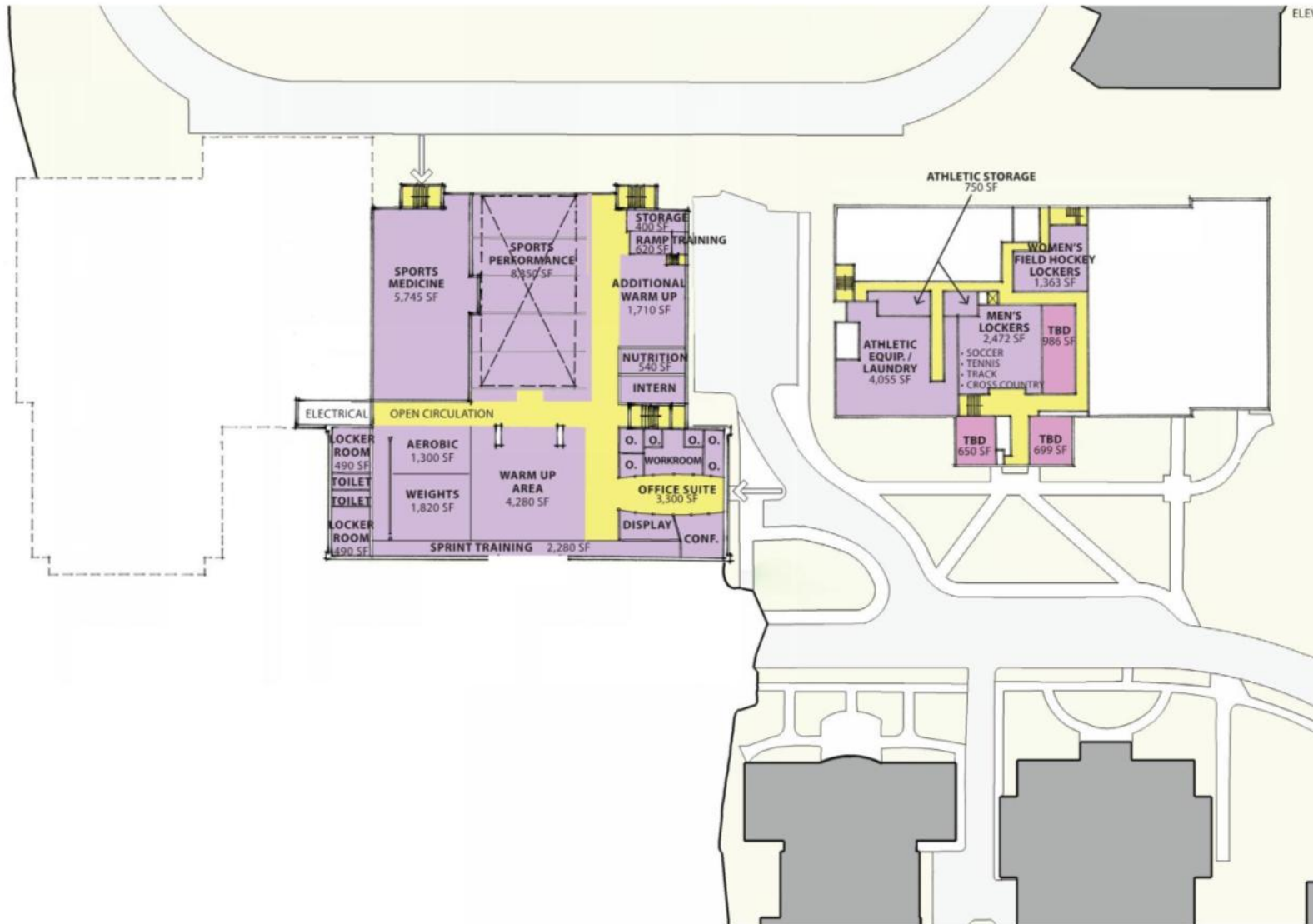


- **Programming Workshops**

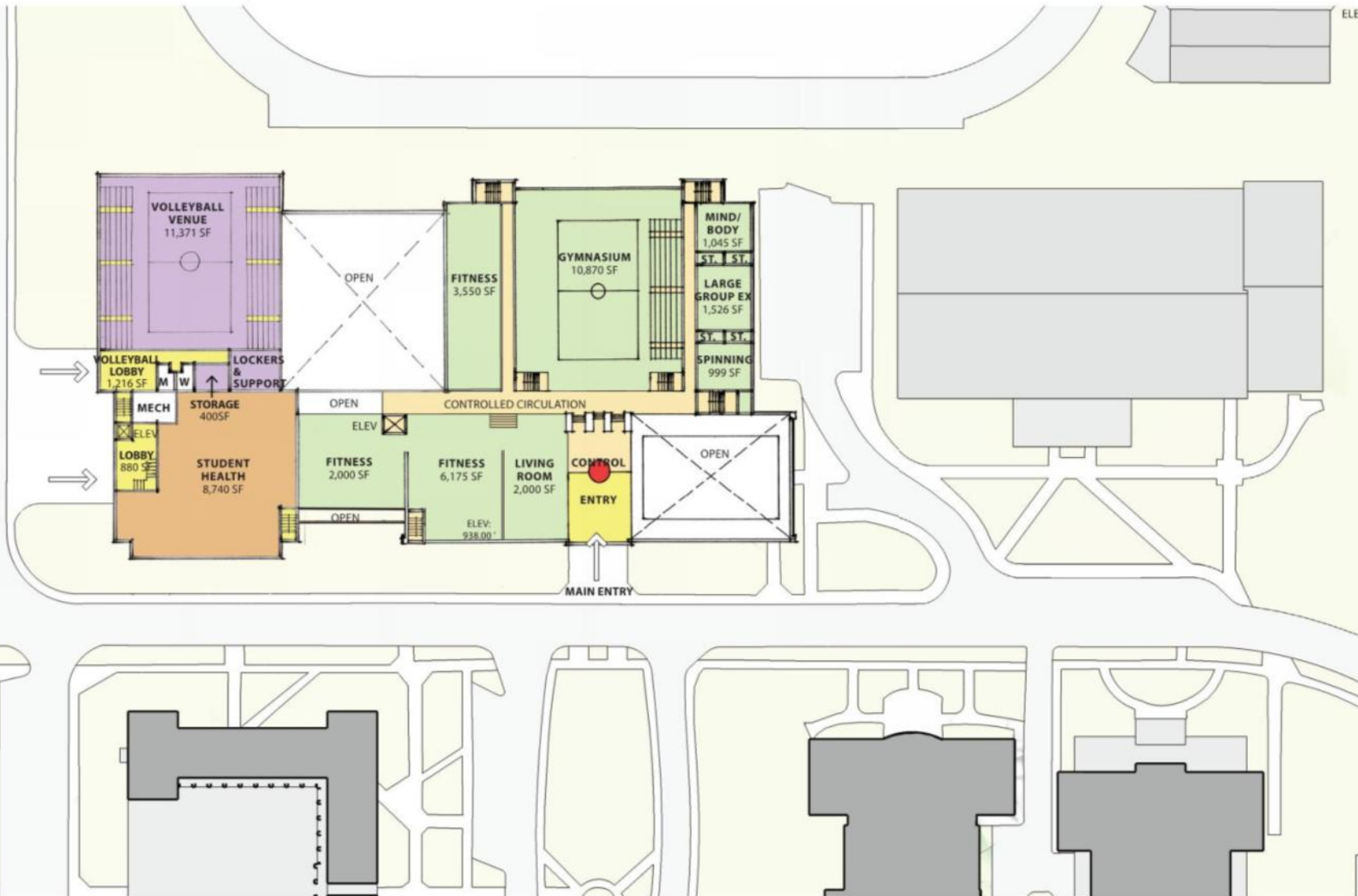
- Workshop #1 - September 4-6, 2012
 - Detailed discussions with Health & Exercise Science, Student Health Service and Athletics.
 - Validated Athletics Programming from JUL 2011 discussion
- Workshop #2 – October 31 – November 1, 2012
 - Validate / Review Programming with Campus Recreation and Workshop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

- **Schematic Design**

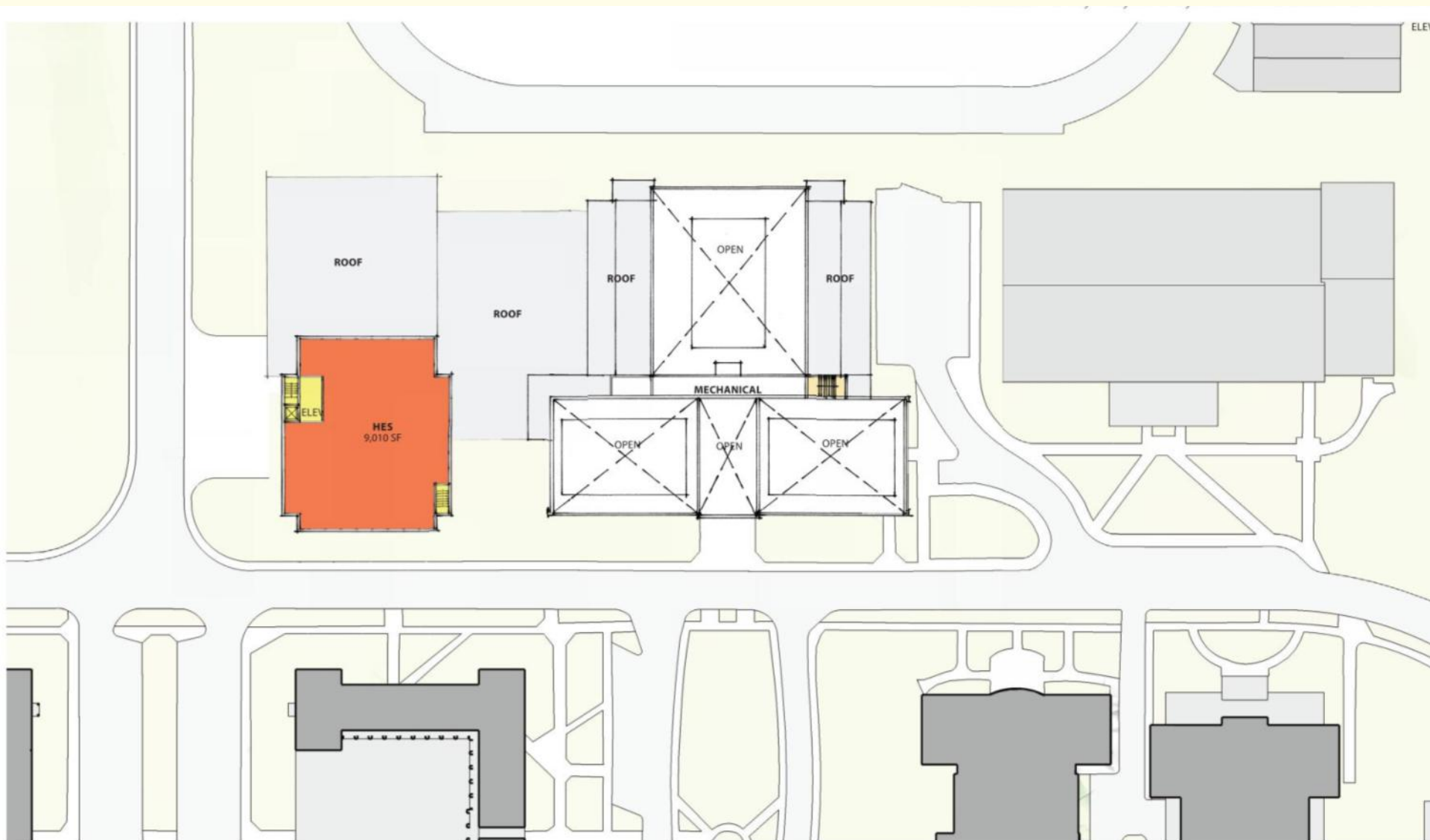
- Continue Programming into Schematic Design Phase
 - Begin Initial Geotechnical Analysis, Site Survey and Reynolds Gym 3D Building Scan
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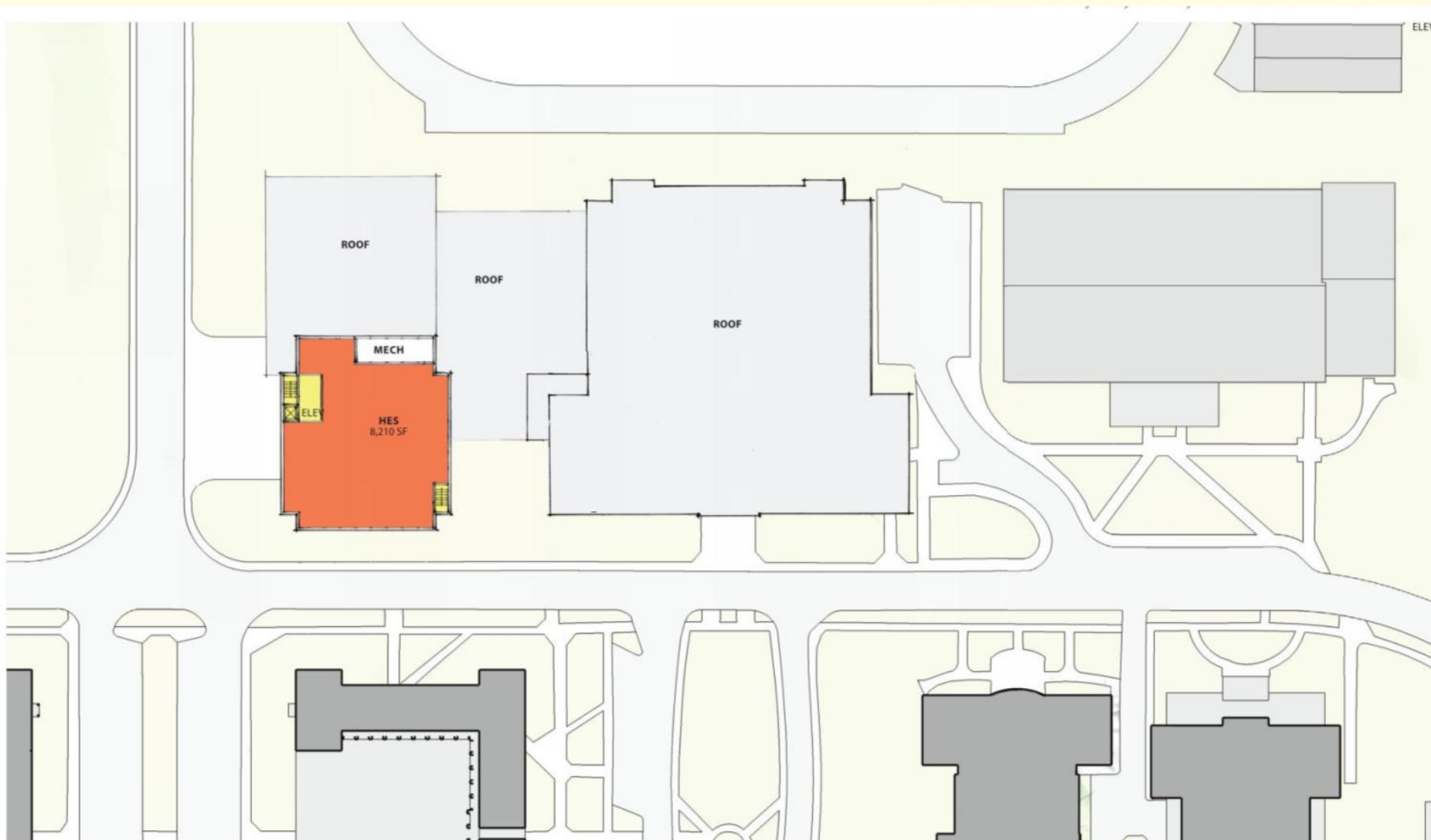












Wellness & Fitness Center Images





Questions/Discussion

RISK SERVICES

OVERVIEW



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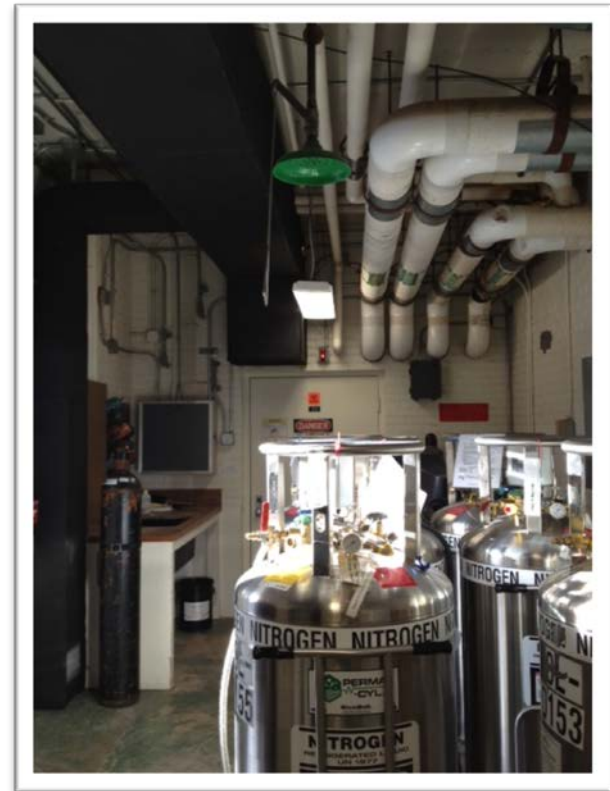
- **Why do we need Risk Services?**



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
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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
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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
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Also coming soon – Accident Reporting Phone App



Questions

Contact Information:
Julie Groves – x4197



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Upcoming Meetings

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

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