THE UNIVERSITY OF THE WEST INDIES

Workshop for Deans & Heads of Departments

BUDGET PRESENTATION
AND BUDGETARY CONTROL
WHAT IS A BUDGET?

- Burrup defines a budget as a specific plan for implementing organizational objectives, policies and programmes for a given time period.

- In UWI, UGC/CGC funded activities are referred to as ‘the budget’, but the scale of UWI operations are expanded to include Special Projects, Other Projects and Commercial Operations.

- The financial statements show that funding from governments constitute 52 percent of total income of UWI.
PROCEDURES FOR PREPARING BIENNIAL BUDGETS.

- The Office of Finance issues the Budget Guidelines annually to the Campuses.

- The Biennial Budgets are rolling budgets, whereby the first year when approved, is replaced by a new year.

- The Biennial Budgets and the accompanying Memorandum of Needs are the two documents presented to Contributing Governments to secure funding.
ROLE OF BURSARIES/OFFICE OF FINANCE

The Campus Bursars guide the budget process for the Campuses. Office of Finance guides the budget process for the University Centre and monitors the progress of the Campuses.

The guidelines sent to the principal budget holders / budget holders request that resources are for purposes of achieving the nine objectives of the Strategic Plan 2002-2007.

Campus Bursars/ Office of Finance are to ensure that:

1. the budget format is standardized.

2. budget holder are provided with expenditure reports for the financial year to date.
3. Information is provided electronically or by hard copies to faculties/departments.

- Costings are prepared for the approved staff establishment only.
Principal Budget Holders/Budget holders are requested to provide verification of the staff lists to the Bursaries.

Staff costs constitute over 60 percent of the University’s resources.
In the development of Units’ budget proposals to Campus Bursars, Deans, Heads need to ensure that the manpower utilization of teaching staff is in conformity with prescribed norms. In addition, ensuring that the allocation of teaching loads conform to norms.
Budget submissions of faculties/ departments/ institutes should consist of decision packages. The basic package will show the minimum costs of an entity’s current activities.

Incremental packages should include the incremental costs of any increases in activities.

These new proposals for new additional new initiatives, should be within the context of the nine Strategic Objectives of the University.
There has to be detailed justifications for each request. Request can include capital needs.

The current Financial Code 1995 and the Revised Financial Code 2006 describe these proposals as decision packages.
INTERNAL REVIEW

- The Campus Bursars are responsible for coordinating the budget submissions and preparing the final budgets for submission to the Review Committee.

- Budgets are required to be prepared for the full economic costs of operating the Campuses and the University Centre, which includes the costs of depreciation, pension supplementation and the effect of inflation.
The definition of economic costs. The University uses two definitions, derived from two Task Forces which were established in 1970s and the other in 1998. The definitions are:-

1) Basically, per capita economic cost represents the annual cost to the University of giving teaching to a student.

2) The full complement of resources required for operating and maintaining the University.

The composition of the Committee is:-

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
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<tbody>
<tr>
<td>Chairman</td>
<td>Vice Chancellor/Principal</td>
</tr>
<tr>
<td>Secretary</td>
<td>Campus Bursar/University Bursar</td>
</tr>
<tr>
<td>Members</td>
<td>Principal Budget Holders</td>
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<tr>
<td>Members</td>
<td>Two Independent Members</td>
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The Revised Financial Code 2006 states that the Budget Review Committee shall have the absolute right to vary budget allocation.
ROUTE TO APPROVAL

- Annually the Vice Chancellor meets with Campus Principal and Campus Bursars for a final review of the University’s budgets.

- Budgetary consultations are held with respective Campus Governments.

- At the meetings of the Technical Advisory Committee (TAC) each Campus and the Centre present its budget.

- The budgets presented are supported by the Memorandum of Needs.
Each TAC prepares a report of funding level recommended to the Campus Grants Committees and University Grants Committee.

The TACs are required by their terms of reference to indicate whether the budgets were considered reasonable, and represented economic costs of operating the Campus/Centre.

Each Campus Grants Committee receives the Report of Recommendations of the Campus TAC.

The budgets approved by the Grants Committees are presented to the University Council for final approval.
RECENT SUCCESSES

- The following slides show growth in approved government contributions for Centre Mona, for the last nine years.

- For the University Centre Mona budget 2006/2007 has been approved at 2005/2006 level;
Government Contributions For Years 1998/99 - 2006/07

Financial Years

Amounts (J$)
Management of Budgets

- All proposals for filling of posts should be approved by the relevant authorities in advance of making appointments.

- Virement or transfer funds from one budget line to another is allowed within departmental operational budgets.

- There shall be no virement to and from staff costs.

- Virement of less than 25 percent of the budget category can be requested by written justification from the Principal Budget Holders and Budget Holders. Cases of virement beyond 25 percent requires approval from the next level of authority.
Expenditure should be incurred only upon receipt of revenue.

There should be even distribution of expenditure in a year so that funds are available for planned objectives and not exhausted prematurely (Financial Procedures chapter 6).

Expenditure shall be guided by high standards of financial propriety. (Financial Code 2006)

Principal Budget Holder and Budget Holder who overspends his authority can be held personally liable for the amount.
The following forms and Banner Reports provide information on a unit’s budget status:-

FGIBDST   - Organization Budget Status
FGIBAVL   - Budget Availability Status
FGRBDSC   - Budget Status
FGRODTA   - Organization Detail Activity

*Arising out of the University Grants Committee meeting of 2005 the University is in the process of identifying its capital needs.*
DEFINITIONS

- **Principal Budget Holder** is a member of staff of the university responsible for the proper and efficient management and administration of his budget. Deans and Heads of Offices are Principal Budget – Holders.

- **Budget Holder** is a member of staff of the University who is responsible for proper and efficient budget management of the areas for which he has been delegated such powers by the Principal Budget Holder.
THANK YOU