Guiding Principles

Mason’s Incentive Model and Process Should:

1. Align with the University’s strategic plan and **focus on supporting its mission of teaching, research, and service**.
2. Promote entrepreneurial approaches to achieving organizational success through nimble, flexible and transparent budget practices.
3. **Focus on accountability and outcomes**.
4. Ensure accountability with clear lines of responsibility and data-driven decision making.
5. Maintain financial equilibrium: balance budget, develop human capital, preserve physical assets, deliver baseline services.
6. **Integrate planning across all units and promote interdisciplinary activities**.
FY 2018 REVENUE BUDGET $1.0B

- **Enrollment Related Revenue**, 54%
  - Tuition $380.7

- **Capital**, 25%
  - Sponsored Research $104.7
  - Financial Aid $22.6
  - Capital Improvements $48.9
  - Mason Capital Funds $18.8

- **All Other Activities**, 25%
  - Philanthropic Activities $60.0
  - Operating $131.4
  - Mandatory Student Services & Activity Fees $91.5
  - Room & Board $71.4
  - Community & User Service Fee $84.3

- **VA State Funding**, 20%

*pie chart $ in millions*
Tuition Allocation: Overview

Universities may employ several methodologies to allocate tuition; Mason has chosen to take an iterative approach that splits the allocation of general tuition revenues.
The Mason Incentive Budget Model Has Put Real Dollars Into Unit Budgets

**FY 2014 - FY 2015** Due Diligence - Beginning

- Worked with Committees to gather requirements
- Gathered data for a three year view for budget model purpose
- Developed Mason Incentive Model

**Parallel Year of New Model** FY 2016

- Developed parallel year of Mason Incentive Model while maintaining the Incremental Budget Model
- Unit revenue and expenditure budgets were not rebased between the two models
- FY 2016 saw $8.5M added to units’ fund balances

**First Year of Implemented Incentive Base Budget Model** FY 2017

- Meetings with Deans and Associate Deans throughout the year
- 9 out of 10 units had revenues greater than expenses
- FY 2017 saw $15.5M added to units’ fund balances
FY 2017 College and School Information

Revenues and Expenditures

Fund Balances are used for one-time expenditures:
1. Adjunct salary and GTA stipends
2. Equipment
3. Enrollment marketing and recruitment
4. Start-ups
5. Facility needs
6. Program enhancements

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<thead>
<tr>
<th>College/School</th>
<th>Revenues</th>
<th>Expenditures</th>
<th>Fund Balance</th>
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_all dollars in millions_
Next Steps: Budget Model 2.0

- Multidisciplinary
- Indirects

Communication Plan
- Lunch & Learns
- Unit Meetings
Questions?

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Lunch & Learn about Budget Model
April -??, 2018
No-host lunch @ Mason Club