



Strategic Resource Management (SRM)

Training Guide for Service Units

Objectives of SRM

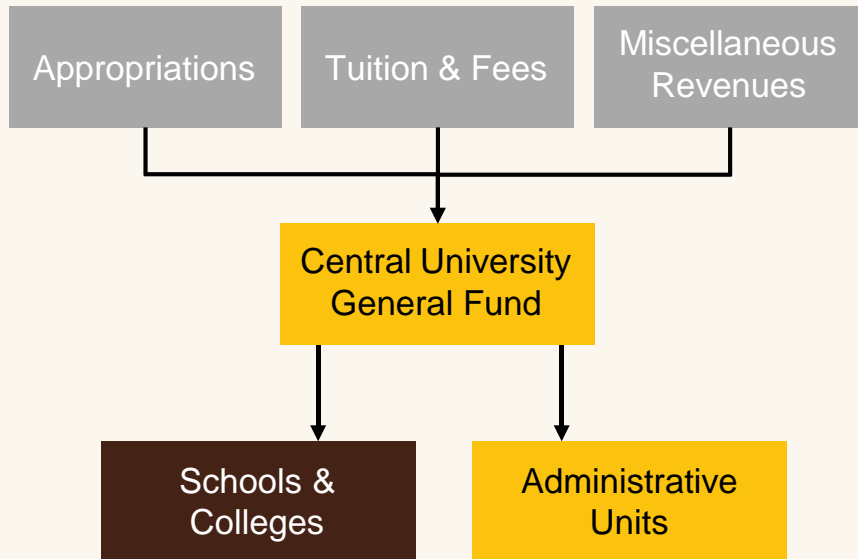
Objectives of SRM :

Current budget allocations are not aligned with success in enrollment, research, or giving. We need a more **strategic and comprehensive approach to resource allocation** which better aligns all resources to address revenue growth, operating efficiencies and to achieve our **success metrics**. SRM should meet the following objectives:

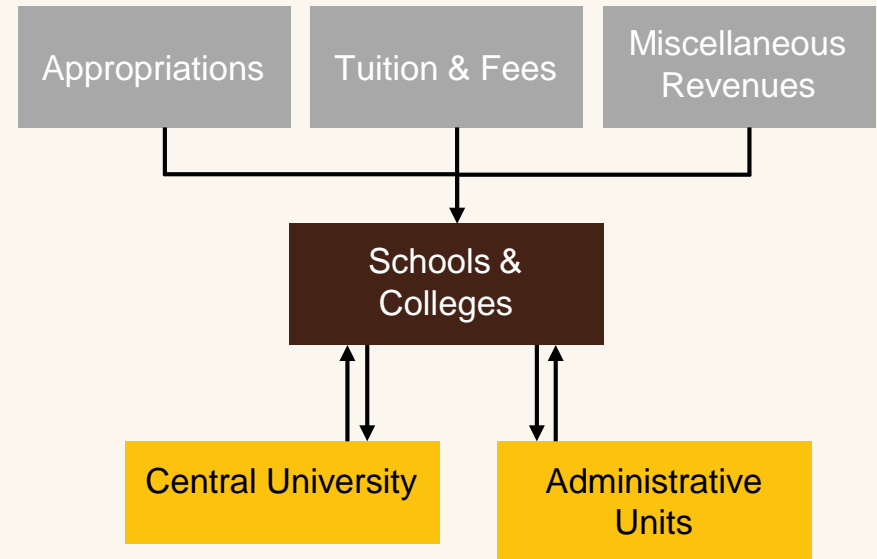
- 1) Increase accountability** of decisions at executive and college levels by linking strategic decisions with financial decisions.
- 2) Enhance transparency** through use of formulas to determine revenue and cost allocation in a way that is objective and easy to understand.
- 3) Incentivize revenue generation and cost-effective practices** at all levels of the university.

SRM – Conceptual View

Current Budget Model Funds Flow



SRM Model Funds Flow



Adapted from Curry, JR, Laws, AL, Strauss JC. Responsibility Center Management, 2013.

SRM Impact to Service Units

- Service units will follow much of the same budget process as the current budget model. Under SRM all units are expected to be good stewards of their allocated resources.
- Service units will be held accountable for their budgets just as they are now. They will need to prepare justifications to keep their current budgets and for any additional fund that they request. Some form of the current annual budget protocol process will be used to request additional funding. The process for justification to keep current budgets will require departmental metrics.
- Carryforward balances will be part of the annual monitoring process and large balances will need to be justified.
- Service units that currently generate revenue will be expected to maintain that level of revenue within the SRM budget model. Any loss of revenue will require an adjustment to the service unit budget and will not be covered by an increase in the University Participation Assessment (UPA) assessed to the College RU's.

SRM Impact to Service Units - Continued

- There will be an SRM department set-up for each executive area. That department will be used for the cost of space allocation. Costs for space including maintenance, custodial services, utilities purchased and debt service will be allocated based on net assignable square footage unless it is included as a direct expense to a unit.
- Service units that have a fund 23 department for an activity that generates revenue (not support) will need to adjust the fund 23 budget as the Aux UPA will be assessed on those revenues.

SRM Budget Tools Available

SRM budget tools for service units available at www.wmich.edu/budget include:

- SRM Operating Manual
- FAQ's
- Operating budget calendar/timeline

Additional SRM budget tools are available for a more comprehensive understanding of SRM which are also located at www.wmich.edu/budget :

- Quick reference guides of SRM allocation rules
- Self-paced voice over walk-through of the FY20-21 SRM budget model
- SRM Metric Dashboard
- Cognos Reports