

# Project Scope: Strategic Framework

## Goal 6

### Objective 1

#### KPI 1-3

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## PROJECT BACKGROUND & PURPOSE:

The strategic framework for EOU is now in place, and the goals, objectives and KPIs need to be addressed and monitored for completion/achievement. The first objective and associated KPIs in goal six, specifically speak to EOU's financial sustainability, referenced with three financial ratios. The goal, objective and KPIs are as follows:

*Goal 6: Financial Sustainability – Stewardship in financial sustainability and in growing EOU's financial and capital resources*

*Objective 1: Develop and foster a culture of fiscal responsibility, accountability, and security for all university funds.*

*KPI 1: Maintain E&G fund balance  $\geq 10\%$*

*KPI 2: Maintain primary reserve ratio  $\geq 40\%$*

*KPI 3: Maintain debt burden ratio  $\leq 5\%$*

This scope document attempts to capture a proposed process for the continued work toward meeting these KPIs.

## PROJECT SPONSOR

Lara Moore, VP Finance & Administration

## KEY TEAM MEMBERS

Budget & Planning Committee

Finance & Administration Committee of the Board

## PROJECT OBJECTIVES:

- Create a comprehensive approach to monitoring, evaluating and reporting progress toward achievement of the above-referenced goal, objective and KPIs.

## DELIVERABLES/END PRODUCTS:

1. Meeting and maintaining the ratio levels in the above-referenced KPIs

## KEY MILESTONES:

1. Develop ratio presentation for Budget & Planning Committee (B&P) and Finance & Administration Committee (F&A) – Nov 1
  - a. Presentation should include explanation of ratios and examples of what budgeting capital investment decisions impact the ratios
2. Develop proposed policy and/or revise current fund balance for F&A committee to consider – January 1
  - a. Policy should address appropriate levels of reserves, and should develop types of required reserves (i.e, reserve levels required that cannot be expended for regular budgeting purposes like salary increases.)
  - b. Policy should also address that budgets must be built and proposed to F&A and B&P with the associated ratio impact
3. Present policy to B&P – February 28

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4. Present committee input and any policy revisions to F&A and B&P – March 30
5. F&A Committee formally adopts revised/new policy – April 30

#### CONSTRAINTS:

1. It is very possible that the 40% primary reserve ratio level is unreasonable for our type of institution. It may be required to adjust this ratio level downwards – and this will be discussed with both B&P and F&A committees.
2. Our current accounting system makes it very difficult to forecast the primary reserve ratio. Additional research will be conducted here to determine the best approach for forecasting this ratio.

#### KEY ASSUMPTIONS:

1. This project is viewed less as a team approach, but more of utilizing the two existing committees that are in place to monitor and provide feedback regarding EOU's financial condition.

#### SPECIFICALLY EXCLUDED SCOPE:

1. N/A