

Strategic Initiative Proposal

General Use New Funding Request

Proposal Title:	Purchase New Budgeting Software (EXAMPLE ONLY)	Type of Proposal <input type="checkbox"/> Operations <input checked="" type="checkbox"/> Software/Equip. <input checked="" type="checkbox"/> One-Time <input checked="" type="checkbox"/> Ongoing
Division:	Finance and Administration	
College/Department:	University Budget Office	

PROPOSAL SUMMARY

Over time the university's budgeting system has become antiquated and fails to meet existing needs and budgeting standards. At this time the Budget Office and ITS have completed Phase I - System and Design Requirements, with supporting documentation attached. Current project timelines estimate the project could be completed for the next budget development cycle, if project funding is allocated within the next two months.

The most significant impacts from this request are: 1) expected efficiencies to be generated within both the Budget Office and colleges/departments and 2) alignment with current KBOR budgeting standards.

Summary of deficiencies within the existing system:

- Lacks an effective reporting interface
- Lacks ability to calculate fringe benefits correctly
- Spreadsheets are so "old school"
- Lacks ability to develop multi-year budgets per the state's biennial budgeting process

FINANCIAL INFORMATION

Expected costs:

Funding for all of the expenditures outlined below is requested from GU sources.

Items	FY '21	FY '22	FY '23
Software acquisition (<i>one-time</i>)	\$ 250,000	\$ -	\$ -
Consulting costs	\$ 30,000	\$ 20,000	\$ -
Ongoing annual maint. fees	\$ -	\$ 15,000	\$ 18,000
Savings from current system maint. fees	\$ -	\$ (5,000)	\$ (5,000)
	\$ 280,000	\$ 30,000	\$ 13,000

** Internal personnel costs are currently budgeted and will be shifted to support this project.*

Expected revenue or cost reduction (if applicable):

No additional revenue will be generated. Three-year expenditure estimates are outlined above.

Briefly outline how the included financial estimates were developed:

Coordinated cost estimates with selected vendor (Budget Right) and ITS.

GENERAL INFORMATION

Proposals are evaluated primarily on their impact to four key criteria. Within each criteria below, describe the anticipated impact.

Accreditation Requirements/ Compliance/Legal Mandates	The university is required through KBOR to maintain an effective budgeting process that reflects state budgeting practices and procedures. The existing system fails to meet these expectations. Consequently, the university was recently cited in its annual audit for inadequate budgetary development practices by the State Budget Office for submission of department and college budgets that are not consistent with actual outcomes. The deficiency letter is attached to this request.
Effect on Enrollment/ Headcount	The budgeting system would not be expected to have an impact on enrollment.
Strategic Plan Alignment	This request is not directly tied to any single strategic plan goal, but is indirectly connected to all of the goals. Without effective financial management, it will make it difficult for the university to maximize its resources as it works to implement the strategic plan.
Revenue Generation/ Efficiencies	A new budgeting system will not impact revenue generation, but will have a dramatic impact on the efficiency of both the Budget Office and departments' development of their ongoing budget and business plans. Overall, we anticipate the equivalent of 25 days will be saved as a result of the new system.

What specific performance outcomes are expected? (If an equipment only project, this section may be left blank if performance is not believed to be a driving factor in the funding decision.)

As previously referenced, the greatest benefit from a new budgeting system includes achievement of efficiencies and the meeting of KBOR's expectations regarding internal budgeting practices and procedures. The new system will eliminate the cited deficiencies by the State Budget Office, allow us to properly budget fringe benefits and vastly improve the budgetary information available through an effective reporting interface.

Outcome Metrics	FY '20	FY '21	FY '22
Expected Time Saved (estimated from departmental survey completed in fall of 2018, as attached)	N/A	N/A	25 days
Budgetary deficiencies cited by State Budget Office	3	3	0
Ability to develop multi-year budgets	No	No	Yes
Budgetary reports available to budget officers	1	1	12
<p>Will this proposal shift costs to or increase resource needs in another area of the university (e.g., ITS/Physical Plant/Facilities Planning/Library)? If so, have they been coordinated with? If required to proceed, discuss any policy or legislative changes needed?</p>			
<p>Upon completion of the project, a .50 FTE Application Manager will be required to be dedicated to ongoing maintenance of the system. ITS has selected to reallocate a position from an existing software system at its end of life in mid FY '21, resulting in no additional budgetary costs.</p> <p>This request does not require any policy or legislative changes. It does have significant impact on both ITS and Financial Operations' IT application mgmt. group through both the system design and implementation. Coordination meetings have occurred with both groups over the past three months; they have greenlighted the project and the internal personnel resources needed for the project to be successful.</p>			
<p>What alternatives were explored and why was this option chosen? What other funding options, such as RU revenue and/or RU cash balances, were reviewed prior to submitting this request?</p>			
<p>Restricted Use funding within fund D99999 was evaluated to determine if it could support the ongoing expense of the system, or if other expenses could be eliminated to shift to what may be considered a higher priority. After review and development of long-term expenditure estimates, it was clear this was not a viable option. A copy of the developed estimates and ranked priorities are available upon request.</p>			
<p>Required Signatures:</p>			
Review Officer	Date	President/Vice President	Date
<p>Due to funding limitations, resources may not be available to fund all proposals received for consideration. Your assistance in locating restricted use funds to move valuable proposals forward is greatly appreciated.</p>			
<p>Committee Review:</p>			