

# UNIVERSITY OF MISSOURI-KANSAS CITY

## Budget Rules, Roles and Responsibilities

03/08/2018 – Final

### I. Introduction

1. This document defines rules, procedures and authorities for allocating, spending and monitoring the UMKC budget (“Budgeting System”). This budgeting system strives to ensure that General Officers (the Chancellor, Provost, and Vice Chancellor of Finance and Administration (VCFA)) together with the Administrative Council (made up of Deans, Vice Chancellors, and Vice Provosts who have fiscal responsibilities) collaborate with faculty in a manner consistent with UM System Collected Rules & Regulations (CRR 140.020) on Financial Planning.<sup>1</sup> Collaborations will ensure that faculty will be “meaningfully involved through regular on-going mechanisms with the total university fiscal situation” to allocate resources in a manner that facilitates achievement of the campus collective goals. The University Budget Committee (UBC), Faculty Senate Budget Committee (FSBC) and Academic Unit Fiscal Committees (AUFC) are the committees in which faculty involvement in university budgeting will occur. Additionally, the FSBC Chair serves as the UBC Secretary.
2. At UMKC, the Budgeting System is a means to promote achievement of the vision, mission and goals of the university; there is one university budget, albeit with several components (such as the Operating Fund, Auxiliaries Fund, and Gift Fund). Our financial currency is only of value because it supports our university priorities.
3. The UMKC Budgeting System will be designed to align the goals, strategies and resources of the various units with the overarching goals, strategies and resources of the university. It will promote transparency, empower Deans and Vice Chancellors (hereafter collectively referred to as “unit leaders”), and provide as much stability as possible in the midst of changing circumstances. Both data-based formulae and elements of Chancellor discretion involved in the determination of resource investments will be published and will be as simple as possible, without sacrificing the rigor needed to maintain alignment with the university mission; will minimize, as much as possible, risks of unintended adverse consequences; and will provide support for each unit to conduct its work. The resource investment model will reward revenue generation (e.g. through enrollment growth, certificates programs) to the extent possible with available resources.
4. Per CR&R 140.020 and as delineated in “III. Roles and Responsibilities,” resource investment will be planned with input from advisory committees that include faculty representatives who will receive “all relevant data” including the “regular and timely provision of forecasting data ... related to programs and to anticipated fiscal resources.” The appropriate unit will provide the relevant data to those advising committees in a timely manner in advance of meetings.

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<sup>1</sup> See [https://www.umsystem.edu/ums/rules/collected\\_rules/financial/ch140/140.020\\_financial\\_planning](https://www.umsystem.edu/ums/rules/collected_rules/financial/ch140/140.020_financial_planning).

5. Clear communications and collaborative conversations are critical to ensure an appropriate balance between adaptability in decision-making and maintaining quality/specificity of budget detail. Communication and collaboration are the responsibility of all who have fiscal responsibilities. The specific responsibilities for communicating are delineated in “III. Roles and Responsibilities.” The appropriate unit will provide the information and relevant data required for collaborative conversations to those who have fiscal responsibility in a timely manner in advance of those conversations.
6. As included in the Higher Learning Commission accreditation standards, program quality and student learning will be linked to budget resources and budget planning.
7. Quality academic program delivery will serve as a primary consideration when making budget decisions.

## **II. Budget System Policies**

1. Authority over, and responsibility for, the budget rests with the Chancellor, who is the ultimate decision maker on fiscal matters for the University.
2. Unit leaders are stewards, rather than owners, of university resources, having the financial obligation to act on behalf of, and for the benefit of, the university when managing its resources.
3. All members of the university community, individually and collectively, are accountable for the financial results of the university and must engage together in disciplined fiscal management at all times, reviewing and eliminating non-essential services and waste.
4. At the end of each fiscal year, financial performance is to be balanced at campus and unit levels in the context of the originally approved budgets, with actual revenues being equal to or greater than actual expenses.
  - a. All university leaders with fiduciary responsibilities are accountable for achievement of approved budgets. Performance against an approved budget will be evaluated on an ongoing basis and as part of annual individual performance appraisals/review processes. Meeting and managing budgets will be considered in renewal of administrative responsibilities. The leader may be removed from their position for failure to fulfill these fiduciary responsibilities. Other consequences of not balancing budgets and/or following proper procedures when budgeting include developmental support and development of a unit repayment plan approved by the VCFA in consultation with the Provost and the Chancellor.
5. Positions with grant funding: Positions, academic or otherwise, that are hired solely to support grant work and funded 100% from grants are not guaranteed a position at the conclusion of the grant. Hiring letters should reflect this.

6. One-time, non-recurring budget savings that arise during the course of the budget year may not be reallocated by unit leaders for a recurring expense. Unit leaders must notify the Provost and VCFA when material funds budgeted and approved for one strategic purpose are re-allocated for another strategic purpose during the budget year.
  - i. When significant decreases to budgeted resources occur after the annual budget has been adopted as a result of a potential financial crisis (CRR 140.020 Section 1.1), unit leaders may be asked to “re-budget” and submit new plans. Those plans will be reviewed by the Chancellor, Provost and VCFA, and shared with the UBC Secretary (aka FSBC Chair) in an advisory capacity. The revised budget will be considered the benchmark for subsequent performance measurement. This re-budgeting process is consistent with the Resource Investment Model Design that “Increases and decreases in state support should be allocated strategically and not ‘across the board’ on a pro rata basis.”
7. Personnel Management Plan
  - a. A personnel management plan will be a core component of an annual budget, and all compensation expenses will be reviewed in detail as part of the budget planning.
  - b. Signatures on a personnel management plan will signal agreement and authorization of all parties for hiring; signatures on a budget indicate the personnel management plan is deemed to be approved for the year.
8. Affiliated organizations that receive substantial university funding and support are subject to all applicable budget guidelines and rules. If they are found to be regularly non-compliant with such guidelines, university funding may be suspended.
9. The UBC will review University Budget Rules, Roles and Responsibilities for effectiveness annually and update and recommend changes to the Chancellor, Provost and VCFA.
10. The UBC will review the Resource Investment Model annually to identify and recommend changes to the Chancellor, Provost and VCFA.

### **III. Roles and Responsibilities**

The following UMKC roles and responsibilities regarding budget development and management are intended to be consistent with and inclusive of the University of Missouri System Policy: Finance: Fiscal Responsibility 21101 (Appendix B).

#### **1. Chancellor**

- a. Has authority over, and responsibility for, the budget and is the ultimate decision maker on fiscal matters for the University.

- b. Communicates fiscal matters to the Administrative Council and UBC at regular meetings.
    - i. When warning signs suggest a financial crisis may be near (e.g. state withholding or other unforeseen significant decreases in revenue) or an unanticipated increase in revenues occurs, meet with Administrative Council, UBC Secretary (aka FSBC Chair) and the Faculty Senate Chair (or designee) to discuss and present plans to address such changes.
  - c. Sets the strategic priorities for fiscal year budget planning. Early in the fiscal year, after consultation with the Provost, the VCFA, the UBC, the Administrative Council, and the FSBC, the Chancellor should set priorities for the next fiscal year.
  - d. Participates with the Provost and VCFA in financial strategy and budget planning meetings with each unit leader, unit fiscal officer, and for academic units, the AUFC Chair (or designee), and for administrative units, the Chair of the unit's Service Experience Council (see Section III. 13.) each year early in the spring semester.
  - e. Consults with and support the Provost and the VCFA in working with ARCs, SURCs, AURCs in deficit to develop and enforce a repayment plan.
  - f. Exercises the option of removing management from a unit that operates at a deficit.
  - g. Regarding the Strategic Investment Fund:
    - i. Acts as the final decision maker on strategic investment proposals to be funded.
    - ii. Annually reports to the UBC, the Administrative Council and the broader campus community the strategic investments and the progress toward the goals.
2. **Provost:** As the Chief Academic Officer of the university, the Provost has primary responsibility for the academic activities of the university, leads the university's work in strategic planning and implementation, and assists the Chancellor in identifying strategic initiatives for the campus, including fundraising priorities. The Provost sets priorities with regard to admissions and financial aid and works to ensure student retention and timely graduation. The Provost provides oversight for those Academic Responsibility Centers (ARCs) and Support Unit Responsibility Centers (SURCs) reporting to the Provost, ensures that unit budgets reflect priorities as set by the University; and is responsible for leading the academic planning process and ensuring academic quality.

**The Provost:**

- a. Chairs the UBC & the Administrative Council.
- b. Consults with the Chancellor, the VCFA, the UBC, the Administrative Council, and the FSBC, to set strategic priorities for the next fiscal year budget planning, a process that begins early in the prior fiscal year.

- c. Manages the annual Strategic Investment Process and Chair the Strategic Investment Committee.
- d. Communicates fiscal matters to the Administrative Council, UBC, and FSBC throughout the year.
- e. Works with Deans during the fall and spring semesters to set academic priorities and a hiring strategy for the next fiscal year based on the campus strategic priorities.
  - i. Working with the VCFA, the Vice Chancellor for Human Resources (VCHR) and the Deans, the Provost has the responsibility to conduct an academic hiring strategy meeting in the fall to prepare for the following year.
  - ii. In fall prior to submission of fiscal plans, the Provost (along with the VCHR and VCFA ex officio) will hold an academic hiring strategy meeting in which Deans will communicate their plans for academic hiring and position reclassifications, explore opportunities for interdisciplinary and cluster hires, and collectively identify priorities for academic hiring for the upcoming fiscal year that align with UMKC's strategic goals, to develop a recommendation to the Chancellor, Provost and VCFA for funding as resources are available in the upcoming fiscal year.
- f. Participates with the Chancellor and VCFA in financial strategy meetings with each unit leader, unit fiscal officer, and for academic units, the AUFC Chairs (or designee), and for administrative units, the Chair of the unit's Service Experience Council (see III.1.b), each year early in the spring semester.
- g. Monitors the performance of ARCs and SURCs (reporting to the Provost) against approved budgets on an ongoing basis and as part of these unit leaders' annual appraisal/review processes.
  - i. Consult with and support the VCFA in working with ARCs and SURCs reporting to the Provost in deficit to develop and enforce a repayment plan.
  - ii. Exercise the option of removing management of a unit that operates at a deficit.
- h. When warning signs suggest a financial crisis may be near (e.g. state withholding or other unforeseen significant decreases in revenue) or an unanticipated increase in revenues occurs, meets with Administrative Council, UBC Secretary (aka FSBC chair) and the Faculty Senate Chair (or designee) to discuss and present plans to address such changes.
- i. Works with the VCFA to develop and execute fiscal training and communicate on fiscal matters to department chairs.
- j. Ensures academic unit budgets are tied to academic program review results and assessment of student learning.

### **3. Vice Chancellor for Finance and Administration (VCFA)**

- a. Early in the fiscal year, consults with the Chancellor, the Provost, the UBC, the Administrative Council, and the FSBC, on the strategic priorities for the next fiscal year budget planning.
- b. Works with the Provost and the Chancellor to set tuition and financial aid policies and rates.
- c. Communicates fiscal matters to the Administrative Council, UBC and FSBC.
  - i. Consults with the UBC, Administrative Council, and the chairs of the Faculty Senate and FSBC on major policy decisions and/or significant actions about to ensue.
  - ii. When warning signs suggest a financial crisis may be near (e.g. state withholding or other unforeseen significant decreases in revenue) or an unanticipated increase in revenues occurs, meets with Administrative Council, UBC Secretary (aka FSBC Chair), and the Faculty Senate Chair (or designee) to discuss and present plans to address such changes.
  - iii. Provides a budget and planning calendar with activities, timetable and related communications to the UBC, Administrative Council and FSBC for the fiscal year early in the fall semester (see Appendix A).
- d. Partners with unit leaders, fiscal officers, human resource facilitators and unit fiscal committees through formal and informal communications to help generate and implement solutions to fiscal challenges that facilitate achievement of unit goals, while ensuring ongoing alignment with university priorities.
- e. Serves in ex officio capacity at the Provost's annual hiring strategy meeting with the Deans.
- f. Participates with the Provost and Chancellor in financial strategy meetings with each unit leader, unit fiscal officer, and for academic units, the AUFC Chair (or designee), and for administrative units, the Chair of the unit's Service Experience Council (see III.1.b), each year early in the spring semester.
- g. Consults and advises all unit leaders as appropriate to develop Personnel Management Plans that accompany annual budgets.
- h. Monitors unit performance against its approved budget on an ongoing basis and as part of the academic and administrative unit leader's annual appraisal/review processes.
  - i. Review unit revenue and expenses on a quarterly basis with unit heads.
  - ii. Work with each unit leader of a unit in deficit to develop and approve a unit repayment plan in consultation with the Provost and Chancellor as appropriate.
  - iii. Exercise the option of removing management of a unit within Finance and Administration that operates at a deficit.
- i. Working with the VCHR and the Vice Provost for Faculty Affairs:

- i. Reviews on a biweekly basis position requests that have been submitted by unit leaders.
      - 1. Identify possible collaboration or problems.
      - 2. Academic hiring issues will be handled by the Provost and non-academic hiring issues by the VCFA.
    - ii. Monitors exceptions to strategic hiring plans / salary plans that occur throughout the year and provides recommendations to the Provost (academic) or Chancellor (administration), including:
      - 1. hiring opportunities beyond a unit's budgeted compensation,
      - 2. requests for salary adjustments that are equal to or greater than 5%,
      - 3. other unusual circumstances that may arise.
    - iii. Reviews hiring data monthly and report trends in hiring across all academic and administrative units on an annual basis.
  - j. Coordinates communications between the UM System and UMKC regarding financial matters
    - i. Works with Chancellor, Provost and UM System Finance and Administration in developing the UMKC budget for submission to the Board of Curators for approval.
    - ii. Updates the Chancellor, Provost and UM System Finance and Administration on a quarterly basis on the financial status of the campus.
  - k. Communicates broadly regarding campus fiscal status by
    - i. Presenting campus fiscal status through a campus-wide open forum two times a year.
    - ii. Posting fiscal updates on the VCFA website.
  - l. Develops and delivers periodic fiscal management training to the deans, academic department chairs, academic fiscal officers and non-academic budget managers.
  - m. Holds a variety of financial review meetings throughout the year (e.g. sub-certification with unit leaders and fiscal officers).
- 4. **University Budget Committee (membership: Provost, 3 Deans, 2 Faculty Senate Representatives, FSBC Chair (aka UBC Secretary), Staff Council Chair, 1 at large, 4 ex officio members: Director of Institutional Research (IR), VCFA, Budget and Planning Director, VCHR)**
  - a. Advisory to the Chancellor on resource investment matters.
  - b. Meets regularly regarding fiscal and budgetary matters with the Chancellor, the Provost and the VCFA.
    - i. When warning signs suggest a financial crisis may be near (e.g. state withholding or other unforeseen significant decreases in revenue) or an

unanticipated increase in revenues occurs, meets with the Chancellor, the Provost, and VCFA to discuss and consult on plans to address such changes.

- c. Early in the fiscal year, consults with the Chancellor, Provost, the VCFA, on the strategic priorities for the next fiscal year budget planning.
- d. Reviews budgets for the ARCs, SURCs, and AURCs annually according to the schedule outlined in Appendix A.
- e. Reviews annually the University Budget Rules, Roles and Responsibilities for effectiveness and recommend changes to the Chancellor, Provost and VCFA.
- f. Monitors and reviews the Resource Investment Model annually to identify and recommend changes to the Chancellor, Provost and VCFA.
- g. Communicates with the campus annually, at a minimum, issues and concerns about the RIM design and processes.

**5. Administrative Council (membership: Vice Chancellors, Deans, Vice Provosts, Faculty Senate Chair, Staff Council Chair, Athletics Director, Foundation President)**

- a. Early in the fiscal year, consults with the Chancellor, Provost, the VCFA, on the strategic priorities for the next fiscal year budget planning.
- b. Consults throughout the year according to the annual budget calendar regarding fiscal matters with the Chancellor, the Provost and the VCFA.
  - i. When warning signs suggest a financial crisis may be near (e.g. state withholding or other unforeseen significant decreases in revenue) or an unanticipated increase in revenues occurs, meets with the Chancellor, the Provost, and VCFA to discuss and consult on plans to address such changes.

**6. Faculty Senate Budget Committee (membership per Faculty Senate Standard Operating Procedures (SOPs): chair and two additional Senate representatives who have been elected by the Faculty Senators to represent faculty on the campus-wide University Budget Committee and a designated faculty member to represent each academic unit.)**

- a. Per the Faculty Senate SOPs, “This committee shall provide a forum for discussion of budget issues and broad campus input to and the capability for factual analysis and feedback on budget matters for the faculty representatives on the campus budget committee.”
- b. Each summer and early fall, consults with the Provost and the VCFA, on the strategic priorities for the next fiscal year budget planning.
- c. Meets on a quarterly basis regarding fiscal matters with the Provost and the VCFA.



- i. When warning signs suggest a financial crisis may be near (e.g. state withholding or other unforeseen significant decreases in revenue) or an unanticipated increase in revenues occurs, meets with the Provost and VCFA to discuss and consult on plans to address such changes.
- d. Reviews budgets for the ARCs, SURCs, and AURCs annually according to the schedule outlined in Appendix A.

## **7. Vice Chancellor for Human Resources (VCHR)**

- a. Works with the Provost, VCFA and Administrative Council to coordinate hiring throughout the fiscal year.
- b. Works with Provost, VCFA and unit leaders as needed throughout the fiscal year to:
  - i. Advise and consult on all matters of compensation for faculty, staff and administration.
  - ii. Serve in ex officio capacity at the Provost's annual hiring strategy meeting with the Deans.
  - iii. Advise and consult on hiring faculty and staff to replace existing lines within approved budgets.
  - iv. Review additional compensation requests for faculty in consultation with the Provost.
  - v. Review and approve additional compensation requests for staff throughout the fiscal year, in order to make market adjustments, adjustments due to compression, and to process retention packages to high performing faculty and staff.
  - vi. Review and approve, in consultation with the Provost, requests from unit leaders to fill positions in clinical practice and patient care facilities.
- c. Work with the Vice Provost for Faculty Affairs and the VCFA on the following:
  - i. Review position requests on a biweekly basis that have been submitted by unit leaders.
    - 1. Identify possible collaboration or problems.
    - 2. Academic hiring issues will be handled by the Provost and non-academic hiring issues by the VCFA.
  - ii. Monitor exceptions to strategic hiring plans that occur throughout the year.
  - iii. Monitor exceptions to strategic salary plans that occur throughout the year and provide recommendations to the Provost (academic) or Chancellor (administration), including:
    - 1. hiring opportunities beyond a unit's budgeted compensation,

- 2. requests for salary adjustments that are equal to or greater than 5%,
  - 3. other unusual circumstances that may arise.
- iv. Review hiring data monthly and report trends in hiring across all academic and administrative units on an annual basis.
- d. Convene the Hiring Review Committee as needed to approve position requests when a unit exceeds budget for salaries, wages and benefits. (Membership on this committee includes the Provost, VCFA, and VCHR, or their designees, as well as one representative from the Faculty Senate, and at least one other senior faculty member not on the Faculty Senate.)

## **8. Vice Chancellor for Research (VCR)**

- a. Oversee the appropriate use of research expenditures on the campus.
- b. Consult with the Research Advisory Council on the strategic uses of any campus-wide resources budgeted for strategic investment in research.
- c. Provide an annual report to the Administrative Council, UBC, FSBC, and the Research Advisory Council on the uses of any campus-wide resources budgeted for strategic investment in research administered under the VCR.
- d. Prepare and manage the budget for the Office of Research Services consistent with the responsibilities delineated in section III.12 Administrative Unit Leaders.

## **9. Deans**

- a. To support budget planning, work with the Provost during the fall and spring semesters to set academic priorities and hiring strategies for the next fiscal year based on strategic priorities of the campus.
- b. Ensure that all data (e.g., academic portfolio review, enrollment, retention and completion data, budget to actual reports) needed for informed decision making is identified in collaboration with the chair of the FSBC and distributed to members of the ARC's AUFC, either electronically or in hard copy, in a timely manner.
- c. On an annual basis, engage with Chairs, FSBC, AUFC and Vice Provost for Institutional Effectiveness to complete an academic portfolio review and provide report of findings and recommendations to Provost and VCFA.
- d. Demonstrate that academic unit budgets are tied to academic program review results and to assessment of student learning.
- e. Prepare the unit's annual budget in consultation with the AUFC and consistent with university strategic priorities and policies.
  - i. Submit the annual budget plan including the academic personnel management plan with an accompanying letter of comment including rationale that reflects the discussion with the AUFC.

- f. Ensure that academic positions originally funded through operating funds and subsequently funded through grants, either in part or in whole, will be funded by operating funds after the termination of the grant to the extent allowed for in the personnel hiring contract.
- g. Ensure that grant funded positions are not guaranteed operating funding in the absence of grant funding.
- h. Participate in financial strategy meetings with the Chancellor, Provost, VCFA and the unit fiscal officer, and the AUFC Chair (or designee) each year early in the spring semester.
- i. Manage and monitor the budget throughout the year to ensure that actual expenses do not exceed actual revenues.
  - i. Monitor department performance against the approved budget on an ongoing basis and as part of annual appraisal/review processes.
  - ii. Monitor all salary expenses each month to ensure that no overspending occurs.
  - iii. Work with the Provost and VCFA, if the unit is in deficit, to develop a unit repayment plan approved by the Provost and VCFA.
    - 1. A Dean may be removed from such position by the Provost for failure to carry out budgetary responsibilities.
  - iv. Hold department/division/program budget managers accountable for managing a balanced budget. Exercise the option of removing management of a unit that operates at a deficit. Alert VCFA and Provost if a material budget variance is anticipated.
  - v. Ensure that ARC and department finance and human resources transactions, such as encumbrances and staff time-off and overtime, are recorded in the information systems in a timely manner and compliant with policies.
- j. Participate in a variety of financial review meetings throughout the year (e.g. sub-certification with VCFA and fiscal officers).

**10. Academic Unit Fiscal Committee (AUFC)** (CRR 300 Section D.3.g: Each ARC shall have an elected budget committee composed of representative Faculty.) The AUFC shall:

- a. Work with the Dean to determine information needs for the AUFC to carry out their responsibilities in an informed manner.
- b. Develop an understanding of the ARC's academic portfolio including enrollment, retention and completion data and financial/budgetary performance.
- c. Advise the Dean on the preparation of the ARC budget and salary plan.
  - i. Advise the Dean regarding objectives and funding priorities as well as necessary investments to achieve those objectives.

- d. Participate in financial strategy meetings with the Chancellor, Provost, VCFA and the ARC fiscal officer, and the AUFC Chair (or designee) each year early in the Spring semester
- e. Share budget information with the Faculty of the ARC.

### **11. Department Chairs and Directors**

- a. Demonstrate delivery of quality academic programs is a primary consideration in the development of academic unit budgets.
- b. On an annual basis, engage with Provost, Dean, FSBC, AUFC and Vice Provost for Institutional Effectiveness to complete an academic portfolio review and provide report of findings and recommendations to Dean and Provost.
- c. Prepare an annual budget plan, including an academic personnel management plan, in accordance with university and school priorities
- d. To the extent that the Dean delegates budget responsibility, manage and monitor the budget throughout the year to ensure that actual expenses do not exceed actual revenues. Each of the following should be executed to the extent that the Dean has delegated budget responsibility:
  - i. Monitor department performance against approved budget on an ongoing basis and as part of annual appraisal/review processes
  - ii. Monitor all salary expenses each month to ensure that no overspending occurs.
  - iii. Alert the Dean if a material budget variance is anticipated.
  - iv. Work with the Dean if the department or program is in deficit to develop a plan to balance the budget.
    - 1. A Department Chair or Director may be removed from such position by the Dean for failure to carry out budgetary responsibilities.
  - v. Ensure that department finance and human resources transactions, such as encumbrances and staff time-off and overtime, are recorded in the information systems in a timely manner and compliant with policies.

### **12. Administrative unit leaders (including all SURCs and AURCs and their component units)**

- a. Prepare an annual budget plan including a personnel management plan in accordance with university priorities.
- b. Participate with the Chancellor, Provost and VCFA and the Chair of the unit's Service Experience Council (see III.13) in financial strategy meetings each year early in the spring semester.

- c. Manage and monitor the budget throughout the year to ensure that actual expenses do not exceed actual revenues.
  - i. Monitor department performance against approved budget on an ongoing basis and as part of annual appraisal/review processes.
  - ii. Monitor all salary expenses each month to ensure that no overspending occurs.
  - iii. Alert the Chancellor, VCFA , and Provost (for those units reporting to the Provost) and if a material budget variance is anticipated.
  - iv. Work with the VCFA and the Provost (for those units that report to the Provost), if the unit is in deficit, to develop a unit repayment plan approved by the VCFA in consultation with the Chancellor and the Provost (for those units reporting to the Provost).
    - 1. An administrative unit leader may be removed from such position by the Chancellor (for units reporting to the Chancellor) or the Provost (for units reporting to the Provost) for failure to carry out budgetary responsibilities.
  - v. Ensure that department finance and human resources transactions, such as encumbrances and staff time-off and overtime, are recorded in the information systems in a timely manner and compliant with policies.
- d. Ensure that staff positions originally funded through operating funds and subsequently funded through grants, either in part or in whole, will be funded by operating funds after the termination of the grant to the extent allowed for in the personnel hiring contract.
- e. Ensure that grant funded positions are not guaranteed operating funding in the absence of grant funding.
- f. Where an administrative unit leader is head of a consolidated functional unit that is core to the entire university and is advised by a Service Experience Council (SEC), the administrative unit leader will be responsible for
  - i. Ensuring that all data (e.g., unit performance metrics, budget to actual reports) needed for informed decision-making is identified in collaboration with the chair of the SEC and distributed to members of the unit's SEC, Chancellor, Provost and VCFA, either electronically or in hard copy, in a timely manner.
  - ii. Working with the SEC and its chair to develop a Service Level Agreement, strategic priorities, and performance goals and benchmarked performance metrics.
  - iii. Meeting with the SEC at least quarterly to review unit performance, consult on strategic priorities, report on process improvement, and provide opportunities for feedback and discussion of service level agreements, costing models and chargebacks.

1. Use reports and data prepared by the VP for Institutional Effectiveness.
- iv. Communication on an interim basis should occur as needed between the administrative unit's Vice Chancellor and SEC chair.
- v. Update and post service level agreements annually on a secure website for review as appropriate by SEC, UBC, Deans Council and FSBC.
- g. Where an administrative unit leader is head of a consolidated functional unit that is core to the entire university with an SEC as described in "f" above, the administrative unit leader's annual performance evaluation will include feedback from the SEC on the unit's service quality and responsiveness to campus needs.

### **13. Service Experience Councils (SEC)**

- a. Consolidated Functional Units (CFU) that are core to the entire university and reporting to the appropriate Vice Chancellor will each be advised by a Service Experience Council (SEC). These consolidated functional units (and related SECs) may include, but are not limited to: Information Services, Advancement, Human Resources, Finance and Administration, Marketing and Communications, Recruiting and Admissions, Academic Advising, Continuing Education and Conference Services.
- b. The SEC for each consolidated functional unit will be chaired by either a Dean or Vice Chancellor from another administrative unit, and will include a) the leader of the consolidated functional unit; b) an associate dean; c) a university administrator; d) at least one faculty representative designated by the Faculty Senate; e) at least two staff representatives, one from the unit and one designated by staff council; and f) a student representative designated by the Student Government Association.
- c. SECs will be responsible for working with the consolidated functional unit to develop a Service Level Agreement, strategic priorities, and performance goals and benchmarked performance metrics.
- d. SECs will meet with the consolidated functional unit's Vice Chancellor or leader of the consolidated functional unit at least quarterly to review the consolidated functional unit performance, advise on strategic priorities, oversee process improvement, provide opportunities for feedback and discussion of service level agreements, costing models and chargebacks.
  - i. Use reports and data prepared by the VP for Institutional Effectiveness.
- e. Communication on an interim basis should occur as needed between Vice Chancellor or leader of the consolidated functional unit and the SEC chair.
- f. Service level agreements will be updated and posted annually on a secure website for review as appropriate by UBC, Deans Council and FSBC.

- g. As part of the campus annual personnel performance reviews, the SEC will provide feedback to the supervisor of the leader of the consolidated functional unit on the unit's service quality and responsiveness to campus needs.

#### **14. Vice Provost for Institutional Effectiveness**

- a. Annually in October, work with UM System Controller to provide comprehensive data for an academic portfolio review, including financial data (gross revenues, direct and indirect operating costs, and marginal revenue) of all academic programs.
  - i. Throughout the year, this information will be used by Deans, Provost, VCFA, Chancellor, the UBC and FSBC for consideration on a program-by-program basis of opportunities for increasing revenues, improving operational costs and program elimination to support budget planning.
- b. Annually in October, work with the SECs to gather input and develop a report that includes a review of revenues, expenses, and metrics of performance, to make determinations for enhancing the efficiency and value of each such unit's support of the university's mission.
  - i. Post such reports on a secure website for review by the Administrative Council, UBC and FSBC.
- c. Support the needs of the SECs.

#### **15. Fiscal Officers/Finance Leaders**

- a. Work in close collaboration with unit leaders in developing, implementing, and monitoring unit budgets, achieving planned results, and providing support to unit leaders in carrying out their fiscal responsibilities.
- b. Participate with the unit leader, the Chancellor, the Provost and the VCFA in financial strategy meetings each year early in the spring semester.
- c. Participate in a variety of financial review meetings throughout the year (e.g. sub-certification with VCFA and Dean).

#### **16. Human Resource Facilitators**

- a. Work in close collaboration with unit leaders in developing, implementing, and monitoring the human resources part of unit budgets.

#### **17. Strategic Investment Committee**

- a. Membership: the number should be small and include those with the knowledge to evaluate the strategic investment proposals.
  - i. Provost (Convener and Facilitator).

- ii. Vice Chancellor for Finance and Administration (VCFA).
  - iii. Three representatives from the UBC (including UBC Secretary (aka FSBC chair), one faculty member, and one Dean).
  - iv. One other representative from the Faculty Senate.
  - v. Others with particular expertise, such as students, faculty, staff depending on the strategic priorities.
- b. Responsibilities
- i. Review pre-proposals and select those to develop into full proposals.
  - ii. Review full proposals.
  - iii. Review annual reports from grantees.
  - iv. Make strategic funding recommendations to the Chancellor.
  - v. Review the entire proposal process, especially the nature and quality of submissions each year, and make any improvement recommendations to the Chancellor.

*Developed and reviewed by:*

- *UMKC Resource Investment Model Team*
- *UMKC Deans*
- *UMKC Faculty Senate Budget Committee*
- *Sharon Lindenbaum, Vice Chancellor of Finance and Administration*
- *Barbara Bichelmeyer, Interim Chancellor and Provost*

*Input provided Spring 2017 by:*

- *UMKC Administrative Council*
- *UMKC Academic Council*
- *UMKC Faculty Senate*
- *UMKC Staff Council*
- *UMKC Chairs and Directors*

*Development facilitated by:*

- *Nikki Krawitz, University of Missouri System Vice President for Finance and Administration (Retired)*



## Abbreviations from the Resource Investment Model and the Budget Rules, Roles, and Responsibilities

ARC	Academic Responsibility Center
AURC	Auxiliary Responsibility Center
AUFC	Academic Unit Fiscal Committee
CRR	Collected Rules and Regulations
F&A	Facilities and Administrative Cost Recovery
FA	Financial Aid
FSBC	Faculty Senate Budget Committee
HC	Headcount
IR	Institutional Research
KPI	Key Performance Indicator
MOU	Memorandum of Understanding
ORS	Office of Research Services
PI	Principal Investigator
RC	Responsibility Center
RIM	Resource Investment Model
SCH	Student Credit Hour
SEC	Service Experience Council
SIF	Strategic Investment Fund
SLA	Service Level Agreement
SOP	Standard Operating Procedure
SURC	Support Unit Responsibility Center
UBC	University Budget Committee
UM	University of Missouri
VCFA	Vice Chancellor for Finance and Administration
VCHR	Vice Chancellor for Human Resources
VCR	Vice Chancellor for Research
VP	Vice Provost

## Financial Planning Calendar

ALL DUE DATES ARE SUBJECT TO CHANGE

Reports/Activities	Period end date	Date available	Admin Council	UBC	FSBC	Staff Council	Deans	AUFC	SURC and AURC	Service Experience Council	Responsibility
Q1 Financial Report	September (Q1)	October	X	X	X	X					VCFA
Q2 Financial Report	December (Q2)	January	X	X	X	X					VCFA
Q3 Financial Report	March (Q3)	April	X	X	X	X					VCFA
Preliminary year end financial statement	June (Q4)	August or first meeting of the year	X	X	X	X					VCFA
Financial forecast - operating fund 4+8	October	December	X	X	X	X					VCFA
Financial forecast - operating fund 6+6	December	February	X	X	X	X					VCFA
State budget developments	Ongoing	Ongoing	X	X	X	X					VCFA
Review of Budget Rules, Roles and Responsibilities	September			X							Provost/VCFA
Review of RIM	September			X							Provost/VCFA
School Budget Planning Meetings with AUFC	Fall						X	X			Deans

School Budget Planning Meetings with AUFC	Spring						X	X			Deans
Service Experience Council Performance Reports	September (Q1)	October								X	Units w/SECs
	December (Q2)	January								X	Units w/SECs
	March (Q3)	April								X	Units w/SECs
	June (Q4)	July								X	Units w/SECs

Budget planning updates (includes calendars):	Winter and Spring	Winter and Spring	X	X	X	X					VCFA
Strategic Financial Planning Summit	February						X		X		Provost
Finance Budget Reviews	March/April/May						X		X		VCFA
Resource investment model	High level projection	January	X	X	X	X					VCFA
	Preliminary	March	X	X	X	X					VCFA
	Final	June	X	X	X	X					VCFA

Strategic Hiring Summit - for next fiscal year		January					X				Provost
Hiring Plan update - for current year		July					X				Provost
Hiring Plan update - for current year		October					X				Provost
ORS Annual Research Report		October	X	X	X	X					VC Research

Academic Portfolio & Efficiency - annual update		October	X	X	X	X	X				Vice Provost Institutional Effectiveness
Administrative Review - annual update		October	X	X	X	X	X	X	X		Vice Provost Institutional Effectiveness/ VCFA
Bi-annual Campus Fiscal Update		October									VCFA
		March									VCFA

Additional System financial deadlines will be shared as that information becomes available

**Deliverables by Month**

ALL DUE DATES ARE SUBJECT TO CHANGE

<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>
Hiring Plan update (Provost) Q4 SEC Reports (Units with SECs)	Preliminary YE Financial (VCFA)	Rules, Roles and Responsibilities review (Provost/VCFA) RIM Review (Provost/VCFA)	Q1 Financial (VCFA) Annual Research report (VC Research) Academic review update (VPIE) Administrative review update (VPIE, VCFA) Q1 SEC Reports (units w/SECs) Bi-annual Fiscal Update (VCFA)
<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>
	4+8 Forecast (VCFA)	Q2 Financial (VCFA) Projection of resource model - high level (VCFA) Q2 SEC Reports (units with SECS) Strategic Hiring Summit (Provost)	6+6 Forecast (VCFA) Strategic Planning Summit (Provost) Extensive budgeting (VCFA/units)
<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>
Preliminary resource model (VCFA)  Extensive budgeting/reviews (VCFA/units) Bi-annual Fiscal Update (VCFA)	Q3 Financial (VCFA)  Q3 SEC Reports (units with SECs) Extensive budgeting/reviews (VCFA/units)	Extensive budgeting/reviews (VCFA/units)	Final resource model (VCFA)  Final Budget approval (VCFA)

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# Fiscal Responsibility

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## Scope

This policy applies to all University employees who monitor fiscal performance and activity and/or review, approve or process fiscal transactions.

## Reason for Policy

This policy establishes the fiscal oversight roles within the University of Missouri.

## Policy Statement

It is every employee's responsibility to be a good steward of the resources entrusted to the University and to make decisions in good faith which serve the best interest of the University. This policy outlines the fiscal responsibility for positions across the University of Missouri. University of Missouri Health Care maintains a separate policy for fiscal accountability within its structure.

Primary fiscal responsibility rests at the level where the expenditures are made, with those who initiate programs and make decisions on how to actually implement plan and programs. Financial planning is an interactive process that ultimately results in approval at the upper levels (Board of Curators, president, chancellor, vice chancellor and provost) of board policy statements and plans.

The actual details are decided at the operating level (deans, directors and department chairs) within the constraints of University policies. Ultimate responsibility for ensuring that fiscal transactions are in accordance with approved plans, programs and policies rests at the Dean/Director/Department Chair level. Specific roles are listed under the accountabilities section of this policy.

All individuals with fiscal responsibilities will comply with the University's Code of Ethics statement.

## Definitions

**College/School/Division Fiscal Officer** - the individual primarily responsible for supporting the Dean, Director, or Manager at the College/School/Division level.

**Other Fiscal Staff** - include employees with fiscal responsibilities as a part of their role within the University.

## Accountabilities

### Role of Chancellor, Provost, Vice Presidents and Vice Chancellors:

- Accountable for the financial health of the campus. Chancellor certifies the campus financial results at the end of each fiscal year (see sub certification policy).
- Establish campus financial plans and approve college/division plans ensuring priorities align with the vision, mission and goals of the University.
- Responsible for compliance of all University fiscal matters with applicable policies, laws and regulations.
- Responsible to maintain strategic oversight for all campus programs and for the fiscal integrity and ethical conduct in financial matters
- Responsible to act prudently to safeguard and use campus assets and resources consistent with the best interests of the University, appropriately limiting liabilities and reducing and managing potential risks.

### Role of Deans and Directors:

- Establish college/division strategic priorities consistent with campus vision, mission and goals, and approve department plans.
- Responsible for the fiscal integrity and the ethical conduct of the college/division fiscal activities.
- Ensure appropriate fiscal procedures are maintained to support internal fiscal compliance.
- Accountable for the financial health of the college/division. Regularly monitor, review and approve overall financial activity including actuals, budgets and forecasts.
- Responsible to act prudently to safeguard and use college/division assets and resources consistent with the best interests of the University, appropriately limiting liabilities and reducing and managing potential risks.

### Role of Department Managers, Chairs and Principal Investigators:

- Establish department strategic priorities and plans consistent with college/division vision, mission and goals.
- Responsible for the fiscal integrity and the ethical conduct of the department and/or sponsored fiscal activities.
- Implement and follow appropriate fiscal procedures to maintain internal fiscal compliance.
- Accountable for the financial health of the department and/or sponsored activities. Regularly monitor, review and approve overall financial activity including actuals, budgets and forecasts.
- Ensure funds received and expended are appropriate and consistent with budgeted plans and in compliance with any externally imposed funding restrictions.
- Responsible to act prudently to safeguard and use department/sponsored activities assets and resources consistent with the best interests of the University, appropriately limiting liabilities and reducing and managing potential risks.

### Role of campus Division of Finance:

- Assist with establishing appropriate college/division/departmental fiscal policies and procedures.
- Make information on interpreting and implementing policies and procedures easily accessible to deans/directors/department chairs and their staff.
- Recommend changes in campus and system fiscal policies and procedures.

- Review transactions on a systematic basis for compliance with University policies.
- Responsible for ensuring division fiscal officers are properly trained, supported and provided guidance.

**Role of College/School/Division Fiscal Officers:**

- Provide oversight on how funds are spent and managed including ensuring funds are budgeted and spent according to fiscal policies and procedures.
- Actively review financial performance and compliance with policy and communicate identified issues to the accountable individual.
- Ensure internal controls are sufficient to minimize internal and external risk.
- Ensure that assets are safeguarded.
- Ensure that transactions are properly documented and authorized.
- Ensure that college / division employees with fiscal responsibility receive the training, support, and guidance.
- Responsible for configuring and maintaining financial authorizations and approval structure for college/school/division.
- Actively engage with campus division of finance and office of sponsored programs. Disseminate information to employees with fiscal responsibilities in a timely and effective manner.

**Role of other fiscal staff:**

- Fiscal staff may include employees with fiscal responsibilities in addition to other roles.
- Ensure that accurate data is entered and transactions are processed timely and in accordance with policies and procedures.
- Ensure appropriate documentation is maintained to support the purpose of the transactions.
- Obtain required approvals.
- Seek advice for non-routine transactions.
- Review and understand University Policies and Procedures for related areas of fiscal responsibility.

## Additional Details

### Forms

### Related Information

### History

This policy was first placed into effect on December 31, 2016

### Procedure