The Budget Committee will meet biweekly beginning this fall (2014) focused largely on campus (non-AUBMC) units in order to reinvigorate the budget process for the coming year. The document "Initial Draft Plan of Action" provides more detail on the Budget Committee’s proposed scope of work. Budget Committee Members and the “Initial Draft Plan of Action” are provided below.

The Committee as constituted is large, but much of the essential work will be done by smaller subgroups, which will be formed accordingly as the Committee members decide. The first meeting should discuss the plan of action as well as the deadlines for achieving the milestones for budget planning and development, all of which are predicated on the necessity to finalize a draft operating budget for FY 15-16 no later than March 1, 2015, and to complete the final budget by May 2015.

There are three primary purposes for the Committee:

1. Careful monitoring of the FY 14-15 budget to prevent cost overruns and to reallocate funds as necessary, during what is a very tight year;
2. Development of the FY 15-16 budget; and
3. Engagement among all members of senior management to ensure broad input and collaboration on financial alignment of strategic goals for FY 15-16, as well as education and broader understanding of the complexities of the university budgeting system.

The proposed process differs from the financial and budget planning policy posted on-line, but there are reasons for that: the policy has not been updated to take into account the revised senior management team at AUB, nor has it incorporated the most recent adjustments voted by the trustees. More importantly, the policy does not spell out the metrics and data that must be fed into the budget process in order to satisfy our current strategic needs and our accreditation requirements. The attached document fills that gap, and provides a blueprint for further refinement in years to come.

*Communicated to Budget Committee members in an email from President Dorman on September 15, 2014

**Budget Sub-Committees**

In October 2014, the Budget Committee established the following sub-committees each to be formed of Budget Committee members, a faculty member, and relevant subject experts from the faculty or administration.

1) Tuition, Enrollment and Financial Aid
2) Compensation and Benefits
3) Existing Non-Tuition Revenue Sources
4) New Revenue Sources
5) Discretionary Expense Accounts
6) Allocations and Depreciation
American University of Beirut

Budget Committee Members
(Revised January 9, 2015)

<table>
<thead>
<tr>
<th>Title</th>
<th>Member Name</th>
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<tbody>
<tr>
<td>1   President (Chair)</td>
<td>Peter Dorman</td>
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<tr>
<td>2   Provost</td>
<td>Ahmad Dallal</td>
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<tr>
<td>3   Dean of Faculty of Agricultural and Food Sciences</td>
<td>Nahla Hwalla</td>
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<tr>
<td>4   Dean of Faculty of Arts &amp; Sciences</td>
<td>Patrick McGreevy</td>
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<tr>
<td>5   Dean of Faculty of Engineering and Architecture</td>
<td>Makram Suidan</td>
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<tr>
<td>6   Dean of Faculty of Health Sciences</td>
<td>Iman Nuwayhid</td>
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<tr>
<td>7   Dean of Faculty of Medicine</td>
<td>Mohamed Sayegh</td>
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<tr>
<td>8   Dean of School of Nursing</td>
<td>Huda Huijer Abu-Saad</td>
</tr>
<tr>
<td>9   Dean of Student Affairs</td>
<td>Talal Nezameddin</td>
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<tr>
<td>10  Acting Dean of School of Business</td>
<td>Salim Chahine</td>
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<tr>
<td>11  Vice President for Advancement</td>
<td>Richard Brow</td>
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<td>12  Associate Vice President for Communications</td>
<td>Morgan Roth</td>
</tr>
<tr>
<td>13  Vice President for Regional External Programs</td>
<td>Hassan Diab</td>
</tr>
<tr>
<td>14  Chief Financial Officer</td>
<td>Drew Wickens</td>
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<tr>
<td>15  Chief Information Officer</td>
<td>Yousif Asfour</td>
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<tr>
<td>16  Director of Facilities</td>
<td>Bassem Barhoumi</td>
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<tr>
<td>17  Director of Financial Planning</td>
<td>Maria Mansour</td>
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<tr>
<td>18  Interim Director of Human Resources</td>
<td>Samar Diab</td>
</tr>
<tr>
<td>19  Senior Budget Analyst (Office of the Provost)</td>
<td>Magguie Chammas</td>
</tr>
<tr>
<td>20  University Auditor</td>
<td>Andrew Cartwright</td>
</tr>
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NB:

Jennifer Muller is the owner of the Budget Committee mailing list budgetcom@aub.edu.lb
1) **Formation of Committee**
   a. Decide on membership
   b. Role of Committee
      1. Lead comprehensive financial reviews of AUB’s financial performance
      2. Control of the current year’s expenditures so that any major issues be resolved and reflected in the quarterly forecasts
      3. Review of main metrics (financial and statistical)
      4. Review performance against strategic plan
      5. Assist in planning for the budget for the upcoming year
      6. Meet with department heads to have continuing efforts to achieve internal efficiencies, ways to promote cost savings and generate new revenue
   c. Bi-weekly meetings of 1.5 hours from September through May 2015 (every other Tuesday 8:30 to 10:00 starting September 16)

2) **Agree on Scope of Work & Deliverables**
   a. Budget calendar
   b. Operating Budget (capital budget has a separate process)
   c. Academic staffing requirements for 2015/16
   d. Draft Operating Budget for 2015/16 due end of February 2015 (March BOT) with additional 2 years of projections
   e. Final Operating Budget for 2015/16 due mid-May 2015 (May BOT) with additional 2 years of projections

3) **Information Required**
   a. Reports from Office of Financial Planning
      i. Current year results compared to budget and history
      ii. Reports by revenue/expense category
      iii. Reports per faculty/administrative unit
      iv. Special reports, sub-budgets
         1. Capital campaign
         2. HIP
         3. Legal Expenses
   b. Office of Financial Planning to provide:
      i. Clear understanding of financial statements
      ii. Explanation of revenues & expenses, and what is allocated to each line item
      iii. Breakout of Controllable/Uncontrollable expenses
   c. Reports from Human Resources
      i. Employee head count
      ii. Employee benefits
      iii. Staffing plans and requirements
iv. Overtime
v. Merit Increase history
vi. Staffing analysis report on Faculty & Staff FTE counts by unit:
   1. Current Positions
   2. New Positions
   3. Replacements
   4. Transfers
   5. SAMCO (outside employment agency)
   6. Total compensation by unit
d. Reports from Admissions/Financial Aid
   i. Financial aid requirements for next three years
   ii. Enrollment projections
e. Reports from Provost’s Office
   i. Enrollment statistics by Faculty
   ii. Tuition Rates by Faculty
   iii. # of Graduate Assistants by Faculty
   iv. # of FTE by Faculty
   v. Faculty Staffing Report required per Faculty/Faculty Teaching Workload (Delaware Study)
      1. Avg. Section Count/ Prof. Fac. Member/semester
      2. Avg. No. of Credits/ Prof. Fac. Member/semester
      3. Avg. Student count/Prof. Faculty Member/semester
      4. Avg. Student Credit Hour/Prof. Fac. Member/semester
   vi. Research Data & Expenditures
f. Reports from other Departments
   i. Comptroller – Depreciation
   ii. Facilities – Utilities & Physical Space allocations
   iii. Other

4) Analyze metrics

5) Decide on Main Budgetary Assumptions
   a. Revenue-Related
      i. Enrollment and tuition rates
      ii. Financial aid
      i. Dormitory rates
      ii. Technology Fee
      iii. On-campus housing rental fees
      iv. Parking and other auxiliary revenue sources
   b. Expense-Related
      i. Salary merit and adjustment budgets
      ii. Inflation
      iii. Fuel prices
      iv. Library books and periodicals
v. Discretionary expenses (travel, representation, equipment, etc.)
vi. Loan interest
vii. Benefits
viii. Financial Aid
ix. Insurance
x. Depreciation
xi. Utilities
xii. Recovery of cost
xiii. Allocations

c. Provisions and Unforeseen
   i. End-of-service catch-up provision
   ii. Accrual for taxes
   iii. Evolving taxation issues
   iv. General contingency (regional instability, etc.)

6) Additional Requirements
   a. Adherence to Middle States accreditation requirements
   b. Inputs from Faculty Compensation Task Force

7) Discuss Longer-Term Committee Needs and Composition
   a. Committee membership for the long-term.
   b. AUB community involvement and transparent reporting.
   c. AUBMC.
   d. Allocations.
   e. Potential redeployment of resources.

8) Timeline/Action Plan for Operating Budget 2015/16

September – October:
   • Review prior year’s actual results and perform analysis on actuals compared to budgets
   • Monitor current year budget and adjustments (monthly)
   • Determine if current year budget requires adjustment
   • Confirm revenue and expense are correctly classified
   • Identify strategic initiatives that require funding in 2015/16.
   • Meet with Deans & Department Heads to discuss required resources, the strategic initiatives to be incorporated in budget and new programs, cost-cutting measures, new revenue-generation projects, and other issues pertaining to developing the Budget.
October – November:
- Continue monitoring current year budget and adjustments (monthly)
- Estimate projected enrollment, income, expense, etc. based on historical data, strategic priorities and external requirements
- Establish assumptions & guidelines for the Operating Budgets
- Establish and issue preliminary budget targets and draft budgets for all units
- Create separate groups to work on specific budgets that require more analysis and attention to detail
- Update Board on progress (November BOT)

December – February:
- Continue monitoring current year budget and adjustments (monthly)
- Budget Committee to meet with different units to review budget proposal, and refine, adjust and modify assumptions as needed
- Budget Committee to meet with different units to inform them of additional needs, developing issues, ideas to improve and defending budget submissions
- Flow of information should be reviewed and reversed to encourage input from Deans & Department heads into the development of budget process
- Refine, adjust, and modify to achieve a total balanced budget

March – April:
- Continue monitoring current year budget and adjustments (monthly)
- Present Preliminary Draft to Board (March BOT)
- Update as needed & finalize Draft with changes from Board
- Secure Board of Trustee approval (May BOT)
- Issue final budgets