



2nd WHEEL ONLINE TRAINING

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

«Financial planning & Resource allocation: Budgeting Cycle. UNIGE Approach»

Fulvio Principiano, UNIGE

Summary

- 1. Internal Planning Cycle: UNIGE approach**
- 2. Annual Budgeting**
- 3. Authorizing Budget**

Internal Planning Cycle.

UNIGE Approach

UNIGE in short:

- ✓ 128 official courses
- ✓ 32.000 students (3.000 foreigners)
- ✓ 4.300 researchers (1.200 professors)
- ✓ 22 scientific departments
- ✓ 5 schools (formerly 11 faculties)
- ✓ 11 administrative areas
- ✓ 1.100 personnel / staff



Internal Planning Cycle. UNIGE Approach

The organizational model of the UNIGE identifies the following Management Centers:

- **Technical centers (scientific department, research centers, etc.)**
- **Administrative management areas (central areas)**

Internal Planning Cycle.

UNIGE Approach

- Technical centers (scientific department, research centers)
Structures to which the Statute attribute administrative and management autonomy;
Each center prepares and approves a proposal for an economic and investment budget.
- Administrative management areas
Executive level offices with autonomy in the management of the resources assigned (also in the context of the economic and investment budget)

Technical centers (scientific department, research centers, etc.)

They maintain the autonomy in research and didactic activities, buying procedures and accounting procedures;
they record their debts / credits and costs / revenues.

It remains centralized :

- the transmission of the orders to the bank (collection and payment orders)
- the release of the budget

Technical centers (scientific department, research centers, etc.)

Release of new budget

Our technical centers have a Board that must approve every request for new budget,

- for the budget at the beginning of the year
- or for the new requests during the year related to new incomes o new needs.

These requests must be approved by the central Board of directors

Administrative management areas

Release of new budget

Each Area is considered a cost center and its director has the responsibility of the procedure for each request of new budget.

The budget request for the new year related to its area of competence, together with the activity program, is presented to the General Manager.

Administrative management areas

The General Manager, considering the programs of activity, the planning documents and the available financial resources propose the annual budget document to the Rector for the approval by the University Board of Directors

Annual Budget

The documents related to the annual budget to be approved by the Board of Directors are:

- **Annual budget**
 - Economic budget
 - Investments budget
- **Annual budget (authorized) per each technical center and administrative area**
- **Three-year forecast budget**
- **Three-year program for building facilities**

Annual Budget

This system requires no further authorizations to managers for the foreseen activities if they do not need any further budget.

Further budget, rather than the budget already approved, must be requested and approved by the Board of Directors

Annual Budget

Italian University system has peculiar form of budgeting that consists of a constrain:

- **The budget approved may not be freely shifted between different account nor different centers**
- **For this reason the Annual budget approved per each technical center /administrative area is called “authorizing budget”**

Authorizing Budget

Italian University system has peculiar form of budgeting that consists of a constrain:

- **Authorizing budget means that the budget is allocated to a specific organizational Unit and a particular account**
- **It permit the manager to develop the foreseen activity and sustain costs up to budget allocated in each account**

Authorizing Budget

Italian University system has shifted in 2013 from

- **financial accounting (which record mainly cash movement, cash inflows and outflows) to**
- **economic accounting (costs and revenues)**

Authorizing Budget

Italian University accountant system has shifted in 2013

Different budgeting system:

- **in terms of cash inflows/outflows**
- **in terms of cost/revenues**

Annual Budget: Cost accounting

Cost accounting Unit: the project

In such a case, it can be useful to implement a system of different Units related to Cost Accounting.

UNIGE has a such system and call these Units “project-Units”

Annual Budget: Cost accounting

Cost accounting Unit: the project

As a project, we mean a set of interdependent activities. It provides:

- ✓ **specific objectives (such as the improvement of a service),**
- ✓ **time constraints for its completion (a project may have a multi-year duration)**
- ✓ **economic constraints for its development (project budget)**
- ✓ **can have results (such as a publication)**

Thank you for your kind attention!

For further info:
intstrat@unige.it