

Subject: Fiscal Year 2019 Budget Planning

Vice Presidents, Division Leaders, and Budget Managers:

Good morning! The fiscal year 2019 budget planning work has commenced. The 2018 fiscal year has been filled with exciting developments for the University with the release of new academic programs both residentially and online, a monumental move to become an FBS Independent team in the NCAA, continued athletic excellence, a top rated dining program, and the continued expansion and renovation of the residential campus to name only a few. These accomplishments and so many others are the direct result of our faculty and staff's dedication to fulfilling the mission of the University.

In our steadfast pursuit of the mission to Train Champions for Christ we have remained strong and positioned to grow even in an unsettled and increasingly competitive higher education market. In light of the constantly evolving market and the increasing level of competition, our leadership has set forth a goal to increase the University's endowment in an effort to wisely utilize the resources in order to plan for the uncertainties of the future.

In order to accomplish this goal, we ask that you partner with us as we work towards making changes to our business to become better and more efficient stewards of our resources. The following items are crucial initiatives that will be undertaken in fiscal year 2019:

- **Monthly Budgeting** – As we embark on new goals, whether growing the endowment, achieving academic and athletic excellence or providing the highest quality services to our students it is critical that those managing budgets have the ability to review progress made towards these goals on a monthly basis so that appropriate adjustments can be made in a timely and efficient manner.
- **Accelerated Accounting Close** – In conjunction with the move to monthly budgeting, the Accounting and Finance teams will be accelerating the accounting close. This effort does not rest entirely on the shoulder of our Accounting and Finance teams, but rather requires a combined effort from all departments. As this initiative moves forward, the project team will reach out to each area that may be impacted to provide additional details.
- **Targeted Expense Reduction** – Each area of the University is being asked to use the budget planning period to achieve an overall expense reduction of three percent of their fiscal year 2018 controllable permanent adjusted budget. These expense reduction targets are provided as part of the budget planning packet.
- **Additional Savings** – In addition to the three percent reduction, we ask that you continue to seek out and challenge any expense items that provide limited value to the University.

Budget meetings have been scheduled throughout the remainder of February and March. These meetings are set aside to begin conversation and collaboration between our areas as we work in tandem to build a budget for fiscal year 2019 that reflects the goals of the University as well as those of each area. These meetings will be casual in format as opposed to formal budget hearings.

The following files will be provided to you in the departmental Molly drives this afternoon to assist in the planning process:

- **Budget Planning Workbook** – Includes the budget request worksheet, a multiyear purchase order worksheet, departmental budget worksheets, and a summary report providing divisional summaries of the FY16-FY17 actuals, the FY18 adjusted budget, and the FY19 budget proposals.
 - **Budget Request Form Worksheet** – A worksheet within the Budget Planning workbook to be utilized for new funding requests, including revenue and expenses for strategic plan initiatives, new multiyear contracts and renewals of existing multiyear contracts, capital assets, new technology and construction projects and renovations.
 - **Multiyear Purchase Order Worksheet** – A worksheet within the Budget Planning workbook with all open, multiyear purchase orders to be used to provide a breakdown of the anticipated expense amounts by Fiscal Year. The completed workbook will be used to adjust the proposed FY19 Base Budget accordingly.
 - **Departmental Budget Worksheets** – A set of worksheets providing the base budget for each department at the account level loaded based on the FY18 adjusted budget as of February 23, 2018. The figures provided in these sheets are intended to be used as a starting point for the FY19 adopted budget and require input from the budget managers to adjust accordingly to meet the needs of the upcoming fiscal year.
 - **Summary Report** – As items are added to each section of the Budget Planning workbook, the summary tab within the workbook will update accordingly to provide division leaders with an overall picture of their respective budget proposals.
- **Budget Planning Guidelines** – Includes instructions for completing the Budget Planning and additional information that may be of assistance.
- **Supplemental Budget Planning Report** – An Excel workbook with the full set of base data used to build the FY19 budget planning workbook to be used both for validation purposes and to assist in distributing budget figures to appropriate fiscal periods.
- **Personnel Budget Reference Report** – An Excel workbook provided by Human Resources to assist in the planning and budgeting for personnel budgets.

Thank you for your work in preparation for the Budget Meetings. We look forward to working with each of you to continue to push the University forward into an even greater position of strength for the future.

Robert L. Ritz, Ph.D.

Executive Vice President of Finance

Finance

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