

Best Practices in Short-Term Budget Development and Management



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Agenda

1. Institution/Organization Overview
 2. Budget Templates and Software
 3. Hot Topics in Program Development
 4. Lessons Learned
 5. Budget Management/Program Implementation
 6. Open Discussion
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Institution and Organization Overviews

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UNC Charlotte



Institution Facts

- Public
- 29,000 Students
- 750 study abroad students each year - majority on short term programs

Faculty-Led Programming

- 45-50 programs run annually
- Bulk run during spring break and summer with some fall break and semester programs

Budgeting: Who Does What and Office Structure

- Faculty-Led Team in OEA:
 - Develops and manages master budgets
 - Provides cash advance information, approves payment of invoices, works with faculty on any budget changes once program is confirmed
- Business Services Coordinator
 - Pays invoices, completes faculty paperwork for travel authorization and cash advances, reconciles program funds

Texas Tech University



TEXAS TECH UNIVERSITY
Office of International Affairs
Study Abroad™

Institution Facts

- Public institution
- 37,000 students
 - Texas Tech received Hispanic Serving Institution (HSI) status this year! (27.7% undergrads are Hispanic)
- ~1,400 students sent abroad each year, most on short-term faculty-led programs

Faculty-Led Programs

- Receive almost 90 proposals each year, about 65 programs operate
- 95% run in summer, with some programs also offered in fall break, intersession, and spring break

Budgeting: Who Does What and Office Structure

- Faculty-Led Program Administrator: Develops 1st draft of program budgets
- Business Manager: Finalizes program budgets, bills students
- Accounting & Finance Coordinator: Pays invoices, reconciles program accounts

University of Wisconsin - Milwaukee

Institution Facts

- Public, R1: Doctoral University
- Most diverse in the UW System (13 four-year universities, 13 freshman-sophomore colleges)
- 25,000+ students
- 600 study abroad students per year

Faculty-Led Programs

- 30-35 programs annually; most during summer and winterim terms, 10 days to 8 weeks in length

Budgeting: Who Does What and Office Structure

- Study Abroad Staff: 8 full-time staff (3 work on STFL progs) plus student workers, interns
- Assistant Director: develops & manages program budgets; director, faculty approve; manages logistics implementation
- Financial Specialist: pays invoices, posts fees to student accounts, manages hiring and payroll paperwork, prepares faculty travel paperwork, compiles faculty travel expense reports, reconciles post-program expenses and accounts
- Study Abroad Coordinator: student support (apps, advising, etc.), assists with logistics

Council on International Educational Exchange (CIEE)

Organization Facts

- Nonprofit, nongovernmental organization
- Study Abroad, High School Abroad, Gap Year Abroad, Internships, Teach Abroad, Work Exchange programs, etc
- More than 10,000 Study Abroad students annually

Faculty-Led Programming

- About 210 programs run annually
- Average program is 2 weeks long
- Majority are in May - others are in January, March, and June with some semester-long and fall programs

Budgeting: Who Does What and Office Structure

- Program Manager develops 1st draft of program budget, then sends to CIEE Director for review
- Program Manager and CIEE Director finalize program budget together at least 6 months before program runs
- Program Administrator sends invoice to school
- Finance department reconciles budgets

Budget Templates and Software

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Excel Templates

Pros

- Free!
- Flexible, can easily adapt template to meet needs of a particular program
- Seemingly infinite space/tabs that work together and auto-update

Cons

- May require specialized training or expertise to use to maximum effect
- Not tailor-made for short term programs - need to develop a template that works for you from scratch

Demos

- Quick overview and available for further demonstration during Q and A section

UNC Charlotte

Template Highlights

- Four Primary Tabs
 - Master Budget
 - Estimated Cash Advance
 - Calculate anticipated ATM fees
 - Invoices and Payments
 - Tracking expenses and where the budget might have wiggle room
 - Simplified Budget for Faculty
- All sheets are tied to each other so that as the Master is updated, the other sheets are too

Texas Tech

Excel Template Highlights

- Used for program budget prep, not reconciliation
- Used to develop program fee, which is not inclusive of tuition and fees
- Multiple tabs
 - Program leader expenses, student expenses, fee and approval forms, budgets for financial aid
 - Like UNC Charlotte template, sheets are tied and adjust automatically when changes are made

UW-Milwaukee

Excel Template Highlights

- Comprehensive, cost-recovery budgets -- no additional tuition charged
- Budget
 - Four categories, based on how fees are posted to student accounts: Academic Expenses, Faculty & Assistant Expenses, Student Expenses, CIE Expenses
 - Offsets
 - Projected surplus or loss
 - Advertising price range
- Total cost of attendance budget sheet (posted in Terra Dotta)
- Reconciling
 - 3 tabs: Expenses, Summary, Refund

CIEE: Salesforce CPQ (“Steelbrick”)

Pros

- Fast and user-friendly!
- Organizes location-specific pricing
- Connects with Salesforce CRM
- Can export as excel as needed
- Build proposal alongside budget

Cons

- Not free!
- Requires a lot of up-front work
- Great for building initial proposals, but doesn't connect with actuals

Demo

- Quick overview and available for further demonstration during Q and A section

Hot Topics in Budget Development

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Supporting Faculty Travel

Stipends/Compensation

- How to be consistent
- What is fair pay?
- Who decides? The faculty? Education Abroad? The Department Chair/Dean?
- Who pays? Department? Education Abroad? Student Fees?

Per Diem

- Out-of-state per diem vs. Federal per diem
- Beware of group meals - can't have both

Supporting Faculty Travel

Tuition and Fees

- Using credit tuition to fund the program
- Non-tuition bearing credit

How to support faculty expenses

- Student absorbed
- Departmental/Grant funded

Teaching Assistants

- What to cover/not cover
- Contractual obligations

Other Considerations

Honoraria

- Consider labor laws of host country
- How to document the payment
- Taxation on honoraria

Exchange Rates

- Forecasting
- Consistency
- Be conservative - easier to add to the program than to take away

Credit Card/ Transaction Fees

- What to include, how to pick a rate for each and plan for the expense in your budget
- Documentation

Contingency Funds

- Emergency fees
- Surplus
- Plan for the unexpected

Lessons Learned

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It Takes a Village

Faculty-
Led
Program
Team

Business
Services

Program
Provider

Faculty
Member


University
Travel

On-site
vendors

Ownership of Budgets

TTU Program Budget Agreement Process

- Following program negotiation, email faculty leader asking for written confirmation of agreement for inclusions in program fee
- Signed program fee form
- Meeting with Accounting & Finance Coordinator regarding travel advances, what's paid to whom, etc.

 TEXAS TECH UNIVERSITY Office of International Affairs Study Abroad			
Program Fee for Faculty-Led Program			
Program Name:	Arabic Language and Culture in Jordan	TTU Credit Hours:	3
Program Start Date:	27-May-18	Affiliate Credit Hours:	3
Program End Date:	7-Jul-18	Total Credit Hours:	6
Term:	SUMMER I	Course Number #1:	ARAB 3305
Location:	Jordan	Course Number #2:	0
Primary Faculty:	Rula Al-Hmoud	Course Number #3:	0
Assistant Faculty:	0	Course Number #4:	0
Minimum # of students:	10		
FACULTY EXPENSE:			
Faculty Per Diem		Total Per Diem	
Rula Al-Hmoud	\$ 3,061.00		
0	\$ -	\$	3,061.00
Faculty Airfare		Total Airfare	
Rula Al-Hmoud	\$ 2,000.00		
0	\$ -	\$	2,000.00
Faculty Lodging		Total Lodging	
Rula Al-Hmoud	\$ -		
0	\$ -	\$	-
Faculty Ground Transportation		Total Ground Transportation	
Rula Al-Hmoud	\$ -		
0	\$ -		\$0.00
Faculty Excursion Cost		Total Excursion Cost	
Rula Al-Hmoud	\$ 310.00		
0	\$ -		\$310.00
Faculty International Insurance		Total International Insurance	
Rula Al-Hmoud	\$ 73.92		

Setting Realistic Expectations

Tips

- Planning for cultural activities and site visits
 - Don't overschedule the itinerary!
- Housing
 - Ensure every night of program is covered, accounting for gender imbalance
 - Homestays vs hotels vs hostels
- Classroom space
- Meals - Group meals vs. meals on own
- Be careful about how you advertise things included in the program so that you have flexibility later
 - E.g. "shared housing" rather than "double-occupancy" in case you have to put some students in a triple

Request documentation of prices in budget draft provided by faculty

Budget Management/ Program Implementation

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Making Adjustments

Under-recruited programs

- Conservative budgeting may help make the program run
- Frank conversation with faculty about having to make cuts from the program
- Get creative -- lowering salary (and accompanying fringe), increase per diem; contribute to individual faculty S&E account in lieu of salary
- If you have to cancel the program - consider lowering the minimum number of students required for next time

Over-recruited programs

- Cushion is helpful on new programs that may have unexpected costs
 - Odd gender ratio and paying for single rooms
 - Unexpected transaction fees
 - Rates could go up from when obtained quote
- Can always add an extra group meal, or excursion
- Find balance between adding items and offering students a reduced program fee

Tracking Program Expenses

Staying on Budget

- Tracking pre-payments versus on site expenses
- Continuously updating your budget while also maintaining data integrity
- Provide detailed budget for expenses to faculty based on actual number of recruited students

Using the Data to Build the Next Budget

- Identify where the budget was off (over vs. under) and note to discuss with the faculty for the next round

Challenges

- Multiple payment methods (p-card, cash, invoice) can make it difficult to track the budget as it is in progress
- Reconciliation being done by another office - communication with business office

Student Withdrawal and Financial Penalties

UNC Charlotte

- Non-refundable \$10 application fee, and non-refundable \$1000 deposit upon confirmation (unless program is canceled). Other expenses refundable so long as they are recoverable.

TTU

- No refunds after commitment to the program, except in extreme cases. Students pay \$200 Education Abroad Fee and program fee.

UW-Milwaukee

- \$100 application fee (refunded only if student is denied or program is canceled); after confirmation, student is liable for any non-recoverable expenses.

CIEE

- Completely refundable for students (unless non-recoverable fees) 6 weeks before program start date; 75% refund between 6 and 4 weeks, 50% refund between 4 and 2 weeks, 25% refund between 2 weeks and 1 day; non-refundable if cancelled on program start date

Open Discussion/Questions

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Contacts

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Resources from the Field

Forum on Education Abroad

- Standards of Best Practice Tool Box

NAFSA

- *The Guide to Successful Short-Term Program Abroad.* Edited by Lisa Chieffo and Catherine Spaeth.
- Chapter 11: Financial Matters by Roy Robinson