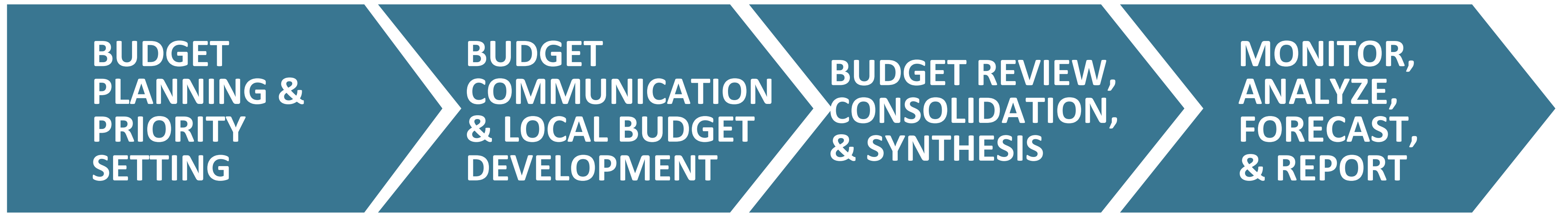


Welcome



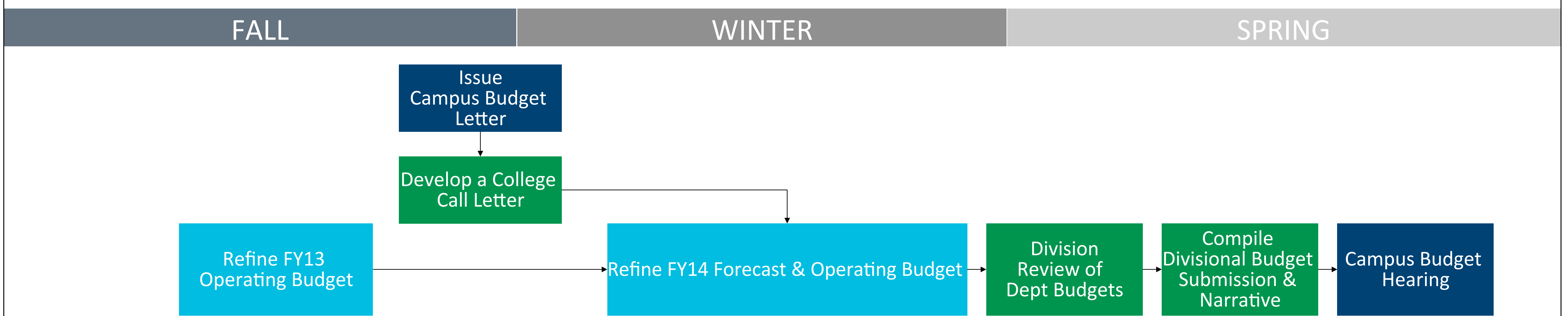
FINANCE LEADERSHIP SUMMIT

Upcoming Budget Process



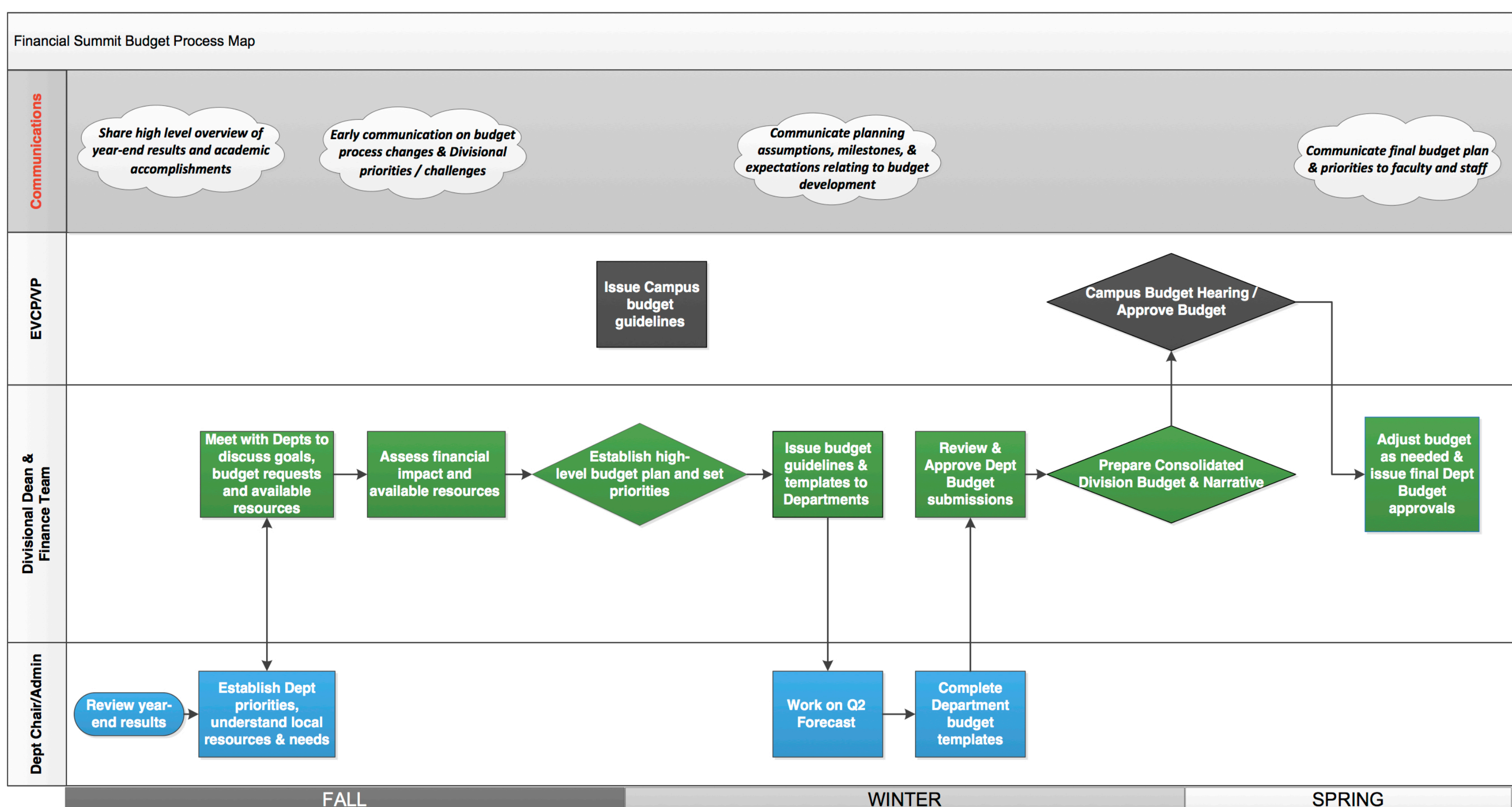
Budget Process

- Process initiated by the EVCP/Campus Finance team
- Process requiring Dean's participation/attention
- Process involving Division Finance team and departments



Detailed Process Map with Key Communications

- Central (EVCP +CBO)
- Division (Dean + Division Finance Team)
- Department (Chairs + Administration)
- Key Communication



Executive Financial Summary

Basic Questions

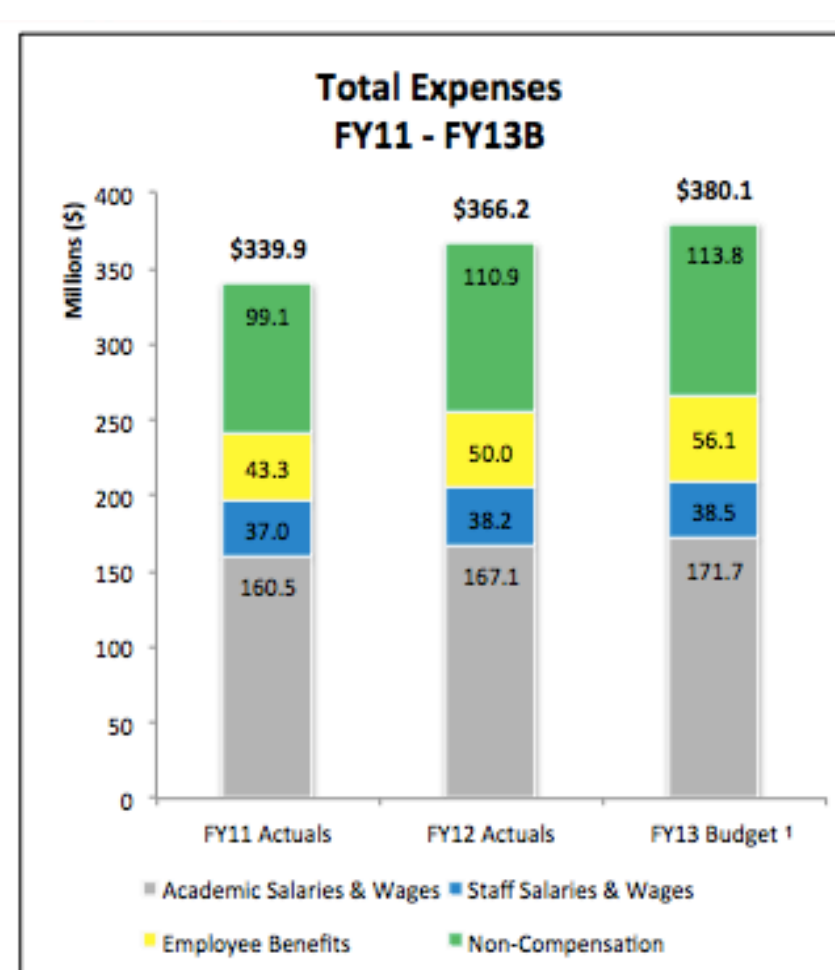
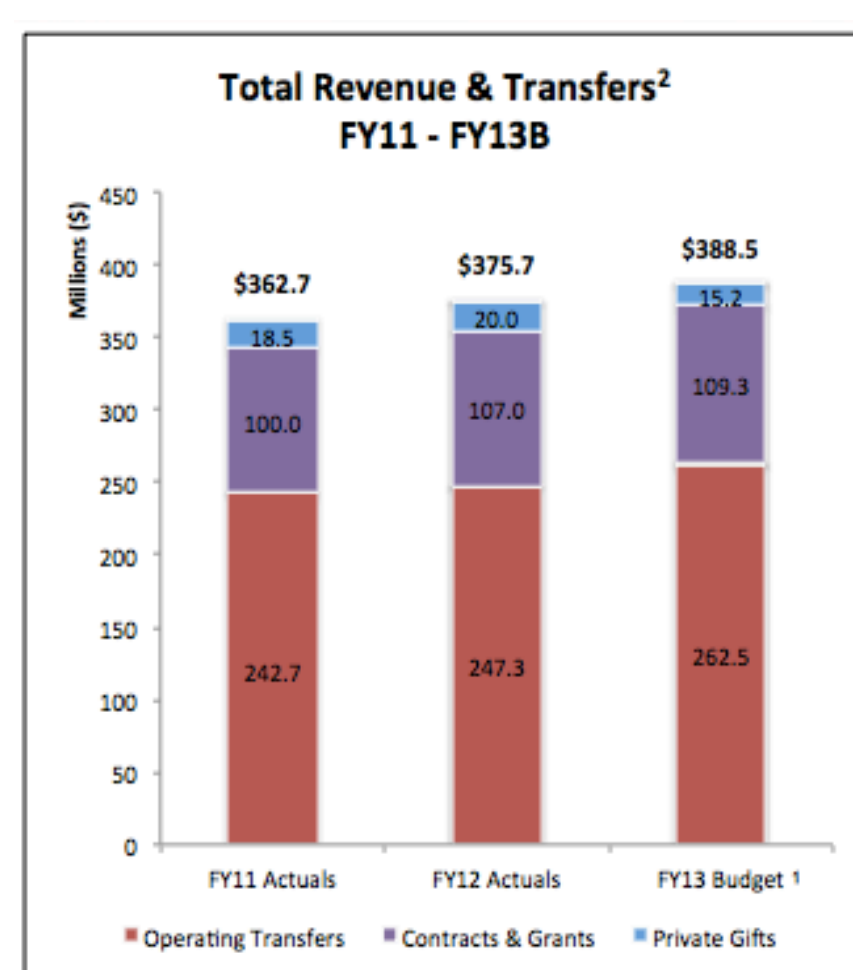
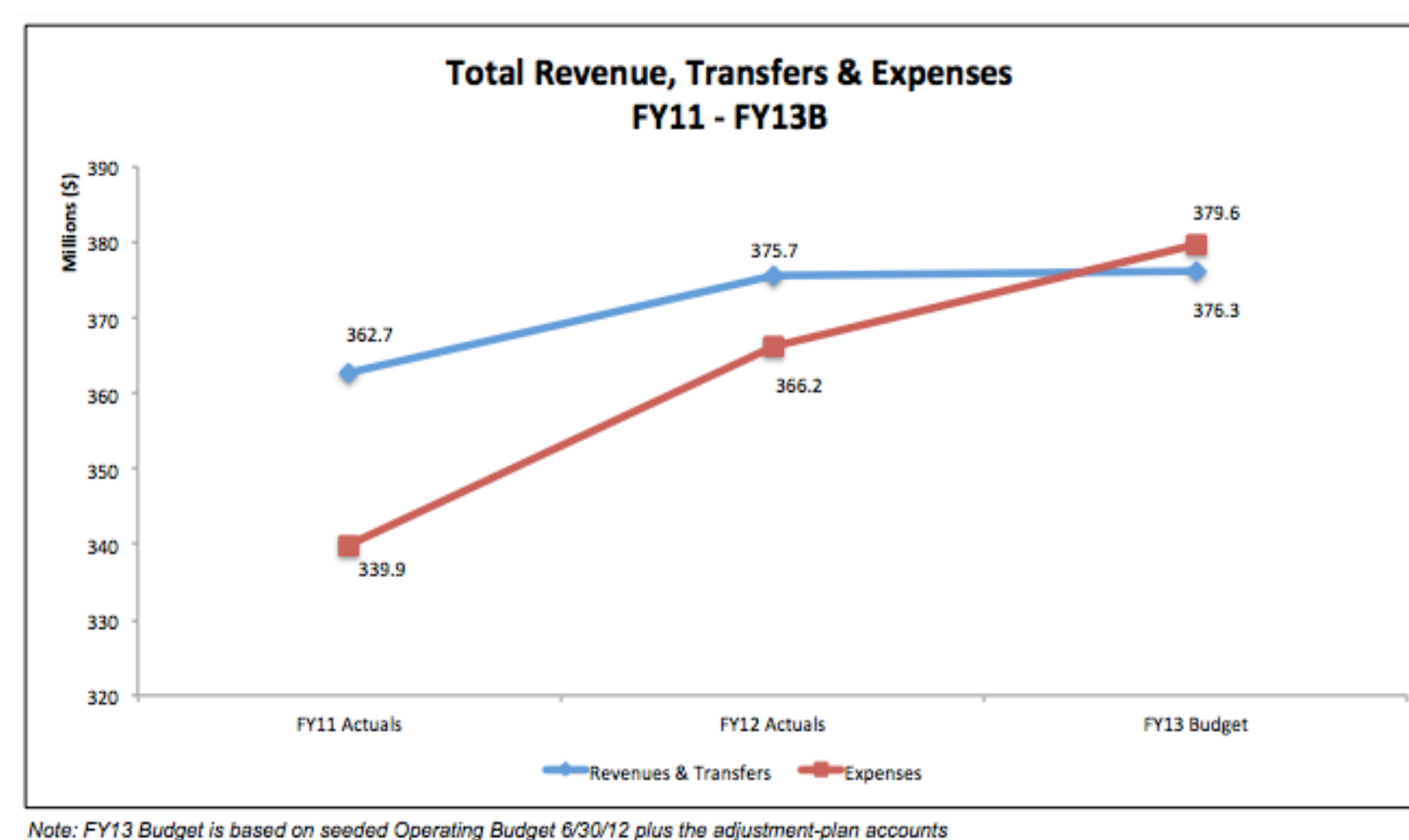
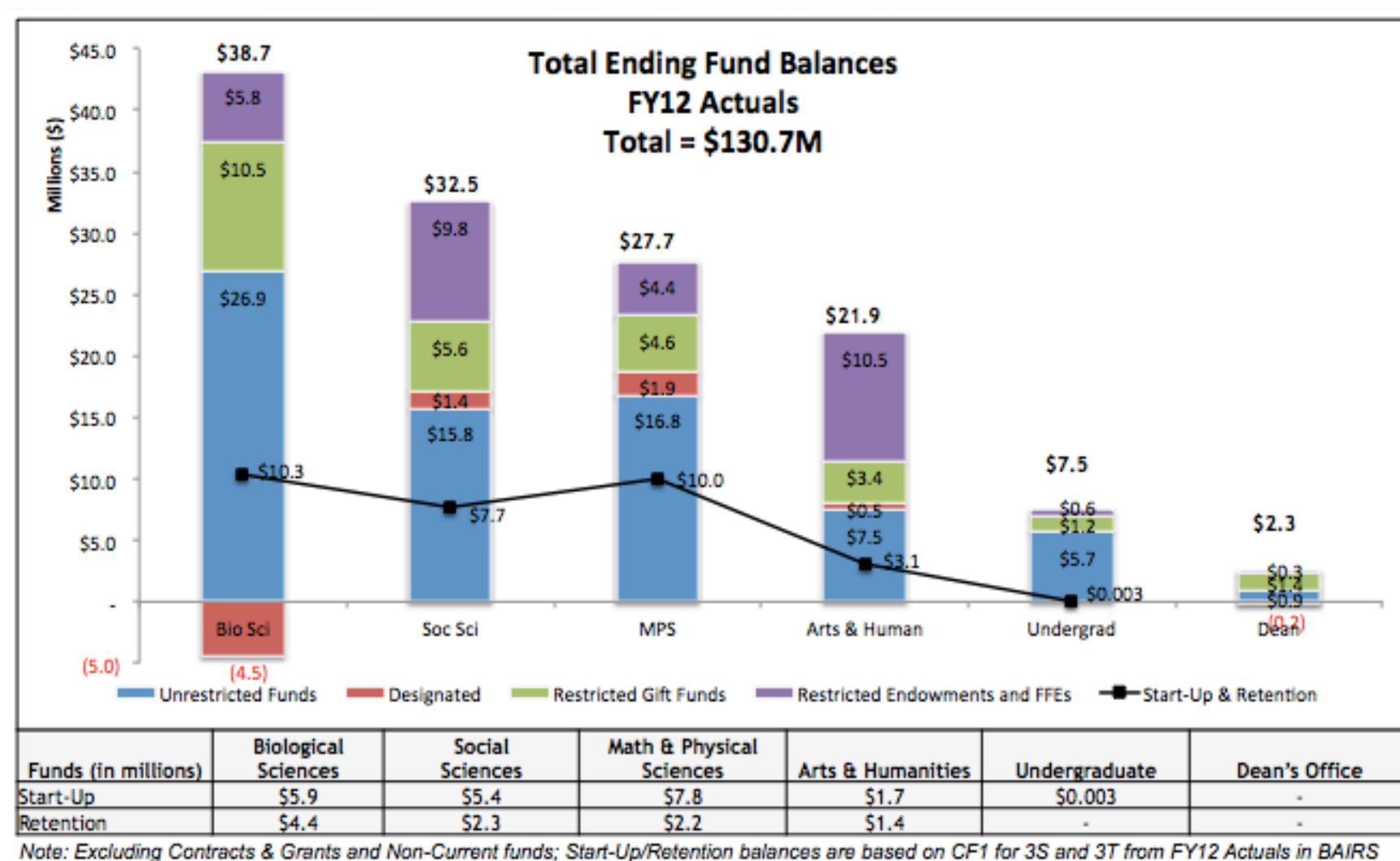
- What is the aggregate financial picture of my organization?
- What are my revenues by source?
- What is the breakdown of my expenses?
- How are revenues and expenses trending over time?
- Am I operating at a surplus or deficit?
- What are my fund balances?

Intermediate Questions

- What portion of my revenue is unrestricted vs. restricted?
- How are resources allocated across the depts / programs in my Division?
- Which units are actually generating revenue?
- What are the major expenses of your depts? Which ones have the greatest variance?
- What does it cost to deliver on our programs?
- What resources are controlled by the depts / programs in my Division?

Advanced/Strategic Questions

- Is the allocation of resources aligned with academic priorities?
- What resources are available / can be freed up to fund priorities?
- Can we justify current expenditures as effective means of realizing the Division's mission?
- How might we change our budget process to better sustain & advance the academic mission?



¹Note: FY13Budget is based on seeded amount 6/30/12 plus the adjustment plan-accounts which are allocated to revenue/expenses based on percent of total FY12 Actuals
²Note: Not shown are the following revenue:
 Tuition & Fees \$350K, \$300 and \$340K for FY11, FY12 and FY13B
 Investment Income \$0, \$156K and \$85K for FY11, FY12 and FY13B
 Sales & Services \$1M/year for FY11, FY12 and FY13B

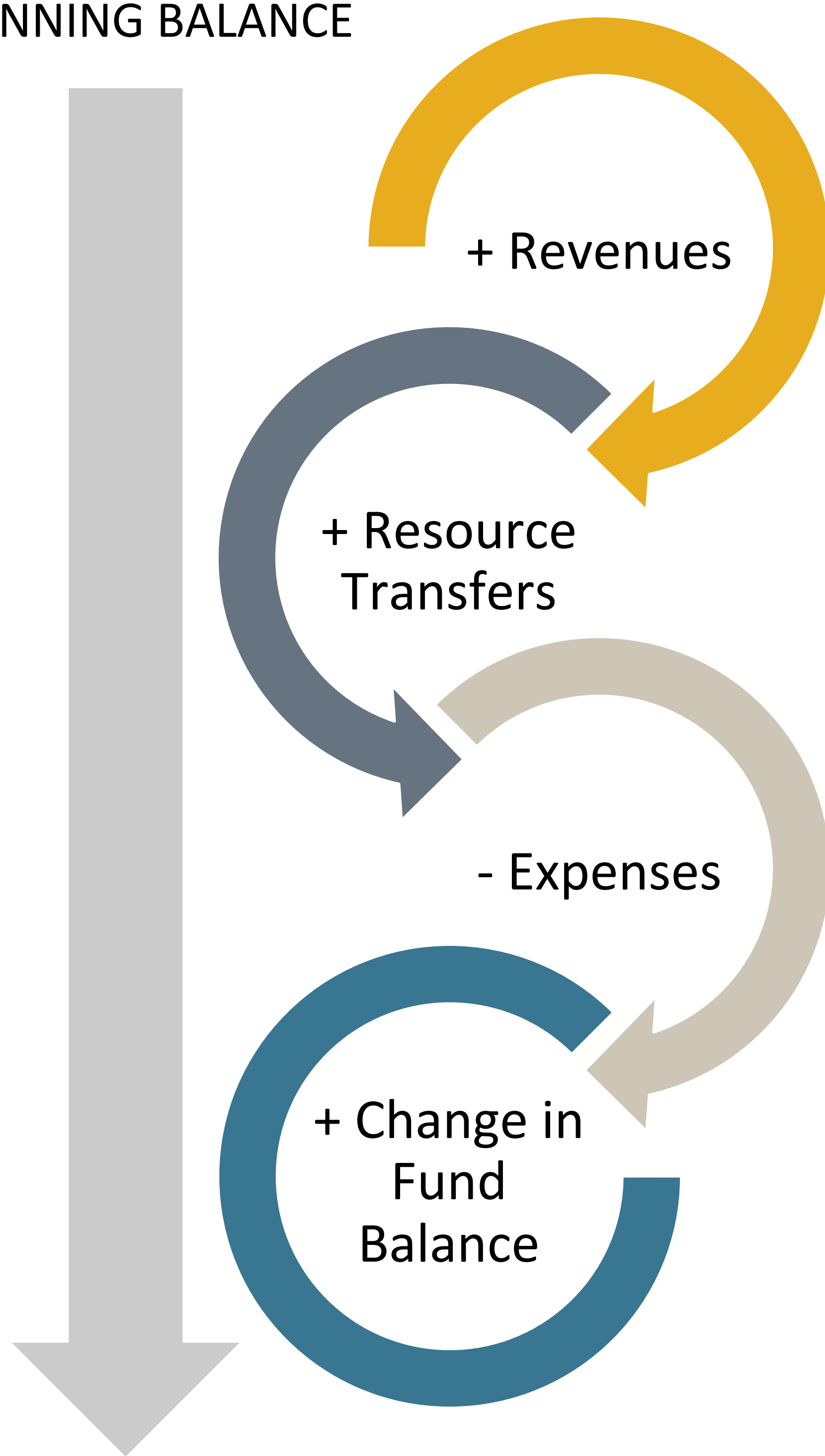
Robust Financial Reporting & Analytical Capacity

The Statement of Revenue, Expense, and Changes to Net Assets (SRECNA)

“The SRECNA format will allow Divisional leaders to evaluate and benchmark financial results in a consistent framework.” - Laurent Heller, Executive Director of the UC Berkeley Budget Office

Getting to Your Bottom Line

BEGINNING BALANCE



ENDING BALANCE

All Funds Perspective

BERKELEY CAMPUS

U.C. Berkeley Consolidated Budget for Current Funds, 2012-13
Statement of Revenue, Expense and Changes to Net Assets

[in thousands]	Total FY 2012-13	Unrestricted		Restricted		
		Unrestricted	Designated	Restricted Gift Funds	Restricted Endowments and FFEs Funds	Contracts and Grants
Revenues and Operating Transfers						
State Support	262,057	262,019	0	0	0	38
Net Tuition and Fees	572,443	538,020	34,278	125	20	882,197
Contracts & Grants	682,220	0	0	16	0	682,197
Private Gifts for Current Use	157,887	13,789	0	97,697	46,111	389
Investment Income	116,545	40,867	0	0	0	417
Sales and Services of Educational Activi	280,276	276,297	3,473	0	504	2
Nonoperating Revenue	39,754	102	0	0	7	39,645
Adjustment: Revenue - Plan	47,613	45,684	126	9,338	377	(7,911)
Operating Transfers	0	0	0	0	0	0
Total Revenue & Transfers	2,158,795	1,176,778	37,751	107,189	122,175	714,776
Expenses						
Total Compensation	1,367,695	1,367,670	80,983	50,019	38,583	253,440
Total Non Compensation	660,887	277,884	(44,351)	50,323	67,252	309,778
Adjustment: Total Expenses - Plan	2,214	1,329	725	19	140	0
Total Expenses	2,030,795	1,223,884	37,357	100,362	105,975	563,218
Net Operating Surplus/(Deficit)	127,999	(47,105)	520	6,827	16,200	151,557
To/From Plant Funds	(130,030)	(118,030)	0	(12,000)	0	0
To/From All Other Fund Balance	(19,680)	(180)	0	0	150	255
Changes in Fund Balance	(149,483)	15,036	(2,000)	(12,000)	(9,225)	(141,000)
Beginning Balance	1,055,356	690,324	35,714	204,770	134,558	0
Ending Balance	1,043,882	658,255	34,234	199,597	140,983	10,812

Consolidated Reporting

L&S Dept ID Process

The College of Letters and Science (L&S)



Background

The L&S Finance team developed a process and timeline for the College to refine Dept ID level budgets. The Divisional Budget Officers held training sessions and drop-in working sessions for Department Managers. This afforded the Budget Officers the opportunity to learn more about their Departments' FY13 plans as well as locally held resources.

Revenue and Operating Transfer Entry Form (Resource B)

Department _____
 DeptID _____ Contact Information _____

Instructions:
 Please transfer the actual revenue and operating transfers (7/1/12 - 10/25/12) to this form and add any anticipated revenue and operating transfers (> \$1,000) from 10/26/12 to 6/30/13. Examples of revenues (4xxxx account range) and operating transfers (7xxxx account range) are listed below (non-exhaustive list).
Please do not include 1) benefits transfers on funds 07427, 19900, & 69750, including fee remission; 2) the '71110-General Allocation (July 1 Adj Perm Budg) from the DeptID (L7) Overview - Form Entry. Your budget officer will supply this information on behalf of your department.

Actual and Anticipated Revenue and Operating Transfers for FY 13						
Total FY 2012-13	Unrestricted			Restricted		
	Current Funds Totals	Unrestricted Designated	Restricted Gift Endowments and FFEs	Restricted Gift Endowments and FFEs	Contracts and Grants	Grants
Revenue (4xxxx Accounts)						
<i>Description</i>						
<i>Unrestricted Gifts</i>	0					
<i>Restricted Gifts</i>	0					
<i>Restricted Endowments</i>	0					
<i>UCBF Endowment Income</i>	0					

Tool developed for identifying how funds were mapped to fund buckets in CalPlanning. Financial data for 3 years of Actuals as well as a calculated 3 year average by fund were included.

Entry form developed to gather budget data adjustments from Department Managers for review and entry in CalPlanning by Divisional Budget Officers.

	Final FY	2009-10	2010-11	2011-12	3 Yr	
Fund	Fund Desc	Actuals	Actuals	Actuals	Average	Fund Bucket
34574	CHASE, HERMIONE PALMER FD	0	1,827	0	609	Restricted Endowments and FFEs
40739	WHITTEN MARY H GRAD STDT INSTR	7,811	8,670	12,552	9,678	Restricted Gifts
20291	SUMMER SESSIONS VISITING STUDE	6,995	627	1,020	2,881	Unrestricted
53922	N7211 ART PRACTICE DISCRTNARY	735	2,553	1,223	1,504	Restricted Gifts
53923	N7206 LINGUISTICS ANNLA FD-L&S		0		0	Restricted Gifts
60050	Generic Revenue-Edu Activity	10,131	10,951	9,210	10,098	Unrestricted
20291	SUMMER SESSIONS VISITING STUDE	2,838	4,311	1,319	2,823	Unrestricted
18083	S/A INSTR COMP-LOTTERY		0		0	Contracts and Grants
20291	SUMMER SESSIONS VISITING STUDE	6,915	7,189	4,816	6,307	Unrestricted

VCR Dept ID Process

The Office of Research

Background

Refining budget data to a DeptID level was not going to be an easy task for the VCR.

VCR has 76 L4 organizations (e.g., The Botanical Gardens, Energy Biosciences Institute) and 511 Dept IDs (e.g. SPO Research Administration), which is larger than all of L&S.

Most of these organizations are independently run centers, which have never had to prepare comprehensive All-Funds budgets for the Office of Research.

There is only one Budget Manager for all of VCR. With the move to centralized services, many units do not have any administrative staff remaining.

Solution

Vice Chancellor Graham Fleming held a Town Hall meeting and communicated the importance of CalPlanning. This helped paved the way for Anne Benker, Budget Director, to compile a team of 5 analysts from the organization.

This team faced the task of refining DeptID level budgets with gusto. They met many times to create a tactical workplan for reviewing and developing All-Funds budgets with units. The VCR team was the first to attend a mobile lab working session for entering budget data in CalPlanning. This allowed the Team to adjust their approach, having more meaningful budget conversations.

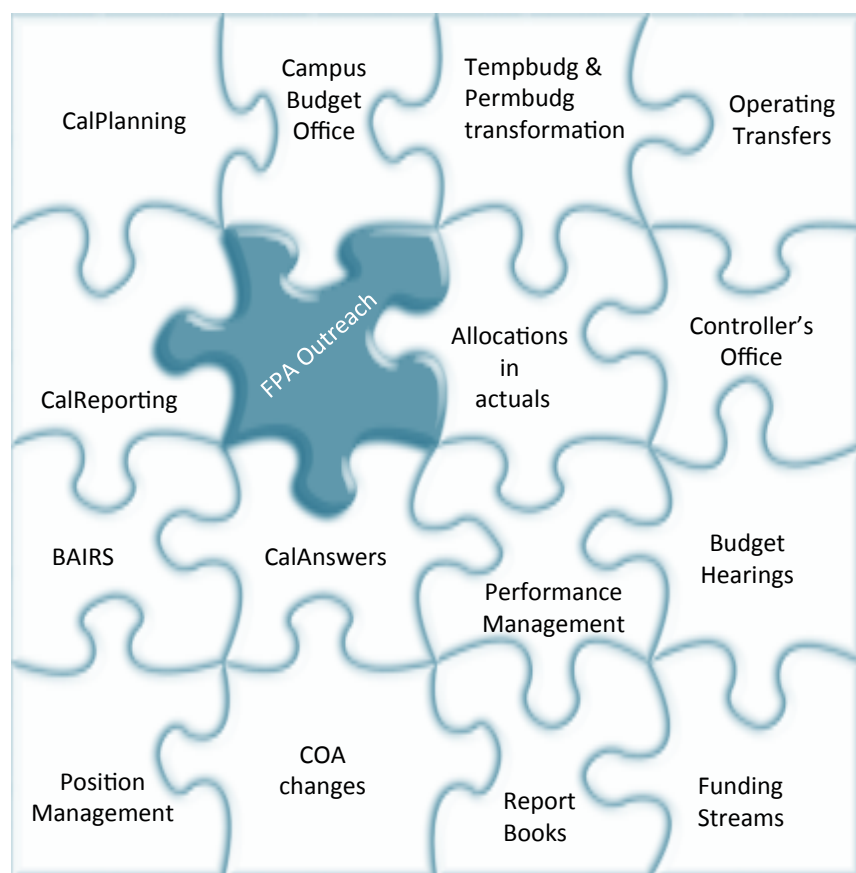
For all of her hard work, Anne was honored with a “Step Up for Cal” award.



Financial Planning and Analysis Outreach



Partnerships



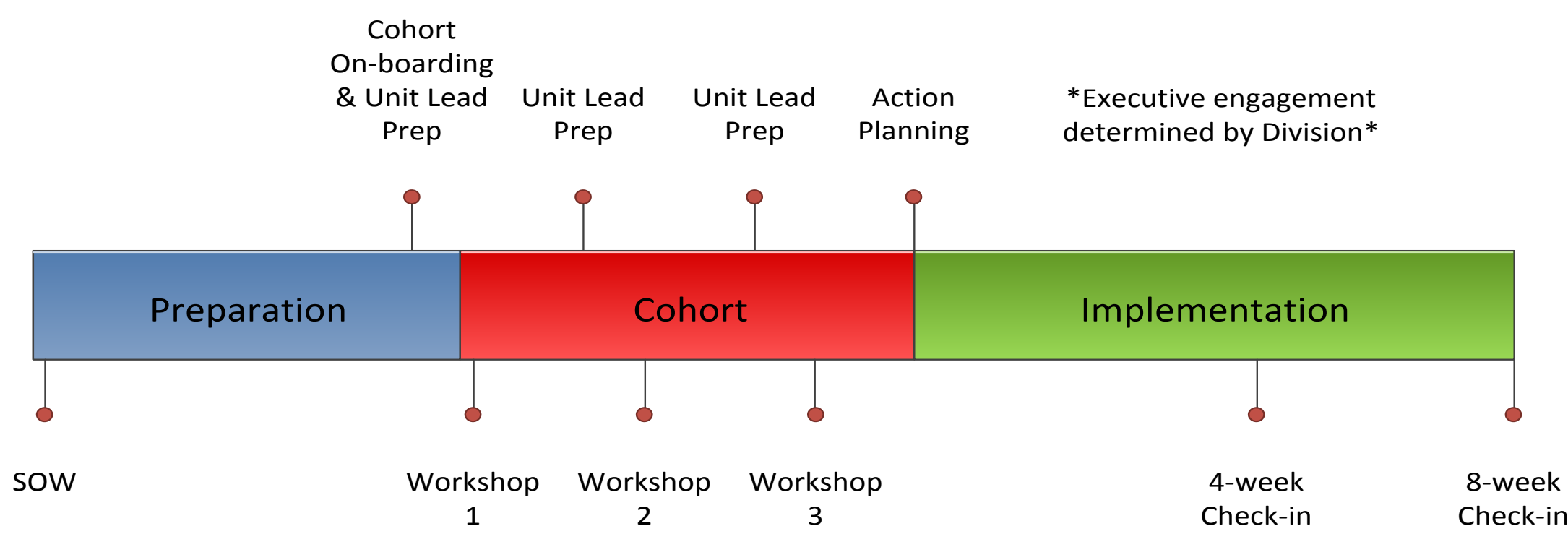
The FPA Outreach Team has worked in close partnership with central offices and Divisions to assist with developing new financial planning and analysis processes as well as the transition to a new financial system, CalPlanning.

Benefits for Deans

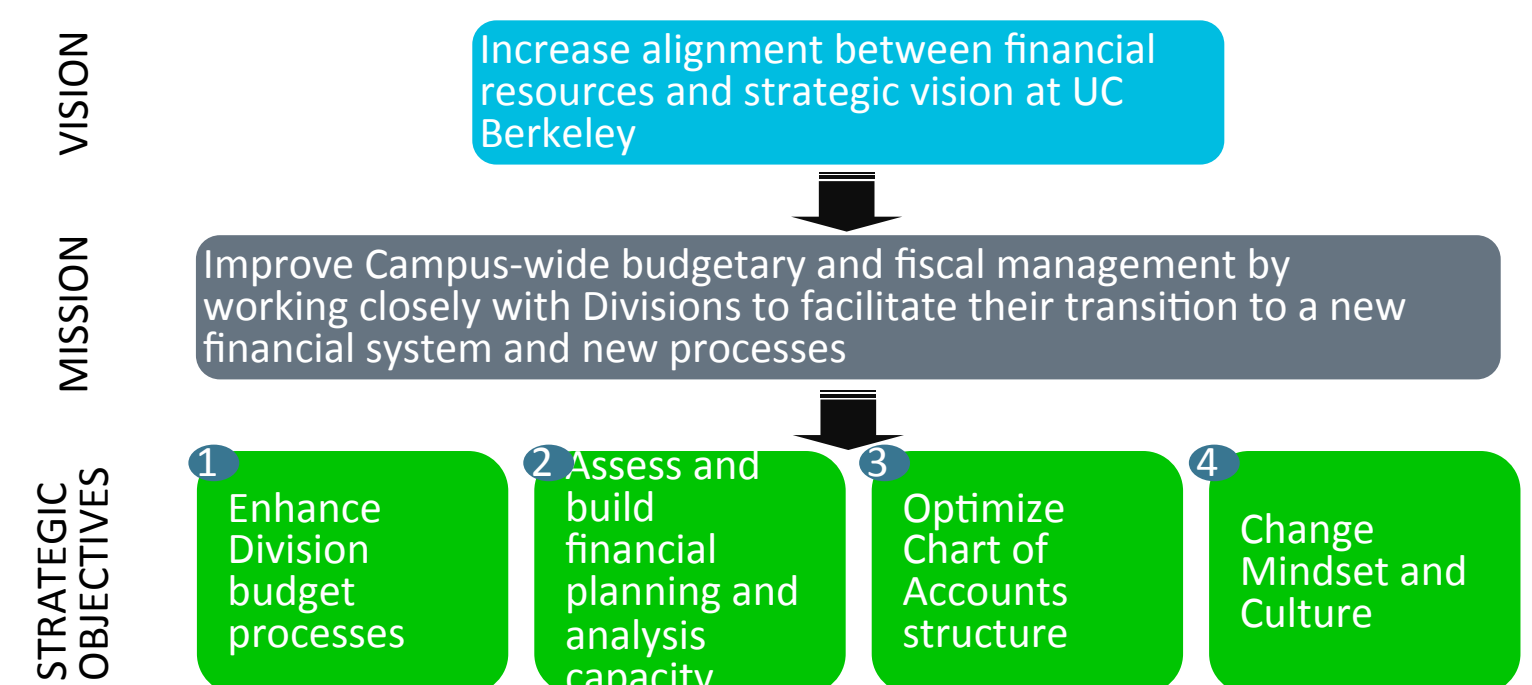
The Outreach Team is a dedicated resource to:

- Discuss how best to meet critical decision-making needs of Deans/VCs
- Explore strategies (e.g. All-Funds Perspective, First Dollar Principle) to support academic and programmatic goals
- Redesign budget processes to meet Divisional planning requirements

Model



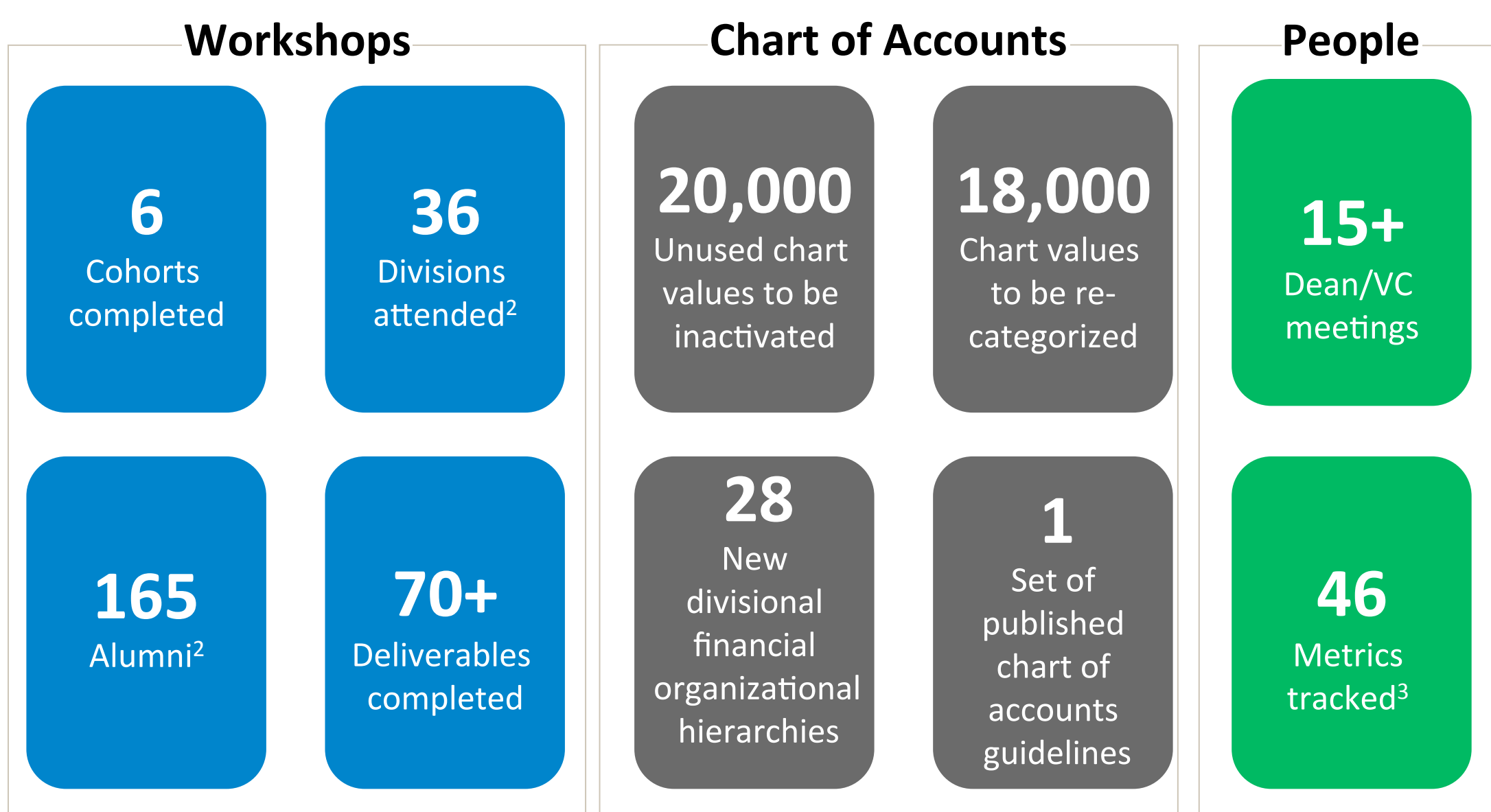
Vision/Mission



Impact

NON-EXHAUSTIVE

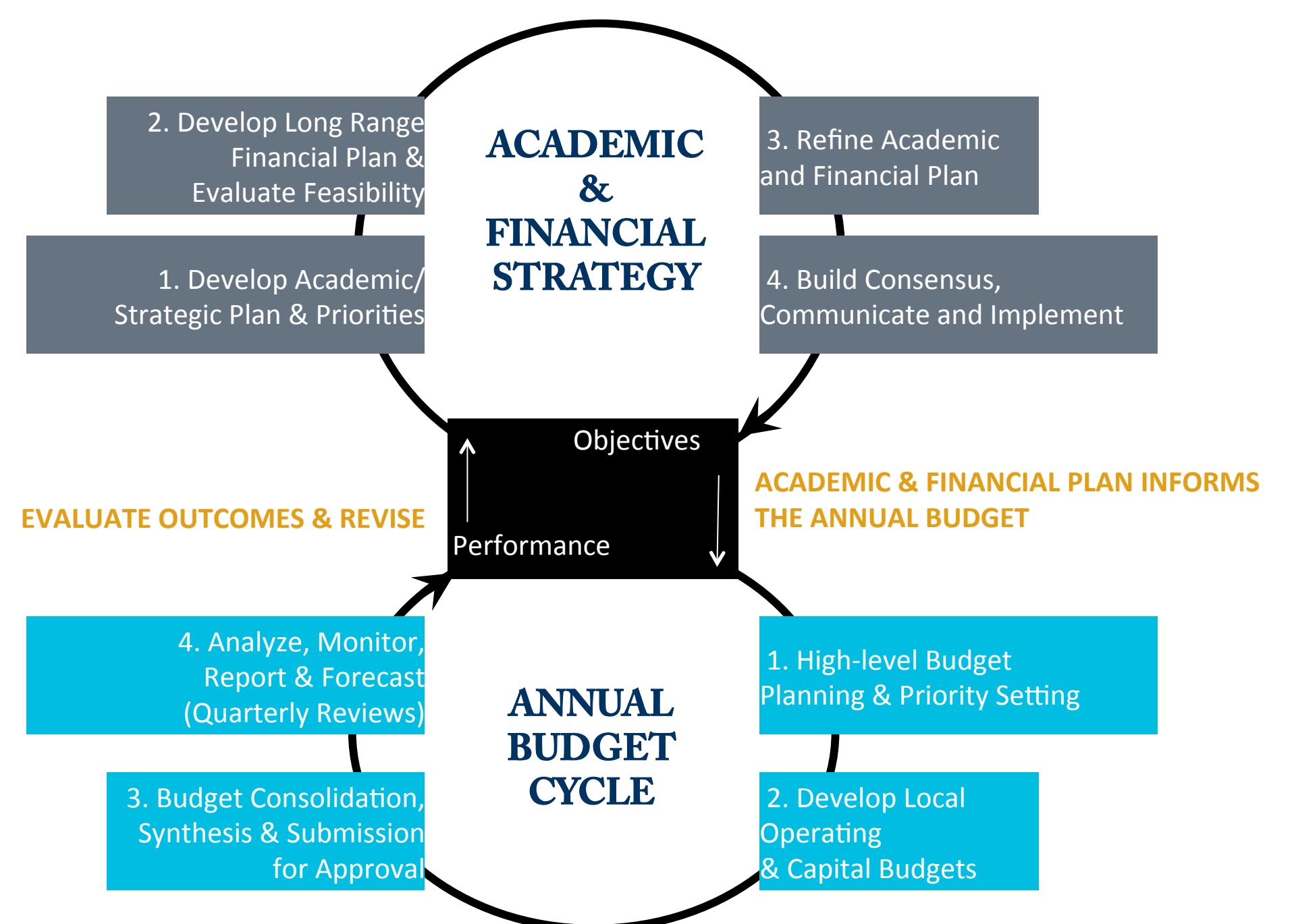
Some of the key numbers¹



1) Numbers based on recommendations made by the Outreach team to divisions. Totals subject to change based on Divisions' final decisions
 2) Cohort 7 is currently going through the workshop process
 3) Metrics listed in the Action Planning dashboard

Framework

Integrated Planning and Budget Framework: We seek to establish a robust budget process that is informed by long-range academic and financial plans



Mobile Labs in Action

Help When and Where It's Needed

Campus Need

Given the high volume of campus-wide initiatives underway, training and coaching must be offered to Department staff when needs arise--- in an efficient, effective, just-in-time manner.

Solution

The CalPlanning team recognized that Campus staff would benefit from more intimate, unit-specific, just-in-time coaching.

In the Spring of 2012, the Team launched the Mobile Computer Lab (or "laptops a la carte") pilot project to help staff develop budgets in the new tool, CalPlanning.

Pilot Project

In April 2012, CalPlanning and the Financial Planning and Analysis Outreach Team launched the Mobile Computer Lab pilot.

Staff attended Division-specific working sessions, often held right in a Department's conference room. As opposed to broad, campus-wide trainings, these working sessions were tailored to the specific needs of the unit. In the sessions, staff worked with their own data instead of general data/examples.

Feedback confirmed that the Mobile Computer Labs are a much-needed addition for busy staff as well as the delivery of successful training and Outreach programs.

Benefits

- Ability to address unit-specific needs
- Ability to provide just-in-time coaching
- Planners receive training right in their Department--- instead of having to travel.
- Flexible and convenient access---ready to roll into any conference room with AirBears access.
- Eliminates the need for a dedicated computer classroom.

"The Mobile Computer Lab allowed us to provide hands-on, flexible, just-in-time coaching sessions. With the help of IST, over 25 divisions were able to take advantage of working sessions that enabled them to complete their first budgets in CalPlanning." –Sara Tecle, CalPlanning



Communications and Trainings

Units Prepared via Change Management Tools and Support



What we worked on

CalPlanning Toolset, BFS Changes, Budget Process, Summary Budgeting, Dept ID Budgeting, and Report Books.

Goal

To prepare the campus for the many changes underway in financial budgeting, planning, and analysis.

Action

CalPlanning, Outreach, and the Campus Budget Office have been delivering learning opportunities and communications support to help the Campus adapt to these changes.

Templates & Toolkits

- **Stakeholder & Communications Toolkit:** To assist Local Implementation Managers (LIMs) in identifying their audiences, developing engagement plans to increase commitment, and planning for communications delivery.
- **LIMs Message Toolkit:** To assist LIMs in providing clear and consistent communication to Divisional contacts regarding financial process and systems changes.
- **Communications Templates:** Standard structures and formats for emails, presentations, and documentation to ease absorption of information.

Training & Support Solutions

- In-person classes
- Mobile lab working sessions
- Coaching
- Intensive "how-to" workshops
- eLearning modules
- Self-study guides
- Help desks
- Job aids

Websites

- Campus Budget Office
- CalPlanning
- Outreach
- Position Management

Done	Who	What (topic)	What (message / information)	When
<input type="checkbox"/>	Budget Managers, MSOs	Department level budgets	<ul style="list-style-type: none">o If your division has budgets that need to be managed to the department-level, communicate these budgets to department managers in whichever way is most appropriate for your business, such as an Excel spreadsheet or DeptID Budget build-outs in CalPlan.	Ongoing
<input type="checkbox"/>	Budget Managers, MSOs	New Budget Process information	<ul style="list-style-type: none">o There will be no Q1 budget check-in with CBO, except:<ul style="list-style-type: none">• At the division's request, or• If variance from plan seems exceptionally great.o In October/November, CBO will launch a campus-wide planning process to prepare for FY13-14. At that time, CBO will give divisions the relevant information and requirements needed to provide to their departments. In the meantime, here is a preview of what the new process timeline might look like:<ul style="list-style-type: none">• By late November (initial step): Validate position data to support CalPlanning Phase 3 implementation.• January 2013: Q2 CBO check-in with divisions.Note: The above dates are tentative and subject to change.	Now through August
<input type="checkbox"/>	Staff	MS Excel Training	<ul style="list-style-type: none">o All financial staff should be comfortable using MS Excel by December 2012. Sign up for one of below UCB Learning Center Excel courses via your BU portal to learn or improve your skills:<ul style="list-style-type: none">o Excel 2010 Fundamentals (9/18/12)o Excel 2010 Intermediate (9/19/12 or 9/19/12)	Now through August

Type of Journal	Examples	Through FY12 Ledger	FY13 Dept. Accts.	Typical Dept. Use
ADJUSTMENTS:				
Expense	Recharge Move costs from Fund A to B Move costs from DeptID 1 to 2	Actuals	5xxxx	Frequent
Revenue	Admin Full Costing (AFC) Budget assessment	Actuals	4xxxx	Never

Introduction

This **User Guide** was prepared by the Campus Budget Office to answer initial questions that **BFS** and **BAIRS** users might have regarding the **FY13 BFS Changes**, now that most Current funds (except for contracts and grants) no longer use the Temporary Budget ledger.

All answers apply to all Current funds with the exception of contracts and grants.

For more in-depth information about these changes, including **on-line training materials**, please go to the **Campus Budget Office website** at: <http://budget.berkeley.edu/budgetprocess/FY13Changes.html>

Page	How do I...?
3-5	Find my beginning of the year balances
5-7	Determine my available resources
8-10	See my permanently budgeted funds
11	Prepare an operating transfer
11-14	Know which operating transfer account to use
15	Links to resources

Organizational Hierarchy

“Over the past fifteen years, financial conditions have prompted many major research universities in the United States and Europe to change their financial model. Many of them are adopting models that place greater authority and accountability at the level of individual academic units.” -Operational Excellence, Business Case Proposal for CalPlanning



Key Updates

- All 38 Divisions have completed an Dept ID hierarchy review exercise to improve reporting.
- The Outreach Team is currently working on creating a plan for implementing hierarchy changes in BFS and identifying system impacts for changes.

Hierarchy Changes

- Aligning the L3 Division and L4 Department levels across Campus and between systems will provide better reporting and transparency across Divisions.
- L5 Discipline and L6 Unit are also being reviewed to reflect and support organizational management and reporting.
- Each L7 Dept ID will represent a defined business objective with an established budget managed by local finance staff .

Department Report Bursting

CalPlanning supports scheduled, burst reporting.

Benefits

- One-time setup
- Runs automatically
- Systematic distribution

Structure

- Based on a Division's Dept ID hierarchy
- Meaningful, canned reports require a consistent hierarchy

Divisional Report

Consolidated L3 Report

Department Reports

Multiple L4 Reports

Organizational Capabilities

Improving Financial Planning and Analysis Capabilities in your Division and Campus-wide



Organizational capabilities translate strategic concepts into practical actions - what needs to be done and how - often in the face of changing environmental and customer needs.

Purpose

Build awareness of capabilities needed in future finance roles, pinpoint 'easy wins', identify risks and obstacles to capability-building, and find Campus solutions

Assessment analysis recognizes that

- 1) financial planning and analysis is only part of managers/analysts' jobs and
- 2) past limitations of Campus tools and policies impacted knowledge, skills, and abilities.

Assessment

Facilitated by Outreach with Unit Lead for Divisional Finance Team

The tool outlines and defines the skills and competencies by three categories: Tools & Technical Skills, Strategic Financial Analysis & Forecasting, and The Way We Work: Learning & Performance

2. Strategic Financial Analysis & Forecasting				
Skill or Competency	Capacity Level			
	1 - Low	2	3 - Medium	4
11. Actively manages Unit's fund balances and exemplifies good stewardship of resources	Is not able to track or does not actively track fund balances	Is able to track fund balances, but is subject to few or no requirements to plan or use fund balance in support of the Unit's mission and strategy.	Actively monitors fund balances; plans are established to use, maximize and leverage fund balances in service of the Unit's mission and strategy and considering fund restrictions. Good stewardship of resources is a shared expectation	
Not used Indicate the capability of each team member on the scale below				
12. Understands Unit's programmatic / academic / research profile as well as those of peer institutions	Has little or no understanding or exposure to the programmatic profile of Unit	Is familiar with Unit's programmatic profile but does not view offerings within a broader external context (e.g., peer institution competition)	Has strong understanding of programmatic offerings within external context, including competition for grants and students, impact of changes in national priorities, etc.	
Not used Indicate the capability of each team member on the scale below				
13. Supports Unit leadership (Dean, Chancellor, Development, HR, etc.) in evaluating strategic initiatives, making decisions, and defining fundraising goals for specific initiatives	Rarely receives requests for data or financial analyses from Executive Leader to inform decision-making with financial consequences; has limited or no participation in fundraising	Provides data or financial analysis on a sporadic basis; may not include recommendations regarding alternatives; participation in fundraising is limited to tracking or reporting	Routinely participates in strategic planning and performs analyses to assess potential financial implications of various decisions; helps develop fundraising priorities, anticipate strategic options, scenarios, and consequences	
Not used Indicate the capability of each team member on the scale below				

Results

Top Priority Capabilities to Develop in 2013

Campus priorities:

- 1) Present Data for Decisions
- 2) Understand Revenue Sources, Manage Fund Balances
- 3) Budget Methodology, Variance Analysis

Solutions Currently Underway

TRAINING

- Outreach Cohort Workshops
- CalPlanning Training & Help Desk
- Budget Process Training

CONSULTATIVE PARTNERING

- Working Sessions
- Outreach Cohort Action Planning and Check-Ins
- Campus Budget Office selected portfolio support

EDUCATION & COMMUNICATION

- CFO Budget Book
- Websites: CFO, Campus Budget Office, CalPlanning
- LIMs Meetings
- Financial Planning & Analysis Forum
- Deans Retreat
- Finance Leadership Summit

Thank You!

Step Up for Cal!

The CalPlanning “Step Up for Cal” award is a new program that rewards and recognizes innovative change leaders—who have stepped out of their comfort zone for the greater good of the Campus, inspired others by testing and sharing solutions, sharing lessons learned, and going *above and beyond* for their Department... their Division... and UC Berkeley as a whole.

On behalf of your peers and the Berkeley community, **thank you** for “Stepping Up for Cal!”

2012 Recipients

Tessie Aczon, L&S Mathematical and Physical Sciences

Anne Benker, VC Research

Jean Delaney, L&S Undergraduate Division

Jerilyn Foushee, L&S Arts & Humanities

Judy Okawa, L&S Biological Sciences

Terence Phuong, IST- Office of the CIO

Barbara Wezelman, Campus Budget Office

