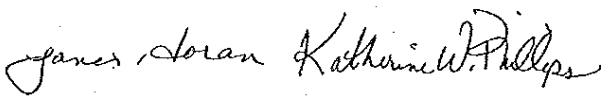


To: Divisional Chairs
From: Janet Horan & Kathy Phillips 
cc: Divisional Coordinators, Anna Wojnarowska, Anna Marie O'Neill, Kerith Gardner
Subject: REVISED Divisional Budget Management Policy
Date: February 13, 2015 (original guidance October 30, 2009)

PURPOSE:

This memo summarizes changes to the divisional budget process, which are intended:

- To simplify and clarify guidance developed in 2009
- To insure practice across divisions remains consistent

DIVISIONAL CHART STRINGS:

Each division will have 4 main chart strings (formerly known as accounts):

- Divisional Expenses
- Search
- Seminar
- Research

Using these chart strings for the correct purposes (as detailed below) helps the School to accurately report on how we are spending our resources. To that end, financial planning can make necessary transfers between chart strings at the direction of the divisional chair.

CATEGORIES:

There are two categories of chart strings as follows separated by the release of funds at closing:

1. **Divisional Administration** (50% of unspent funds will be rolled over to the Research account at closing)
 - Divisional Expenses
 - Search
 - Seminar
2. **Research** (Unspent funds will roll over at closing)

This system is designed to allow divisions to reclaim a portion of unspent divisional administrative funds to use towards Research initiatives of all types, including funding to PhD students.

FUNDING:

Divisional Administration: Each year, the School will provide a budget for each of the Divisional Administration chart-strings based on historical spending, approved divisional activities, and discussions with the Dean's Office.

Research: The Research account is currently funded through several sources:

- A portion of unspent divisional administration funds from the previous year
- A portion of indirect costs for grants housed in the division
- A portion of Master of Science Program profits
- Additional direct funding from the School. (Historically, this was set at 45K for most divisions + 20K for not over-admitting PhD students).

Additional direct funding for the Research account will depend on existing balance and divisional plans and needs.

OVERSPENDING and MANAGING BUDGETS:

At year-end closing, any overspending in Search, Seminar, or Divisional Expenses accounts must be covered by balances in the Research account. Divisional chairs and coordinators are encouraged to monitor spending against budgets and request a fund transfer in advance if overdrafts are anticipated.

If there are insufficient funds in the Research Account to cover necessary spending, the division should discuss budget needs with the office of the Senior Vice Dean and Financial Planning.

Redefined Purpose for Each Type of Account

The description below lists all the expenses that one would expect to charge to each type of account. If divisional staff or faculty find a category of expense not listed below, please contact Kerith Gardner or Anna Wojnarowska, so that categories can be added to create a comprehensive list.

As with any expense charged to the University, all items must first meet two standards:

- Be allowable under University and Business School expense guidelines.
- Have a clear business purpose related to research, teaching or administrative activities of the University.

Divisional Expenses

- Bank charges
- Coffee / milk
- Computer supplies for divisional staff
- Copier lease / Supplies / maintenance
- Divisional events (including catering/space/speakers invited *for divisional events*)
- Equipment for divisional staff
- Flowers (if in alignment with University and School policies.)
- Honoraria or fees for outside speakers *presenting in classes*
- Office supplies
- Phone charges
- Photocopying
- Postage
- Software for divisional staff
- Travel/lodging/meals for outside speakers who are *presenting in classes*
- Recording of classes
- Transportation for classes

Search

- Advertising
- Hotel for job candidates
- Meals with job candidates - \$100 per person up to \$400 per search
- Return visits for candidates to evaluate CBS prior to accepting offer
- Travel reimbursement for job candidates coming to campus
- Travel to recruiting conferences for those at conferences purely for recruiting

Seminar (Seminar Series Events – Open to division / community)

- Hotel for seminar speakers
- Meals with seminar speakers
- Refreshments at seminar event
- Travel reimbursement for seminar speakers

Research

- Divisional Support of Doctoral Students
 - PhD Students – Additional Stipends (Normal school funding comes through the Doctoral Program)
 - PhD Student Travel
 - PhD Student Equipment / Software in addition to what is covered by the PhD office
- Additional funding from the division of individual faculty COSTAR accounts (divisionally funded research)
- Administrative Fees (Indirect cost recovery income)
- Analysis / equipment use fees
- Data sets
- Divisional conferences
- Divisional membership to research organizations
- Human subjects payments for research sponsored by division
- Research administrators & research coordinators
- Research assistants
- Research equipment (including computers or servers)
- Software for research available to faculty members of division
- Subscriptions to research journals
- Travel to conduct research
- Travel to research conferences
- Visiting Professors / Scholars expenses including: Travel, lodging etc.

Expenses that should no longer be charged to Divisional Budgets

- Computer software required for student class work: Should be charged to the CASES account
- Personalized student assessments (Leadership class) : Should be charged to the CASES account
- Student hand-outs in class: Should be charged to the CASES account
- Dean/Provost approved housing subsidies: Should be charged to Housing Operating Account
- Teaching Assistants: Should be charged to the relevant School controlled Instructional account, or if supplemental Teaching Assistants are requested, and preapproval is received from the Senior Vice Dean could be charged to COSTAR.

Expenses that Should be Reduced or Eliminated

- Consultants & other: Was historically used for in class speaking engagements. Should be categorized as Honoraria or Fees
- Meals and expenses for in class speakers. Divisional if necessary. Try to minimize.
- Handouts related to job candidates: Replace with electronic distribution whenever possible
- Handouts related to seminar speakers: Replace with electronic distribution whenever possible
- Meals in class: Used to be charged to instructional budget. No longer allowed.
- Alcohol at student events. Used to be charged to instructional budget. No longer allowed without prior approval.