



**Finance Office**

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**DATE:** February 4, 2011  
**TO:** University Budget Managers  
**FROM:** Dennis Swank  
Associate Vice President for Finance ([dswank@bucknell.edu](mailto:dswank@bucknell.edu))  
**SUBJECT:** Preparation of the Fiscal Year 2011-12 Operating Budget

**IMPORTANT NOTE**

**PLEASE DISTRIBUTE A COPY OF THIS MEMO TO ALL STAFF  
MEMBERS PREPARING OPERATING BUDGET REQUESTS**

**Changes/Highlights for 2011-12**

1. Completed budget requests are due to the appropriate senior budget administrator by February 25, 2011.
2. Due to continued budget pressures facing Bucknell, e.g. reduced revenue on investments and a reduction in spendable endowment income, growing need for financial aid, a slower growth in annual fund gifts than originally projected and other factors, operating costs need to be contained, and opportunities for savings need to be identified. Given recent spending trends, it appears most areas of the University can make small reductions in their operating budgets. Thus, we are asking everyone to reduce FY2011-12 departmental operating expenses by at least 2% from FY2010-11 levels. These reductions can be accomplished in various ways – reducing departmental operating expenses, reducing payroll costs, for those areas that generate revenue through an increase in revenues, or a combination of various methods. Please be sure to carefully document your plans when budgets are submitted. If you would like to discuss how these various options can be accomplished, please feel free to contact me directly (7-3363).
3. Car pool rates will not be increased in FY2011-12.
4. All specific budget questions should be directed to Lori Wilson ([lwilson@bucknell.edu](mailto:lwilson@bucknell.edu) or 7-1138). In addition, please call David Surgala (7-3811) or me (7-3363) with any general questions or comments.

## **The Budget Request Form**

The enclosed *2011-12 Annual Operating Budget Request* forms include the following:

### **Requested Budget 2011-12**

Use this space to communicate the operating budget amounts requested for 2011-12. Feel free to move budget amounts around within the various budget lines to more accurately reflect how your budget is expended. If you need to budget for items that do not fit within the budget lines provided, please contact Lori Wilson ([lwilson@bucknell.edu](mailto:lwilson@bucknell.edu) or 7-1138) to discuss alternatives.

### **Approved Budget 2011-12**

Please leave this space blank. Senior budget administrators will use this area to communicate approved budget amounts to the Finance Office.

### **Use of Designated & Restricted Funds**

For departments/programs having access to designated and restricted funds, use this column to provide information about how these funds will be used in addition to the requested operating budget to support the core mission of your department/program. In addition, if you are planning to utilize other designated funds for which you do not have direct budget responsibility (i.e., anticipated applications or allocations from the Association for the Arts), be sure to include that information here as well. A written plan describing the use of designated and restricted funds should also be attached. If budget lines do not exist to accurately describe planned expenditures, please add them to the bottom of the form. If you have questions regarding the use of designated and restricted funds, please contact Dennis Swank ([dswank@bucknell.edu](mailto:dswank@bucknell.edu) or 7-3363).

### **2010-11 Budget & Actual As of Dec. 31, 2010 and FY2009-10 Budget & Actual**

These columns show approved budgets and actual expenses for FY2010-11 and FY2009-10 and are provided to assist you in developing your FY2011-12 budget request.

## **The Capital Equipment Budget Process**

The budget process requires the submission of a Capital Equipment Budget request separate from the operating budget request. The Capital Equipment Budget includes any item of moveable equipment with a cost of \$1000 or more and a useful life greater than one year, or any expenditure of \$5000 or more for the renovation or remodeling of existing space resulting in an increase in that asset's value. The Capital Equipment Budget forms were distributed in November 2010 and should have been submitted by January 14, 2011. If you have not already submitted your Capital Equipment Budget request to your senior budget administrator, please do so soon.

## **The Operating Budget Process Timeline**

### **February 25, 2011**

Completed department/program budget request forms are submitted to the appropriate senior budget administrator. Academic departments/programs submit requests to the appropriate Dean. Offices responsible to the Vice Presidents submit budgets to those offices in consultation with intermediate administrative offices where appropriate. If you have any questions on the submittal process, please contact Lori Wilson ([lwilson@bucknell.edu](mailto:lwilson@bucknell.edu) or 7-1138).

February 25 – March 11, 2011

Where necessary, budget reviews and discussions will be scheduled with departments/programs whose requests may need to be altered.

March 11, 2011

Senior budget administrators forward department/program budget requests to the Finance Office with review comments and recommendations.

April 8, 2011

The institutional budget is reviewed by the Operations Management Group and finalized for submission to the Board of Trustees.

June 24, 2011

The Finance Office notifies departments/programs of approved Capital and Operating budgets for Fiscal Year 2011-12.

July 1, 2011

The FY2011-12 budget year begins.

**General Information Regarding the Operating Budget**

A budget is a plan that must be flexible enough to adjust to changes, emergencies or other unforeseen needs. Requests for revisions to an approved budget during the fiscal year must be submitted to the appropriate senior budget administrator (Dean, Vice President) along with an explanation for the budget revision request. A budget also provides a basis for accountability for the use of the University's resources. Unexpended budgets should not be used for unplanned purchases at the end of the fiscal year. However, unexpended but committed budgets can be carried over into the new budget year if proper rationale is presented to the Finance Office prior to the end of the fiscal year. Departments/Programs that overexpend budgets will be required to provide an explanation for the overexpenditure at the end of the fiscal year.

Your assistance in effective management of the University's resources is essential. It is imperative that measures to conserve resources be seriously considered by all of us. Suggestions of ways to save money or improve efficiency are welcome.

The following budget policies and procedures are to be used in developing the operating budget request:

- (1) **Support staff wage budgets** are to be developed in consultation with Human Resources, and should not be included in this request. Human Resources will create the support staff wage budget amounts at a later date. **SPECIAL NOTE** - If you regularly budget for Facilities and/or Public Safety event charges, you should include those budget requests in this process.

- (2) **Student wage budgets** should include some justification for the funds requested (number of students, specific responsibilities, etc.). The student wage rate schedule, which is included in this document, should be used to develop the total student wage budget.
- (3) **Travel budgets** should be segregated into the following categories:
- a) (Account Code 7643) Academic departments -- faculty professional development travel. These funds may be used for professional development travel by faculty. The maximum amount requested in this budget line may not exceed \$250 times the number of approved faculty positions in the department. Additional funds from other accounts for faculty travel to conferences and for administrative/professional and support staff travel to address targeted departmental needs may be requested from the academic Deans, according to their announced procedures.
  - b) (Account Code 7643) Non-Academic departments -- staff development travel funds. These funds may be used for staff development travel of any departmental staff member (administrative/professional staff, support staff, casual staff, etc.). Additional funds for staff development travel are also available from budgets administered by the Deans and Vice Presidents.
  - c) (Account Code 7603) Travel funds required for meeting the responsibilities of the department or program, i.e., Admissions Office staff travel. This category is not to be used for attendance at professional association meetings or other staff development travel needs.
  - d) (Account Code 7611) Travel funds required for field trips or other activities which are an integral part of an instructional course or related to the academic program. Please note: Funds for travel by student classes or other groups for instruction or related purposes are authorized for transportation only, i.e., use of University vehicles in most cases. Funds are not normally provided for overnight trips or for meals.
  - e) **Travel Rates** The mileage rates for University vehicles and for the use of private cars on University business is reviewed periodically. For 2010-11, the mileage rate for the use of University cars and 7-passenger vans is \$0.39 per mile and for 15-passenger mini-buses is \$0.49 per mile, with a \$10 minimum charge per usage. The mileage reimbursement rate for business use of a personal vehicle will remain at \$0.51 per mile, unless further adjustments are issued by the IRS. The policy on the use of the University bus is published separately. Contact Vicki Smith ( [yssmith@bucknell.edu](mailto:yssmith@bucknell.edu) or 7-3785) for rate information.
- (4) **Entertainment Expense.** With the exception of certain special programs, provision is not authorized in departmental/program budgets for entertainment or social expenses including departmental parties. Such expenses must be approved in advance by the appropriate Dean or Vice President. Entertainment of candidates for positions is charged to the Faculty/Staff Recruitment Budget with

the prior approval of the Executive Director of Human Resources, or her designate.

- (5) **Supplies and other related operating expenses** should be budgeted in accordance with departmental or program needs and within the general budget guideline.
- (6) **Equipment and Furnishings.** Requests for small items of equipment or furniture that do not cost in excess of \$1000 may be budgeted under account codes 7235 or 7239. An explanation must be provided for any budget request in these categories. Expendable or breakable supply items should not be budgeted in this category, but included in the "supplies" area of the budget request. Maintenance of equipment (other than computers maintained by Information Services and Resources) should be budgeted under account code 7701.
- (7) Departmental/program budgets are intended to support the specific educational or administrative activities of the department/program and may not be expended for or contributed to other University activities or events without prior approval of the appropriate senior budget administrator.
- (8) The budget is expected to cover all routine operating expenditures, excluding professional salaries which are budgeted separately, for the full fiscal year, July 1, 2011 to June 30, 2012.

### **Recommended Student Wage Rates for 2011-12**

As you are planning your student wages budget requests, please use the following guideline to determine appropriate wage rates for student employees. The rates are applicable to all student employees.

<b><u>Category</u></b>	<b><u>Rate Range*</u></b>	<b><u>Description</u></b>
1	\$7.25 – 7.75	Requires basic skills that can be readily learned on-the-job. Work is fairly routine and usually supervised by a student or staff manager. <i>Examples:</i> Stuffing envelopes; shelving books; filing; monitoring equipment; simple data entry.
2	\$7.50 – 8.50	Requires moderate interpersonal, customer service, and/or technical skills that require training beyond what can be learned only on-the-job. Works with occasional direct supervision. <i>Examples:</i> Working at customer service sites; reception duties including answering the phone, making appointments; basic word processing & spreadsheet work; query into a specialized database.
3	\$7.75 – 8.75	Requires highly specialized knowledge and skills, and functions in an independent manner. Regularly required to exercise discretion and to demonstrate problem-solving skills without direct supervision. <i>Examples:</i> Computer troubleshooting; data entry into a specialized database; technical media services.

\*In addition to the above rates, annual increases of \$.25/hour may be given in all categories.