

Policy Committee, Academic Senate
Instructions for Filling Budget Forms

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The Budget Committee has prepared two sets of forms, one for centers and institutes seeking initial approval and one for those seeking renewal of their charter. The information requested in both forms is similar. The main difference is that the re-chartering forms require information on actual performance as well as projected figures on expenditures and revenues, whereas the forms for proposed centers and institutes require only projected figures unless actual figures are available. Centers and institutes applying for a charter should give actual figures if they have operated for a full year under a provisional charter. Set forth below is information that may be useful in preparing the forms.

1. The forms should be completed at the beginning of the review process and made available to the Centers and Institutes Advisory Committee before it begins its review. The Budget Committee no longer has a formal role in reviewing the application of a center or institute. That role is now assigned to the Policy Committee. In special cases, nevertheless, the Policy Committee may refer a matter to the Budget Committee. The review by the Policy Committee takes place after budget information has been collected, assembled, and evaluated by the C&I Advisory Committee. The Policy Committee will do a *de novo* review only when it concludes that the prior review was inadequate, although it reserves the right to do a *de novo* review in all cases.
2. The focus of the budget review by the Policy Committee is on the projected impact of the center or institute on the General Fund. The committee is not constituted to review the activities of the center or institute to determine whether it is performing well. If the center or institute does draw on the General Fund, however, the Policy Committee may perform an informal cost/benefit analysis to see if the drain on the General Fund appears to be justified by the output of the center or institute. Whenever possible, the Policy Committee relies on the evaluation prepared by the C&I Advisory Committee in determining the merits of the output of the center or institute.
3. The budget forms require information about the first year of operation and the fifth year. For new centers and institutes, the Policy Committee wants to see whether the center or institute under review has a realistic program for moving off the General Fund within the five-year period. If there is no such plan in place, the Policy Committee then seeks to determine whether the continued drain on the General Fund is warranted by the projected and/or actual output of the center or institute under review.
4. The spreadsheet form that centers and institutes are requested to complete asks for information about the “prior year” and the “5th-year projection.” The term “prior year” means the most recent year for which the center or institute has actual numbers. The term “5th-year projection” means the projected numbers for the fifth year of operation after the renewal year.
5. Many centers and institutes receive grants and other revenue sources in lumpy form — the grant may be awarded in one year but may be expected to cover several expenditures in many years. It is the expectation that such revenues would be pro rated to the years to which the expenditures from them relate, with a footnote explaining what was done and the basis for it. For example, if a center have a grant of \$10 million over 5 years and in year 1 it is allowed to spend only \$2 million, the form should show revenues in year 1 of \$2 million, with expenditures from that revenue broken into the appropriate categories.
6. If a center or institute believes that the information presented in the forms may be misinterpreted or that it gives a distorted impression, the center or institute is invited to submit explanatory and supplemental information. Many centers and institutes have attached a supplemental sheet to the forms. Electronic files are also welcome.