

Key considerations for improving the budgeting process while engaging stakeholders along the way.

# COLLABORATIVE HIGHER EDUCATION BUDGETING IN THE CLOUD



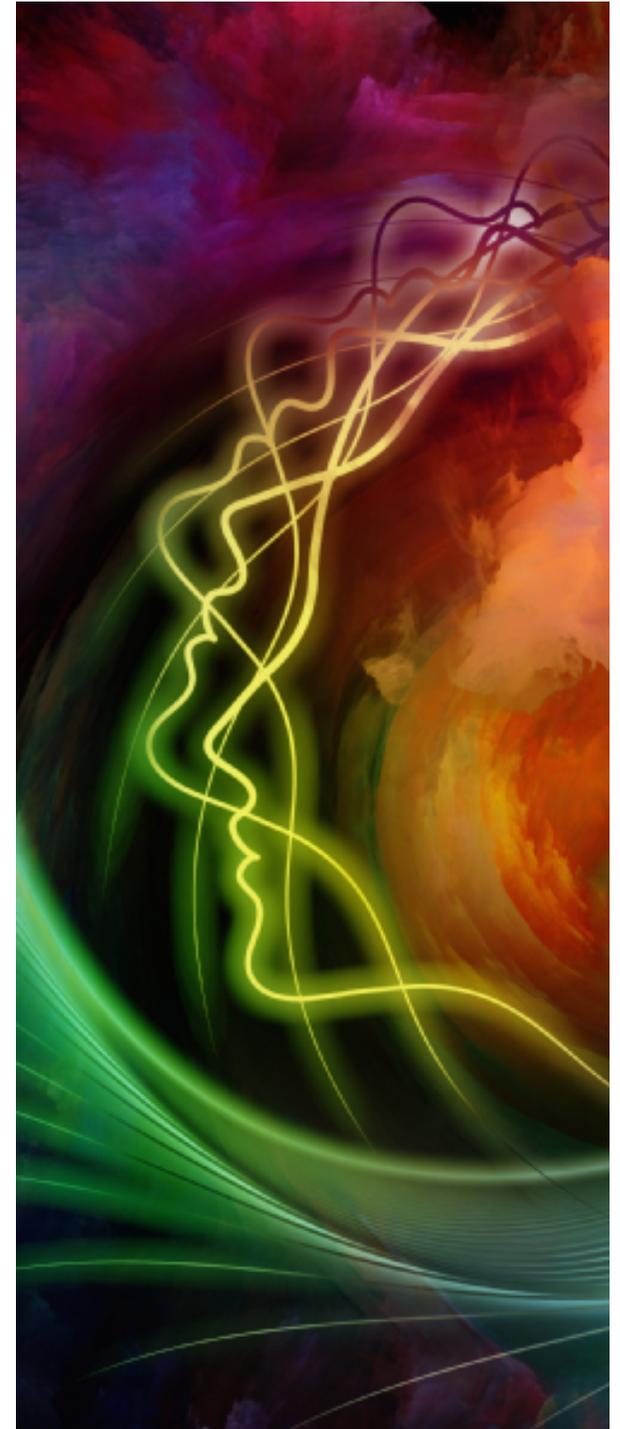


## What is “Collaborative Budgeting”?

“Collaborative Budgeting” is a hot concept In higher education. It is the bottom-up process of gaining more participation in and ownership of the budget by faculty and staff department heads, providing more transparency to the budget and showing how the department heads will support the institutional strategy as opposed to simply budgeting to history or politics. It is collaboration between related constituencies who all want to see the institution do better. And it is perfect for cloud-computing.

With today’s higher education institutions facing more economic pressures than ever before, collaborative budgeting and forecasting have become even more critical. Yet today’s technology and tools haven’t kept up. Finance managers and department heads, along with CFOs and college presidents, need to have better methods of making sure they have control of the budgeting process while maintaining maximum user flexibility.

To get the most out of your budgeting, forecasting and reporting, it helps to keep your eye on how your institution looks at these processes. The more focused and forward-thinking you are, the more collaborative your budgeting process can be. Check out these top tips for improving collaboration in your budgeting and forecasting processes.





**COLLABORATIVE  
BUDGETING IN  
HIGHER ED**

## 1. A Better User Experience for Faculty and Staff

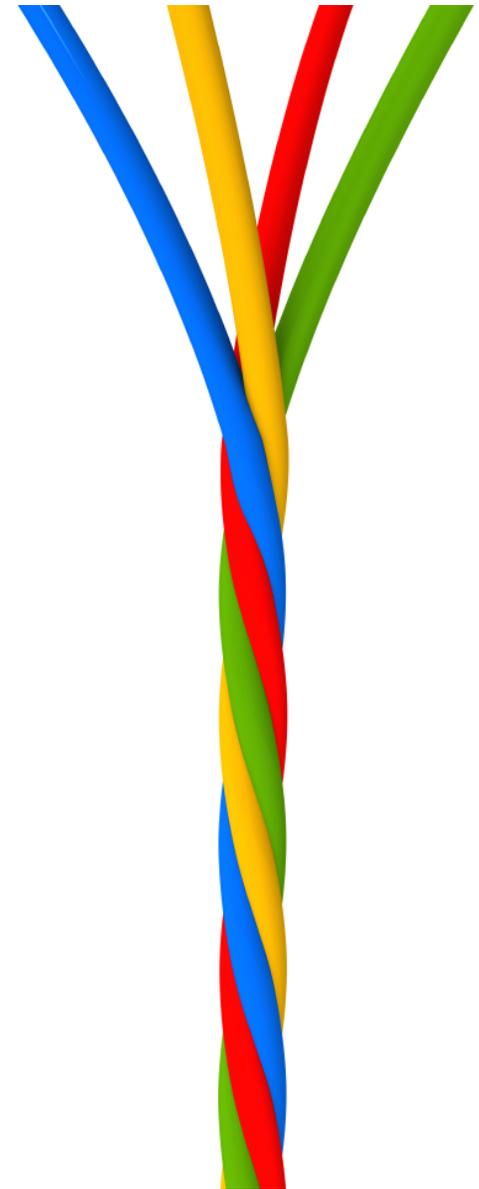
Institutions need to forget about the Excel-like user experience. If non-financial people do not like Excel, why focus on a user experience that emulates Excel? Institutions need to think more in terms of Turbo-Tax for budgeting where the system walks the user through a QA process to prepare the higher education budget. This improved user experience improves collaboration.

## 2. Better User Flexibility

All departments are not alike and all users are not alike. The library does not budget the way admissions does, which does not budget the way student housing does. On and on. So adding “situational budgeting” to allow various people to budget their departments the way they think about their departments improves user participation and ownership. Collaboration depends on flexibility.

## 3. Special Initiative Budgeting

The days of filling out chart-of-account based forms is over. So individual departments want to propose initiatives as opposed to numbers in their budget. But these initiatives will be different by department so allowing the department heads to manage them independently and within a simple user experience is required.



## 4. Cloud Technology Environment That Supports Collaboration

Collaboration can't happen naturally in a disparate spreadsheet environment. Cloud computing that uses a true database can support this by allowing connected users to work collectively on budget preparation review, approval and analysis. Faculty and staff can budget any time, any place. Cloud computing is also perfect for collaborative budgeting because it does not require costly hardware, software or maintenance.

## 5. Specialized Functionality for Headcount and Equipment Planning

Most institution's top expense is personnel. Having specialized functionality for headcount requests, compensation and benefits calculations is therefore critical. Equipment planning is also essential as many institutions want to track this all the way down to the equipment level, by department, and time period. This added fidelity improves budget accuracy.

## 6. Automated Monthly Spreading

Asking users to fill out forms is bad enough. Asking them to manually put in monthly estimates for budgeted accounts is really cumbersome and "old school". But having a monthly version of the budget is critical for variance reporting. The solution should allow the user to budget an annual number and the system to use intelligence to spread that into monthly buckets with the ability for user over-rides in months where they know they will have special funding needs..

## 7. Built-in Approvals, Reviews and Workflow

Collaborative budgeting means eliminating "that's not my number" from your budgeting process. It also means eliminating dread by budget managers from the budget review process. Providing a more collaborative workflow and approval process and having multiple sets of organizational eyes on the budget allows for transparency. This, in conjunction with audit trails and version control, yields a more accurate budget that everyone can trust.

## 8. Inclusion of Notes, Annotation, Justification and Explanations

Faculty and staff demand the ability to justify their budgets. One of the best ways to embrace collaborative budgeting is to provide users the ability to proactively explain why they are requesting particular items or expenses. This also helps users tie the budget to the organizational strategic plan.

## 9. Having Questions Answered Quickly, Carefully and Accurately for All Users

Helping administrators understand the budget means answering questions quickly or enabling staff to find the answers themselves. Flexible and comprehensive reporting with access to budget details is critical for collaboration. This applies equally to the budget process as well as monthly management reporting.

## 10. Consider Budgeting, Forecasting and Revisions as a Year-Round Process

Budgets aren't just a once a year exercise. Actual results will vary. Having the ability to easily mix actual results with remaining budget months and providing flexible revisions will keep the process fresh and keep collaboration alive.



# Benefits of Collaborative Budgeting



**Better participation in and ownership of the budget by faculty and staff**

**A more accurate budget**

**Ability to budget any time any place**

**A budget that supports the institutional strategy**

**Better idea flow for discussions**

**Better overall financial performance**

Contact us for more information on how you can utilize systems designed to better handle budgeting.

Phone: 203-883-4380

Email: [info@XLerant.com](mailto:info@XLerant.com)

# LEARN HOW TO BUILD A MORE COLLABORATIVE HIGHER EDUCATION BUDGET



## About the Author

**Ted Dacko**  
CEO, XLerant

Ted Dacko serves as CEO of XLerant, the leading provider of the SaaS cloud-based budgeting software product BudgetPak. Prior to joining XLerant, Ted has led four other software firms as CEO. Most recently, Ted was CEO of HealthMedia, which he grew from zero to \$40M before selling the company to Johnson & Johnson. Ted has spent 40 years in early stage software companies and has spent the vast majority of his time growing end-user, financial software companies.

## About XLerant

XLerant is a cloud-based software company that builds and implements innovative, practical and incredibly powerful collaborative budget preparation, forecasting and management reporting software to energize a "Culture of Budget Accountability" with faculty and staff in higher education.

