



2nd WHEEL ONLINE TRAINING

Task.3.3. Online Workshops Implementation
7th - 16th June 2022

«Financial planning & Resource allocation: Budgeting process»

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Summary

1. **Budgeting Process**
2. **Strategic planning**
3. **Programming**
4. **Review**
5. **Definitions**
6. **Critical Issues**

Budgeting process

Each university, as a public entity, must establish its own internal governance instruments.

- Some of these tools are systems enabling planning and management control;
- There are four main steps:
 - planning
 - budget formulation
 - carrying out and measuring the activity
 - reporting and evaluation

Budgeting process



Budgeting process

Strategic Planning

- Directional activity that develops the governance objectives;
- establishes the basic objectives of the entity;
- identifies the most appropriate strategic objectives to allow the company to persist over time by meeting the needs of users
- prepare and find the necessary technical, human and financial resources

Budgeting process

Programming

- Management activity which, following the guidelines coming from the planning activity:
 - identifies the alternative actions to be implemented in the short term;
 - allocates resources to the different levels of corporate governance;
 - defines the objectives, in terms of results and performance;

Budgeting process

Review

- Managerial activity based on feedback between objectives and results actually achieved;
- It ensures the achievement of strategic objectives monitoring the results;

Budgeting process

Definition of Budget:

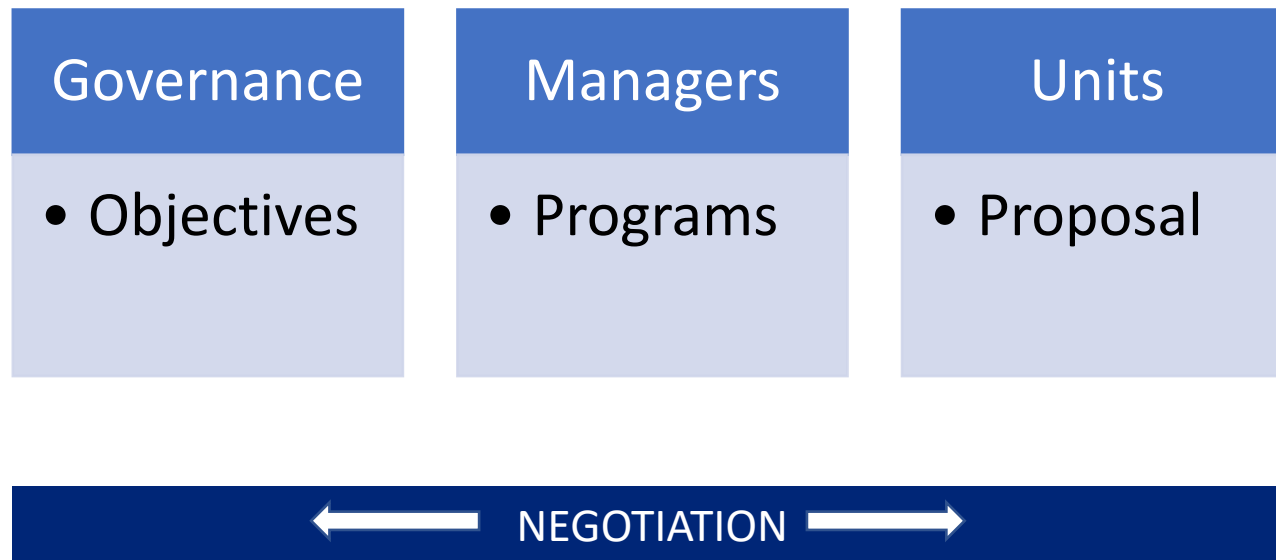
- A budget is a financial plan for a defined period, often one year. It may also include planned sales volumes and revenues, resource quantities, costs and expenses, assets, liabilities and cash flows;
- Organizations use it to express strategic plans of activities or events in measurable terms;
- A budget is the sum of money allocated for a particular purpose and the summary of intended expenditures along with proposals for how to meet them.

Budgeting process

Definition of Budget:

- Planning and management control tool aimed at a system of objectives related to different levels of responsibility of the organizational structure;
- The budget empowers the departments / units to be responsible of the results to be achieved and on the resources to be used without interfering in the choice of combination of resources and in the performance of the technical processes which remain responsibility of the departments / unit

Budgeting process



Budgeting process

Negotiation (dealing):

- Bottom up;
- Top down;

Budgeting process

Critical Issues

- Not fully awareness of the social impact of lowering educational projects and its costs;
- Difficulties of the University structures in carrying out their routine activities (lack of human resources, difficulty in accessing facilities, IT issues, etc.);
- Inadequacy of the IT systems and difficulty in demonstrating the activity carried out and the results achieved;

Budgeting process

Critical Issues

- Procedures in the supply of goods/medicines and warehouse management;
- Budget allocated on the historical process and not related to objectives / upstream programming
- Spending constraints/spending ceiling without further evaluations about the effect on programs
- Linear cuts (Top Down approach)

Thank you for your kind attention!

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