Principles for USM Budget Development and Management

The principles that follow offer a framework for budget development at USM. They are of keen importance as a foundation for carrying out the mission and operation of the University. They support the notion that the budget must be effective, transparent, responsible and fair. As stewards of the public trust, we are honor bound to develop and administer the University in a straightforward and accountable manner.

1. The teaching, research and creative services, and public service mission articulated in the strategic plan will guide the creation and management of USM’s budget. Through the allocation of financial resources, the budget provides the strongest possible message about relative priorities and links strategic planning with implementation strategies.

2. No operational unit exists independent of the whole. Budget decisions in any one unit affect budgets in any and all others. Budget and resource allocation must be viewed in the context of achieving qualitative enhancement of the University’s ability to achieve its mission.

3. The budget process is open, rational, and evidence based. After broad participation, expected outcomes are identified, openly discussed, and established. The expected outcomes are reasonable, achievable, and agreed upon by University leadership. Initiatives are evaluated on the basis of the goals initially established and the outcome of the evaluations is shared with the community.

4. Initiatives are forward funded with both short and long-term costs and benefits identified. Through careful, prudent financial analysis, initiatives are evaluated to quantify and plan for future revenues and costs, thus assuring sustainability. Opportunities foregone are identified and linked to those that are undertaken.

5. There is open financial reporting. Budgets and expenditures are reviewed and analyzed monthly by managers. Annual and mid-year financial reports are made broadly available. Reports include data comparing budgeted and actual revenue and expenditures.

6. Responsibility for establishing, modifying when necessary, and meeting revenue and expense targets is clearly defined, understood, and accepted.