

RHODES UNIVERSITY

# COUNCIL CONTROLLED BUDGET 2016

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## GUIDELINES

ISSUED BY RHODES UNIVERSITY

FINANCE DIVISION

3 AUGUST 2015

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# 1. INTRODUCTION

The Budget is the financial expression of strategic decisions made to achieve the Vision, Mission and Strategic objectives of the University. While a budget is an essential tool in meeting strategic objectives, the quality of the budget determines the extent to which the objectives are met. Some of the benefits of a quality budget include:

- The opportunity to step back and critically evaluate the application of scarce resources effectively
- Demands proactive management of the organisation by prediction of the future
- It serves as a tool for making decisions based on changing circumstances in the short-term
- It provides a basis to measure performance at different levels within the organisation
- It provides managers with a spending authority for the following financial year

In line with the principle of continuous improvement, refinements and improvements in the budgeting process are evident each year. This year's budgeting process features a step change in the way that budgets are submitted, laying the foundation for future enhancements for more efficient and effective budgeting. For the first time at Rhodes University, running grant requests and expenditure budgets will be captured by Departments, Divisions and Institutes; that means that no Excel spreadsheets need to be completed and sent to the Finance Division. At the end of this document detailed instructions are available.

Your attention is drawn to the following:

## **Disaggregation of accounts**

There are still accounts within Departmental and Divisional account ranges that are named *Supplies & Services, General, Miscellaneous, etc.* The use of these accounts to accumulate a large variety of expenditure types makes analysis and planning very difficult. In the case that any of these accounts constitute a relatively large amount and variety of expenditure, they need to be analysed to identify expenditure types for which new accounts should be opened. The Finance Division will monitor this aspect and request non-compliant Departments and Divisions to take the necessary action. Please contact the Finance Division for advice and assistance.

The internal and external economic challenges have been expressed at the first Budget Committee meeting; these challenges, among others, include a stressed economic environment, high Higher Education inflation, staff remuneration levels and the maintenance of our infrastructure. While these challenges require budget requests to be realistic and reasonable, they also create the opportunity to be innovative in applying scarce resources in the most efficient and effective manner.

The process is transparent, and with it being the responsibility of the entire University, it is imperative that budget holders attend and participate in the budget meetings.

During this period demands will be placed on budget process participants to meet quality and time requirements. Finance team will be on hand to provide support during the process.

With the above in mind, **good luck to all!**

**Geoff Erasmus**

Deputy Director: Finance

## 2. BUDGET PRINCIPLES

The budget and the budgeting process need to adhere to principles that comply and are in line with the University's Vision and Mission, as well as with its obligations to all stakeholders.

The budget principles are:

- **Balanced Budget:** Income must equal Expenditure. A budget deficit may not be planned for.
- **Zero-based budgeting:** The budget for each income and expenditure item must be developed and motivated anew for the new budget period. Competing budgets must be evaluated against each other, while budgets must reflect the levels of service offered at different expenditure levels.
- **Cross-subsidisation:** For strategic reasons operating units with a surplus will cross-subsidise units with a deficit.
- **Fairness, Transparency and Participation:** The budgeting process should allow for wide stakeholder input.
- **Accountability and Ownership:** Accountability for and Ownership of the budgeting process and the budgets should be clear.

## 3. TIME-TABLE

DATES	TIME	ACTIVITY	ACCOUNTABLE	VENUE
3-Aug-15	16h30	Budget Packs made available via Finance website (TopList)	Finance	
28-Aug-15	16h30	Due date for return of Budget Requests from Budget Holders	Departments / Divisions / Units	
12-Oct-15	09h00	Budget Committee Meeting - 1st review of draft budget	All	Council Chamber
23-Oct-15	14h15	Fees Schedule presented to Senate for comment	Finance	Council Chamber
30-Oct-15	09h00	Budget Committee Meeting - final review of draft budget	All	Council Chamber
12-Nov-15	10h00	Budget presented to F&GP	Finance	Council Chamber
8-Dec-15	10h30	Budget presented to Council for approval	Finance	Council Chamber
11-Dec-15		Advise Departments/Divisions/Units of budget allocations	Finance	
1-Apr-16		Spending against Academic Capital Grants Commence	Departments	

## 4. BUDGET REQUESTS

### 4.1. FEES

The Fees schedule must be completed by all academic departments and should include all fees that could be raised on a student account. Examples of fees that could be included are:

- Hand-out charges
- Computer usage
- Field trips

Form A Schedule of Fees 2016 must be completed and submitted to Ms Debby Wolhuter at [d.wolhuter@ru.ac.za](mailto:d.wolhuter@ru.ac.za) on or before 28 August 2015.

### 4.2. STAFF COSTS

The development of the Staff Cost budget will be co-ordinated by the Human Resources Division. All staffing requests for 2016, including Student Assistance, Graduate Assistance and Temporary staff costs, should be done in line with the procedure outlined in the HR Division request that was sent out at an earlier stage. Liaise with Mrs Adrienne Tait at [a.tait@ru.ac.za](mailto:a.tait@ru.ac.za) in this regard.

### 4.3. ACADEMIC RUNNING GRANTS

Academic Running Grants refer to expenditure required for the day-to-day running of an academic department or Dean of a faculty.

It includes, amongst others:

- Stationery and Printing
- Photocopy charges
- Consumables
- Telephone
- Consultancy Fees
- Travel & Subsistence
- Functions and Events / Entertainment
- Rentals
- Protective clothing
- Repairs & Maintenance
- Small Capital items below R3,000, may include heaters, fans, electronic desk calculators, etc.

It excludes Staff Costs, Capital Equipment above R3,000, Research Activity costs, Conference and related travel costs.

The budget for academic running grant must be captured in PROTEA. Once the budget is captured in PROTEA, reports can be run in and printed from PROTEA for review, reporting and analysis. Detailed instructions are available in a separate document.

A printed copy of the budget report must be signed by the relevant head(s) and forwarded to Mrs Sonia Kivitts in the Finance Division; this can be scanned and e-mailed to [s.kivitts@ru.ac.za](mailto:s.kivitts@ru.ac.za).

#### 4.4. INSTITUTES AND UNITS GRANTS

Institutes and Units request a grant from the University budget. The request for a grant must be captured in the budgeting module of PROTEA. Income, expenditure and transfer information must be captured to enable a proper evaluation of the request. Generally only the Retained Income account into which the grant is transferred is used to capture this information.

Once the budget and grant request are captured in PROTEA, reports can be run in and printed from PROTEA for review, reporting and analysis. Detailed instructions are available in a separate document.

A printed copy of the budget report must be signed by the relevant head(s) and forwarded to Mrs Sonia Kivitts in the Finance Division; this can be scanned and e-mailed to [s.kivitts@ru.ac.za](mailto:s.kivitts@ru.ac.za).

#### 4.5. COMMUNITY ENGAGEMENT AND INTERNATIONAL OFFICE GRANTS

The units of Community Engagement and International Office receive running grants from the University's central budget. These grants are separate from the staff cost budgets that are developed by the HR Division.

The request for a grant must be captured in the budgeting module of PROTEA. Income, expenditure and transfer information must be captured to enable a proper evaluation of the request.

Once the budget and grant request are captured in PROTEA, reports can be run in and printed from PROTEA for review, reporting and analysis. Detailed instructions are available in a separate document..

A printed copy of the MS Excel budget report must be signed by the relevant head(s) and forwarded to Mrs Sonia Kivitts in the Finance Division; this can be scanned and e-mailed to [s.kivitts@ru.ac.za](mailto:s.kivitts@ru.ac.za).

#### 4.6. SUPPORT DIVISION EXPENDITURE

Support Division Expenditure refers to expenditure required for the day-to-day running of a support division.

It includes, amongst others:

- Stationery and Printing
- Photocopy charges
- Consumables
- Telephone
- Consultancy Fees
- Travel & Subsistence
- Functions and Events / Entertainment
- Rentals
- Protective clothing
- Repairs & Maintenance
- Small Capital items below R3,000, may include heaters, fans, electronic desk calculators, etc.

It excludes Staff Costs, Capital Equipment above R3,000.

The budget for divisional expenditure must be captured in PROTEA. Reports can be run in and printed from PROTEA for review, reporting and analysis. Detailed instructions are available in a separate document.

A printed copy of the MS Excel budget report must be signed by the relevant head(s) and forwarded to Mrs Sonia Kivitts in the Finance Division; this can be scanned and e-mailed to [s.kivitts@ru.ac.za](mailto:s.kivitts@ru.ac.za).

## 4.7. CAPITAL EQUIPMENT

### 4.7.1. FURNITURE AND EQUIPMENT

Furniture and Equipment specifically relate to all capital items for general use. While furniture is self-explanatory, equipment includes a wide range of items, amongst others:

- Video and Electronic Equipment
- Workshop Machinery
- Shredders and Binding Machines
- Vehicles and Trailers
- Data projectors for meeting rooms
- Curtains and blinds
- And more

It excludes:

- Computer Equipment
- Teaching and Scientific Equipment
- Heavy-duty staplers, punches and related equipment – should be budgeted under stationery
- Replacement of fitted carpets and items related to maintenance.

The file named **“Form C Furniture & Equipment 2016.xlsx”** must be completed by all who request these items. The instructions for on how to complete the file are in the file. Note that you do not need to provide amounts or quotations since they will be provided by the Buying Office. If you need any assistance you can contact Ms Merrill Prinsloo on ext. 8136.

Submit the completed file to Ms Merrill Prinsloo at [m.prinsloo@ru.ac.za](mailto:m.prinsloo@ru.ac.za) on or before 28 August 2015.

### 4.7.2. ACADEMIC CAPITAL EQUIPMENT

Academic Capital Equipment includes equipment that is used specifically in to facilitate teaching and learning. Examples of such equipment are:

Musical instruments and equipment  
Data collectors/loggers  
Laboratory equipment  
Video and Photographic equipment  
Software Licence renewals of teaching programs  
Data and Overhead projectors

It excludes:

Furniture and general equipment  
Computer Equipment

The file named **“Form D Capital Equipment Grant 2016.xlsx”** must be completed by Academic Departments and submitted to Mr Rodney Bridger at [r.bridger@ru.ac.za](mailto:r.bridger@ru.ac.za).

### **4.7.3. COMPUTER EQUIPMENT AND SOFTWARE**

Computer Equipment and Software includes applications for upgrade computers, new desktop and laptop computers, printers/multi-function printers, monitors, software and related IT equipment.

Each Department and Division must send their requests for computer equipment per e-mail to the Information & Technology Service (I&TS) Division by 28 August 2015. The following information is required in the e-mail:

- A brief motivation expressing the need for new IT equipment or software
- A description of the item required
- An explanation for why this item is requested instead of another, e.g., a tablet vs a laptop vs an iPad
- The purpose for which the item is required

The detail above enables the I&TS Division to provide advice as to what equipment or solution is most suitable for the purpose of the equipment.

Contact Tracey Chambers on Ext. 8290 to discuss requirements.

### **4.7.4. 4 YEAR ROLLING PLANS FOR ACADEMIC CAPITAL EQUIPMENT**

Departments that have 4 Year Rolling Plans for Capital Equipment should meet with Geoff Erasmus (Deputy Director: Finance) to discuss further requirements. Requests must be submitted by 28 August 2015.



## 5. CONTACTS

NAME	POSITION	RESPONSIBILITY	E-MAIL	EXT
Ms Desiree Philipson	Director: Finance	Budget Process Owner	<a href="mailto:d.philipson@ru.ac.za">d.philipson@ru.ac.za</a>	8123
Mr Geoff Erasmus	Deputy Director: Finance	Budget Co-ordination	<a href="mailto:g.erasmus@ru.ac.za">g.erasmus@ru.ac.za</a>	7541
Mrs Linda Booï	Cost Accountant	Budget Support	<a href="mailto:l.booï@ru.ac.za">l.booï@ru.ac.za</a>	8723
Mrs Sonia Kivitts	Administrator & Secretary to Director: Finance	Budget Administrative Support	<a href="mailto:s.kivitts@ru.ac.za">s.kivitts@ru.ac.za</a>	8123
Mr Rodney Bridger	Senior Buyer	Equipment Budgets	<a href="mailto:r.bridger@ru.ac.za">r.bridger@ru.ac.za</a>	8137
Ms Merrill Prinsloo	Buyer	Equipment Budgets	<a href="mailto:m.prinsloo@ru.ac.za">m.prinsloo@ru.ac.za</a>	8136
Ms Tracey Chambers	Support Manager - IT	Computer Equipment Budget	<a href="mailto:t.chambers@ru.ac.za">t.chambers@ru.ac.za</a>	8288
Ms Debby Wolhuter	Assistant Accountant	Fees	<a href="mailto:d.wolhuter@ru.ac.za">d.wolhuter@ru.ac.za</a>	8165
Mrs Waldette Lombard	DD: Infrastructure & Ops	Infrastructure requirements	<a href="mailto:w.lombard@ru.ac.za">w.lombard@ru.ac.za</a>	8142

***END***

