BEGINNING A NEW ERA OF DIALOGUE AND TRANSPARENCY ABOUT BUDGETS

University Council Presentation

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January 29, 2014
“An overhaul of our budget and finance functions to build transparency and focus on our highest priorities.”

President Douglas Baker
Inaugural Address
November 13, 2013
Working Together

- How might we transform the ways we “budget” to focus on our highest priorities?
- If we work together, what benefits can we expect?

“We’re all working together; that’s the secret.” - Sam Walton

“Whatever life throws at us, our individual responses will be stronger for working together.” - Queen Elizabeth II
Q: How might we “build transparency and focus on our priorities”?

A: Guiding Principles

• Four Primary Themes that Allow Us to Work Together:

  I. Transparency → To Everyone
  II. Clarity → To Everyone
  III. Alignment → For Cabinet, Deans, Department Chairs, PI’s, Center Directors (Anyone who manages a budget)
  IV. Sustainability → For a vibrant future, for everyone
I. Transparency and Clarity must start with Alignment

- Alignment:
  - An overarching framework for budgets
    (i.e., NIU’s mission, vision, values, strategic goals)
  - Academically responsive budget decisions
  - Fiscally responsible budget decisions
- NEW:
  - Chief Academic Officer (CAO) co-leads an academically responsive budget process (DONE)
I. Transparency and Clarity must start with Alignment

Continued

in partnership with a

- CFO, who enables, as an advisor, by evaluating resource acquisition strategies and relating them to *fiscally responsible* considerations (DONE)

- Benefits:
  
  - Academic/finance partnership and complementary roles facilitate better-informed, more strategic budget decisions.
  
  - Re-definition of CAO/CFO roles *aligns* authority with responsibility
II. Transparency depends on Clarity

- **Clarity:**

- **NEW:**
  - Centrally controlled funds for predictable recurring expenses transfer to base budgets of Cabinet, Deans, and Departments (IN PROGRESS)
  - An inclusive, annual budget process with varied opportunities for discussion/input prior to decisions (TBD)
  - Reports that clearly “tell a story” about NIU financial trends and situation (IN PROGRESS/COMING SOON)
II. Transparency depends on Clarity
Continued

- Benefits:
  - Enhanced communication
  - More collaboration opportunities
III. Transparency: “We’re All In This Together”

- NEW: Dialogue (e.g., this meeting)
  Expanded training for faculty and staff

- Benefits:
  - Deeper engagement of faculty, staff, students
  - Each individual understands how his/her role makes a difference in how “we work and learn together” (for the benefit of each of us!)
  - Better informed/understood budget (and other) decisions
  - Vibrant culture, meaningful and cohesive experiences for faculty, staff, and students
IV. Sustainability depends on: *Equilibrium and Vibrancy*

- Equilibrium depends on prudent practices:
  - Balanced budgets
  - Understanding and managing drivers of revenue
  - Relentless focus on driving down costs through on-going idea generation, pilot projects, identifying opportunities for efficiency, and *working together*
IV. Sustainability depends on: *Equilibrium and Vibrancy*

**Continued**

- **Benefits:**
  - Confidence that, because we are working together and have a sound model for budget decisions, we can focus on priorities and do what’s best for our students.
  - Difficult budget decisions will respect our past, acknowledge present fiscal realities, and protect our future.
V. 5 Other Suggested NEW Elements (For Future Follow-Up Discussions):

- Flexible, “real time” funding for teaching, research, and student strategic initiatives (TBD)
- “Demonstration” projects to experiment with new financial models (COMING SOON)
- “Consensus Priorities” for cost-saving or investment in business/support activities (i.e., campus and central units collaborate) (COMING SOON)
- Incentives for more prudent end-of-year spending (TBD)
- Re-purposing vacant positions (TBD)

Details concerning these suggested changes will emerge from upcoming discussion opportunities.
VI. THE JOURNEY BEGINS

- Questions and Comments? (RIGHT NOW)
- nsuttenfield@niu.edu  (ANY TIME)
- Quotes are our starting point today
- Dialogue begins now!

“Let’s Talk and Let’s Go!”