



MEMORANDUM

TO: All Faculty and Staff in the School of Arts & Sciences
FROM: Jenny Cavanaugh, Dean of the School of Arts & Sciences
Cindy Glavas, Director of Financial Planning and Operations, School of Arts & Sciences
Meghan Coates, Associate Vice President, Financial Planning and Budget
Lori Schuyler, Vice President for Planning and Policy
RE: Arts & Sciences Budget Update
DATE: August 18, 2022

As we welcome a new academic year, we are writing to share information about the School of Arts & Sciences budget. The following information was presented to chairs and interdisciplinary program coordinators earlier today.

With a new dean and a new director of financial planning and operations in A&S, as well as new leadership in the Office of Planning and Budget, it seemed an opportune time to develop a shared understanding of the resources available in A&S and to determine if they could be better deployed to meet the needs of our faculty and students. As part of this work, we identified three major areas of opportunity:

1. Simplification of budget tracking
2. Maximizing the use of restricted funds
3. Budgeting to reflect day-to-day operating needs

Simplification. An important goal of this work is to ensure that faculty and departments can easily access the resources they need to do their work without unnecessary administrative burden. The current proliferation of orgs/indices creates unnecessary work for those managing budgets. Beginning this fiscal year, resources will be consolidated into as few accounts as possible, and each department will have one unrestricted account from which to process all departmental and program expenses. In the coming months we will work with faculty who have multiple FD, research and start up accounts to consolidate those into one FD account per faculty member, remove expiration dates on startup funds, and provide regular reporting of available funds. Several other expenses will be paid centrally:

1. Travel Funds: As we return to a more normal travel environment, all faculty will have access to \$3000 each year for their travel and professional development needs. This is an increase of \$1400/year. Guidance will be provided to departments about how to charge those expenses centrally; no tracking will be required at the departmental level.

2. Supply funds associated with undergraduate summer research (currently \$500 per student) will be budgeted and paid from one central account. Detailed expense tracking and transfers will no longer be required.
3. The Dean's Office will create a centralized equipment account to support the development of a school-wide replacement schedule

Maximizing the Use of Restricted Resources. A&S can only maximize the impact of its \$55M budget if restricted funds are fully deployed. A&S staff will be refining business processes to ensure that restricted resources are utilized first, wherever possible, so the unrestricted funds that remain are able to provide the greatest flexibility possible to the school.

As part of this work we have examined the restrictions on hard-to-spend resources, and where possible we have identified permissible uses of those funds to ensure A&S can fully use all the resources available to it. This has freed up approximately \$250K that can now be utilized more broadly across the school.

Budgeting to Reflect Day-to-Day Operating Needs. In recent years, A&S had accumulated unrestricted reserves of \$7M by leaving some of the budget unspent each year, especially as activities were limited during COVID. This practice was intended to create savings to cover future commitments to start-ups and faculty development funds. While these large reserves ensured that A&S was ready for any contingency, it also meant that A&S had money available that wasn't being used. As part of our new approach, those longer-term commitments will be built into the budget based on the average amount actually spent each year rather than holding a reserve that will cover all commitments at once.

The accumulated A&S reserves have been invested in an endowment that will generate more than \$250K annually of new funding, and will grow as the endowment grows, generating more available resources for the school each year.

Finally, the operating budget cuts taken during COVID will be restored in FY 23 to academic programs and departments.

These changes will increase access to resources for A&S faculty and departments and reduce administrative burden for chairs and coordinators. We are excited about the opportunities that these changes represent for A&S.

We have a busy year ahead with eleven searches for tenured- and tenure-track colleagues across the school. The Dean's Office will work with faculty governance to identify priorities for deploying the new resources that this work has identified.

If you have any questions in the meantime, please feel free to reach out to Cindy Glavas, director of A&S financial planning and operations, at cglavas@richmond.edu. We look forward to working with you this year.