Mansouri, Shervin

February 10, 2022

University of Kansas fiscal roles and responsibilities

# Table of Contents

[**Introduction**](#Introduction) **2**

[**Guiding Principles**](#Guiding_Principles) **2**

[**Roles and Responsibilities**](#Roles_and_Responsibilities) **3**

[**Chancellor**](#Chancellor) **3**

[**Provost & Executive Vice Chancellor**](#Provost) **3**

[**Chief Financial Officer & Executive Vice Chancellor**](#CFO) **3**

[**Vice Provost for Finance**](#VP_for_Finance) **4**

[**Unit Leaders – Deans & Vice Provosts**](#Unit_Leaders) **4**

[**Departmental Leaders – Chairs & Directors**](#Departmental_Leaders) **5**

[**Budget Officers**](#Budget_Officers) **5**

[**Vice Provost for Research**](#Vice_Chancellor_for_Research) **5**

[**Chief Financial Officer for Research**](#CFO_for_Research) **6**

[**Principal Investigators**](#Primary_Investigators) **6**

# [Introduction:](#Introduction_back)

At the University of Kansas, the budget model and plan are a means to promote achievement of the vision, mission, and goals of the university; there is one campus budget, albeit with several components (such as the Operating Fund-State Funds and Tuition, Auxiliaries Fund, Gift/Endowed Funds, Research Funds, and Restricted Fees). The purpose and value of our currency is that it supports our campus priorities.

The University of Kansas Budgeting and Reporting System should 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 amid changing circumstances. Determination of resource investments will be transparent 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), efficiency, and research performance.

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 outlined in the Roles and Responsibilities section. 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.

**[Guiding Principles:](#Introduction_back)**

1. Unit leaders are stewards, of campus resources, having the financial obligation to act on behalf of, and for the benefit of, the university when managing its resources.
2. All members of the campus community, individually and collectively, are accountable for the financial results of the campus and must always engage together in disciplined fiscal management, including identifying and eliminating non-essential services and waste.
3. 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.
4. All campus employees with fiduciary responsibilities are accountable for the achievement of approved budgets. Effective management of all campus funding resources (e.g., state funding, research funding, gift/endowed funding, etc.) to support the unit and campus mission will be evaluated on an ongoing basis. It is important to note that while gift/endowed funds are not on deposit with the State of Kansas, this funding source should be considered when developing and monitoring unit budgets. Professional development opportunities and ongoing support will be offered to ensure unit leaders and other employees have the tools required to successfully fulfill their fiduciary responsibilities.

Accurately forecasting and reporting expenditures is paramount to the financial stability of the University of Kansas. The unit leader and central budget office will partner together to address one-time, non-recurring budget savings that arise during the budget year. The use of one-time, non-recurring budget savings may be reallocated at the Provost’s discretion to address recurring expenses at the unit level or reallocated to meet a broader campus need.

# [Roles and Responsibilities:](#Roles_and_Responsibilities_back)

***Central Administration***

**[Chancellor](#Chancellor_back)**

The Chancellor has authority over, and responsibility for, the budget and is the ultimate decision maker on fiscal matters for the University. The Chancellor is ultimately responsible for ensuring resources are available and allocated to support unit and institutional priorities on an annual basis. In consultation with the Provost, Chief Financial Officer (CFO), and Vice Provost for Finance (VP for Finance), the Chancellor will set the priorities for the upcoming fiscal year and budget planning cycle.

When warning signs suggest a fiscal crisis may be near (e.g., state withholding or other unforeseen significant revenue decreases) or an unanticipated increase in revenues occurs, the Chancellor will meet with appropriate individuals and constituencies to discuss and develop plans to address such changes.

**[Provost & Executive Vice Chancellor](#Provost_back)**

The Provost will create an environment that values fiscal stewardship by setting clear expectations, creating common goals, building mutual trust across all units, and engaging in open communication regarding budgetary related topics. In consultation with the Chancellor, the CFO, and the VP for Finance, the Provost will determine strategic priorities for the upcoming fiscal year and budget planning cycle.

Additionally, the Provost works with the unit leaders to ensure academic priorities and hiring strategies align with the campus strategic priorities. This collaboration requires information sharing to ensure the Provost possesses the necessary information to ensure resources are available and effectively allocated to support unit leaders, budget officers, and others with fiduciary responsibilities.

When warning signs suggest a fiscal crisis may be near (e.g., state withholding or other unforeseen significant decreases in revenue) or an unanticipated increase in revenues occurs, the Provost meets with the Chancellor, CFO and VP for Finance to discuss, and formulate a financial strategy to address the issue(s). The Provost will communicate strategies to address the financial crisis to the broader campus community and provide timely updates throughout the time of crisis.

**[CFO & Executive Vice Chancellor](#CFO_back)**

The CFO is responsible for building and implementing a 3-year and 5-year strategic budget plan to

 support the institutional priorities. The 3-year and 5-year strategic budget plans will be leveraged to make data-informed decisions when allocating our limited resources. Furthermore, the CFO consults with the Chancellor, the Provost, and the VP for finance to set strategic priorities for the upcoming fiscal year and budget planning cycle. The CFO also works with the Chancellor, Provost and VP for Finance to set tuition and fee rates, as well as financial aid policies.

The CFO plays a central role in communicating financial-related updates to the broader campus community and other partners through a variety of methods. Regular communication clarifies how the financial strategic priorities help support institutional priorities and provide additional insight to the financial health of the organization.

**[VP for Finance](#VP_for_Finance_back)**

The VP for Finance is responsible for overseeing strategic and day-to-day budgetary operations of the Lawrence and Edwards campus. The VP for Finance consults with the Chancellor, the Provost, and the CFO on the strategic priorities for the upcoming fiscal year and budget planning cycle.

The VP for Finance partners with unit leaders and budget officers to develop and implement financial plans to achieve unit goals, while ensuring ongoing alignment with institutional priorities. The ongoing partnership creates an opportunity to discuss how to support growth opportunities, solve for budget shortfalls and identify options to leverage all funding sources to make the greatest impact. The VP for Finance identifies, develops, and delivers targeted fiscal management training to unit leaders, fiscal officers, and central finance staff with the goal of creating a best-in-class financial team at the University of Kansas.The frequency and method of training will be determined by the content and target audience.Additionally, the VP for Finance oversees the budget planning and monitoring cycles for the Lawrence and Edwards campus. More information on the budget planning cycle can be found [here](https://budget.ku.edu/operating-budget).

***Schools/Administrative Units***

**[Unit Leaders – Deans and Vice Provosts](#Unit_Leaders_back)**

Unit leaders are stewards of campus resources, with the financial obligation to act on behalf of, and for the benefit of, the campus when managing its resources. Unit leaders will create a culture of accountability by embracing an all-funds budget approach to achieve unit and campus goals and manage a balanced budget. Unit leaders will encourage unit staff with fiscal responsibilities to attend training and professional development courses to ensure appropriate skills are mastered for success in the role.

Unit leaders will support the budget planning process by collaborating with the Provost to set unit priorities and hiring strategies which align with institutional priorities. Unit leaders and their Budget Officers will work together with the VP for Finance to develop, implement, and manage financial plans to achieve unit goals, while ensuring ongoing alignment with institutional priorities. The ongoing partnership creates an opportunity to discuss how to support growth opportunities, solve for budget shortfalls and identify options to leverage all funding sources to make the greatest impact. Unit leaders work closely with their Budget Officers to manage the unit budget, as well as other funding sources, to ensure actual expenses do not exceed actual revenues. If the unit anticipates deficit spending, the unit leader will communicate the anticipated budget shortfall, and possible solutions to address the deficit to the VP for Finance. The unit leader and VP for Finance will agree upon a resolution and the unit leader will be responsible for successfully implementing the corrective action plan.

[**Departmental Leaders – Chairs and Directors**](#Departmental_Leaders_back)

Department leaders arestewards of campus resources, with the financial obligation to act on behalf of, and for the benefit of, the campus when managing its resources. Departmental leaders work directly with the unit leader to model a culture of accountability by encouraging unit staff with fiscal responsibilities to attend training and professional development opportunities to ensure individuals have the necessary skillset to successfully manage budgetary responsibilities.

Departmental leaders will work directly with unit leadership to ensure resources are leveraged to meet department, unit, and institutional priorities. Additional departmental leader fiscal responsibilities include monitoring budget activities to ensure expenses do not exceed revenue, alerting unit leaders if a material budget variance is anticipated, and developing a plan to balance the unit budget.

**[Budget Officers](#Budget_Officers_back)**

Budget Officers are stewards of campus resources, with the obligation to act on behalf of, and for the benefit of, the campus when managing its resources. Budget officers work in close collaboration with unit and department leaders in developing, implementing, and monitoring effective unit budgets, achieving planned results, and providing support to unit leaders in carrying out their fiscal responsibilities. Budget Officers interact with campus financial systems to forecast and analyze financial information for all funding sources within the area of responsibility (ARSP) the Budget Officer reports on to ensure all operations are within budget and actual expenses do not exceed actual revenue.

Budget Officers will actively participate in financial review meetings, monthly Budget Officer meetings, campus trainings and professional development opportunities throughout the year. Budget Officers are expected to collaborate with central office stakeholders to resolve issues and respond to budget-related inquires in a timely manner.

***Office of Research***

**[Vice Chancellor for Research](#Vice_Chancellor_for_Research_back)**

With guidance from the Chancellor and Provost, the Vice Chancellor for Research (VCR) is responsible for overseeing the appropriate use of research dollars and to determine how to utilize campus-wide budget resources to support research endeavors at KU-Lawrence campus.

The VCR partners with research leadership, including but not limited to Associate Vice Chancellors for Research (AVC), University of Kansas Center for Research Inc Chief Financial Officer (KUCR CFO), department leaders (research center directors and core service laboratory directors), and principal investigators through formal and informal communications to identify opportunities to grow and support the University of Kansas research enterprise. Additionally, the VCR works with appropriate individuals to help generate and implement solutions to fiscal challenges that facilitate achievement of unit goals, while ensuring ongoing alignment with university priorities.

The VCR will discuss any warning signs that may suggest a pending financial crisis may be near or an unanticipated increase in revenue occurs with the Chancellor, the Provost, the University’s CFO and VP for Finance to discuss, formulate and implement a financial strategy to address the issue(s).

[**CFO, KU Center for Research**](#CFO_for_Research_back)

Because of the separate corporate structure for the Research Foundation, there is also a separate CFO function for the Office of Research. The KUCR CFO is responsible for overseeing strategic and day-to-day budgetary and financial operations of the campus-wide research funding. The KUCR CFO with VCR, Research leadership, and department leaders (Research Center directors) on the research strategic priorities for the upcoming fiscal year, budget planning cycle and long-term strategic planning. If a material budget variance is anticipated, the CFO for Research will alert the VCR to the situation, so a plan is developed and implemented to resolve the budget shortfall. The KUCR CFO is also responsible for providing regular financial updates to the university CFO, KUCR Board of Trustees and KUCR Finance & Audit Committee.

The CFO for Research partners with Research Centers and Core Service Labs directors and financial staff to ensure individuals with fiscal responsibilities are provided the resources and training required to be successful in their roles. The ongoing partnership creates an opportunity to discuss how to support research growth opportunities, solve for budgeting needs/impacts, and identify options to leverage all funding sources for research re-investment.

**[Principal Investigators](#Primary_Investigators_back)**

Principal Investigators (PIs) will utilize the resources available to them to oversee administration of project funds. PIs coordinate with school, department, and central administration personnel to ensure project charges are allowable and allocable in accordance with federal, state, university and agency regulations policies and procedures.