Budget Planning Project Update

In August 2015, the university began a project to implement a budget planning solution, which will be branded as uPlan. This project will utilize Oracle’s cloud based version of its Hyperion Planning software to support integrated planning and budgeting across the university.

A series of road mapping activities were held to understand current budget practices, structures and issues. These activities included discovery sessions with faculties and administrative units. The sessions reinforced the need to establish well defined budget planning practices that can be applied consistently across the university. This was consistent with observations from a recent internal budget audit that highlighted the need to establish clear budget responsibilities, financial accountability and management of funding risks.

**Project Objectives**

- **Provide an institutional tool** to manage planning activities with greater flexibility and accuracy in support of academic priorities.
- **Support a financial framework** in connecting institutional planning activities -- **budgeting, forecasting and modeling** -- to advance accountability, transparency and evidence based decision-making.
- Balance decentralized planning activities across the University with **common planning processes and workflows**.
- **Leverage existing key institutional data** to support the financial framework.

**Guiding Principles**

The following principles will guide the decisions made regarding the design of business processes and the planning and budgeting solution.

a. **Institutional Approach**
   The planning and budgeting solution, and the supporting business processes, will be designed to support institution-wide programs and services. Individual department and units’ needs will be considered and designed within institutional business processes.

b. **Common Business Processes**
   The solution design will support common business processes that will be guided by best practices within post-secondary institutions.

c. **Minimize Product Customization**
   Business processes will be adapted to leverage delivered system functionalities wherever possible. System customizations will only be considered in exceptional circumstances.

Please see Appendix C for further detail on the project structure and those involved.
Financial Planning Framework

The financial planning framework (FPF) will leverage existing practices, and align with established policies and procedures. In particular, it will align with the university’s Integrated Planning and Budgeting Policy.

Approved May 4, 2001: Board of Governors
Office of Accountability: Vice-President (Finance and Administration)
Administrative Responsibility: Office of Resource Planning

The policy defines a process that:

- **Facilitates long-term planning** and ensure a structurally balanced budget for the budget planning cycle.
- Enables the **provision of the necessary financial information**, institutional data, budget projections and other documentation;
- Encourages the **effective** stewardship and explicit allocation and re-allocation of resources;
- **Supports** resource accountability;
- To the extent practical, delegates budget responsibilities to the level in which operational decisions are made; and,
- Results in an institutional **budget and forecast** that represents all aspects of the University’s operations and is consistent in format with the Institution’s financial statements.

The framework will provide greater support for budgeting fundamentals as outlined in the attached table (Appendix A). This framework is not a fundamental change to existing budget policies or philosophies. It will clarify and support the university’s budgeting processes as set out in the Integrated Planning and Budgeting Policy. The FPF provides the project team direction on “what” to focus on during the implementation. The university’s financial planning community (faculties and administrative units) will provide input into “how” designs and functionality are built into uPlan.

The project will rely on iterative steps and a phased approach in achieving a future state budget planning model. The scope in structuring the financial planning framework includes:

1. Defining Multi-Year Financial Plan, Budget, Forecast, Modeling and Management Reporting
2. Identifying by phase, the objectives for each process and schedule from an institutional perspective.
3. Drafting high level flows, including links to existing processes (e.g. Comprehensive Institutional Plan budget development).
4. Considering how processes will mature over time to achieve objectives and consider the relevance of phasing, if applicable.
5. Defining roles and responsibilities by process.
## Appendix A: Financial Planning Framework - Project Scope

<table>
<thead>
<tr>
<th>Project Scope</th>
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<tbody>
<tr>
<td><strong>Project</strong></td>
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<td><strong>Reporting</strong></td>
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<td><strong>Timing</strong></td>
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<tr>
<th>Current State</th>
<th>Project Scope</th>
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<tr>
<td><strong>Access &amp; Admin.</strong></td>
<td>• No access to budget system.&lt;br&gt;• Manual processes to administer budgets (e.g. budget transfers)</td>
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<tr>
<td><strong>Planning &amp; Budgeting</strong></td>
<td>Limited Scope&lt;br&gt;• budgeting limited to operating funds&lt;br&gt;• budget against expenditures only – limited or no revenue budgets&lt;br&gt;• single year view</td>
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<tr>
<td><strong>Forecasting</strong></td>
<td>No established or consistent practice.&lt;br&gt;Use of local spreadsheets.</td>
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<td>CURRENT STATE</td>
<td>PROJECT SCOPE</td>
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| **Modelling (scenarios)** | No tools. Use of local spreadsheets. | Modeling and Scenarios  
- “what if” analysis to model initiatives, or changes in revenues or expenditures plans  
- tool to aide informed decision-making |
| **Compensation Planning** | “Position Budgeting”  
- tracks only a sub-set of continuing positions  
- applied only within the operating fund  
- originally based on hybrid funding model between faculties/units and central admin. | Full Compensation Planning  
- planning leverages established HCM system for data  
- informed by expenditure commitments  
- plan for staffing changes (hires, leaves, etc.)  
- available across all fund types |
| **Integration** | Highly Top-down Approach  
- central units budget on behalf of institution’s Comprehensive Institutional Plan (CIP) budget  
- indirect input from faculties and units | Bottom-up and Top-down Approach  
- faculty and unit plans inform consolidated CIP budget  
- multi-year budgets at institutional and faculty/unit levels |
Appendix B: Project Implementation Roadmap

Roadmap and Timeline

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**Phase 1 (2016)**
- Budgeting & Forecasting:
  - All Funds
  - Compensation Planning
  - Forecasting Design
  - Reporting with Hyperion suite
- Evolve Financial Planning Framework to define forecasting current and future state
- Determine genesis of institutional reporting strategy

**Phase 2 (2017)**
- Budgeting Enhancement
  - Improve functionality based on user feedback
  - Incorporate functionality for ancillaries
  - Expand reporting tools to wider audience of power users
- Forecasting process enhancements and deployment
- Evolve reporting and data extensions based on reporting strategy

**Phase 3 (2018)**
- Include expanded methods for Comprehensive Institutional Plan (CIP) calculations
- Expand driver methods to local budgets
- Greater integration of local budgets into CIP

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Phase 1

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Appendix C: Project Structure

i. **Key Stakeholders:** Faculties and Administrative Units

ii. **Sponsor:** Phyllis Clark, Vice-President (Finance & Administration)

iii. **Steering Committee**
    - Stanford Blade, Dean, Faculty of Agricultural, Life and Environmental Sciences
    - Martin Coutts, Associate Vice-President, Finance & Supply Management Services
    - David Dittaro, Director, Enterprise Applications, IST
    - Mike MacGregor, Vice-Provost and Associate Vice-President (Information Technology)
    - Mary Persson, Associate Vice-President, Audit and Analysis
    - Philip Stack, Associate Vice-President, Risk Management Services

iv. **Project/Business Leads**
    - Terry Harris, Senior Program Manager, IST
    - Ray Wong, Director, Resource Planning

v. **Advisory Committee***
    - Academic - Arts, Medicine & Dentistry, School of Business and VP Academic Administration - Research, Facilities and Operations and Finance and Administration
    - *recommend on functional and business process design

vi. **Partner:** Huron Consulting Group

**Project Implementation Plan and Elements (High Level)**

![Diagram showing the project implementation plan and elements.](image-url)