

HOWARD UNIVERSITY

Office of the Senior Vice President,
Chief Financial Officer and Treasurer

August 9, 2010

Dear Members of The Howard University Community:

Attached, for your information, are guidelines for implementation of the fiscal 2011 operating and capital plan approved by the Executive Committee of the Board of Trustees in June.

We want to share it with the Howard Community at this time to keep faculty and staff informed of the goals and objectives of Howard over the current fiscal year and to continue to promote a high level of transparency in how strategic, operational and financial matters are addressed. We will be reviewing the more detailed plans and budgets with the Budget Advisory Committee, Faculty Senate and other interested groups once the fall semester begins.

Please contact me directly if you have any questions at this time.

Sincerely,



Robert M. Tarola



August 9, 2010

**Guidelines for Implementation of the
FY2011 Operating and Capital Plan**

❑ Where to Find the Approved FY2011 Plan

The FY2011 Operating and Capital Plan (FY2011 Plan) for The Howard University (which includes the Hospital) is posted on the Howard website (www.howard.edu/financialservices). This document includes a description of the FY2011 planning process and an overview of the major planning assumptions and objectives. It details the FY2011 revenue and expense targets and planned capital investments.

- *This website also includes other important financial information, including audited financial statements and operating budgets from prior years.*
- *Information on the Budget Advisory Committee (BAC) can be found at www.provost.howard.edu/HUBudgetprocess.asp/*

❑ Focus on Accountability

- The Operations Committee (OpCom) is ultimately responsible to the President and Board of Trustees for ensuring that the FY2011 operating plan is successfully implemented. They are the first line executives accountable for achieving the financial goals necessary to sustain operations, meet lender requirements, and build the long-term fiscal strength vital to support Howard's mission of world-class instruction, research and patient care.
- We are moving the management focus from over 1,000 cost centers to about 50 accountable units.
- Howard deans and unit/function administrators are responsible for managing their operations in coordination with the accountable OpCom leader to achieve the objectives set forth in the FY2011 Plan.
- Howard's financial and operating performance as compared with Plan will be reviewed monthly. The operating plan will be adjusted quarterly, if necessary, to ensure that Howard remains on track to achieve its financial and operational goals, and to recognize any change in circumstances or objectives.
- Each OpCom member has senior finance professionals available to support them in managing the units/departments within their portfolio.



- **President and Other Administration**
OpCom Members: Dr. Marian Wilson, Senior Executive to the President and Dr. Hassan Minor, Senior Vice President
Financial Support: Andrew Rivers, Chief of Staff to the President and Shaheed Mahomed, Director of Financial Planning & Analysis
- **Health Sciences Enterprise (“HSE”)**
OpCom Member: Dr. Eve Higginbotham, Senior VP and Executive Dean
Financial Support: Bridget Sarikas, Deputy CFO
- **Academic Affairs (other than HSE)**
OpCom Member: Dr. James Wyche, Provost and Chief Academic Officer
Financial Support: Andre Powell, Assistant VP Financial Services
- **Howard Support Operations**
OpCom Member: Troy Stovall, EVP and Chief Operating Officer
Financial Support: Rayford Davis, Deputy COO
- **Financial Services**
OpCom Member: Robert Tarola, SVP, Chief Financial Officer and Treasurer
Financial Support: Bridget Sarikas, Deputy CFO

The financial support professionals named above can be called upon to assist with any implementation questions.

□ **FY2011 Plan Implementation**

- Revenue and expense targets for FY2011 have been developed within an accountability matrix. Each OpCom member has portfolio targets which have been allocated to units/managers (deans and other administrators) based on strategic goals and in collaboration with community stakeholders.
- Expense budgets cover employment and non-employment expenditures expected to be made during FY2011 from ALL funds, including Howard general funds, tuition, fees, gifts, grants, endowments and patients.
- Expense budgets will be loaded in the PeopleSoft financial system (for HU) and into Lawson (for HUH) in August. These budgets are the yardstick against which to measure actual financial results. It is up to the OpCom member and her/his unit/department managers to achieve their stated goals within the approved budgets.
- *Personnel Expenses*
 - Total FY2011 expenses for salaries and wages need to be managed to be no higher than total FY2010 salary expense, requiring that any increases in compensation or headcount be funded with improved productivity. All new hires must be approved by an OpCom member.



- *Non-Personnel Expenses*
 - Approvals for purchases should be made in accordance with the Spending Authority Matrix issued from the President’s office on May 14, 2010, as follows:

Amount	Requestor	Level of spending and contracting authority
\$0 – \$9,999	Minimum grade 4 – Designated requisitioner per department	Manager/Administrative Title – Minimum Grade 12
\$10,000 – \$24,999	Same as above	Director – Minimum Grade 15
\$25,000 – \$49,999	Same as above	Organizational Head/Deans/Subcabinet Level
\$50,000 – \$1M	Same as above	Organizational Head/Cabinet
\$1 – \$2M	Same as above	OpCom and President
\$2M+	Same as above	President and Board of Trustees

❑ **FY2011 Capital Plan**

Proposals to improve facilities, infrastructure and security have been prioritized by Op Com and summarized in the FY2011 Plan. Each major project (those over \$1 million) requires: 1) scope and functionality approval by lead OpCom member, 2) design and construction/purchase approval by the Chief Operating Officer, and 3) financing and accounting approval by the Chief Financial Officer. A capital project code must be obtained before any spending can occur.

Please contact me if you have any questions.

Sincerely



Robert M. Tarola
Senior Vice President, Chief Financial Officer
and Treasurer

