Best Practices in Short-Term Budget Development and Management

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

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
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
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
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
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.
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
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
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<thead>
<tr>
<th>Institution</th>
<th>Details</th>
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<tbody>
<tr>
<td>UNC Charlotte</td>
<td>• 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.</td>
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<tr>
<td>TTU</td>
<td>• No refunds after commitment to the program, except in extreme cases. Students pay $200 Education Abroad Fee and program fee.</td>
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<tr>
<td>UW-Milwaukee</td>
<td>• $100 application fee (refunded only if student is denied or program is canceled); after confirmation, student is liable for any non-recoverable expenses.</td>
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<tr>
<td>CIEE</td>
<td>• 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</td>
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Open Discussion/Questions

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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