



## Resource Allocation Model Based Upon a Return on Investment Strategy

This model includes resources allocated for new academic programs, new capital expenditure or contract purchase in excess of \$5,000.00, and human resource allocations.

### Academic Programs

The institution currently has a process for proposing new academic programs. A key component of this process is to develop a pro forma based on hypothetical scenarios that project expenditures and revenues. In the fiscal year prior to the program's launch, the pro forma should be reviewed to re-evaluate its assumptions to ensure that appropriate revenues and expenditures are incorporated into the next budget cycle.

### New Capital Expenditure or Contract Purchases (in excess of \$5K)

Requests for capital expenditures, costs related to strategic initiatives, or contract purchases in excess of \$5K should follow a process similar to the one for academic programs. Capital expenditures or contract purchases include, but are not limited to, certain software packages and laboratory equipment. The process for requesting new capital expenditure or contract purchases is outlined below:

1. For any new purchase, the proposer should submit a white paper that includes the following information:
  - The purpose of the purchase
  - The intended outcomes of the purchase
  - The purchase's alignment with the institutions mission and strategic goals
  - An analysis of how this purchase does not duplicate what is currently in use at the University
  - A timeline for full implementation
  - Anticipated total cost of the purchase.
  - Anticipated funding source (i.e., grant funded, operating budget, capital budget)
  - Internal resources that may be required (e.g., IITS: Can they support it?)
  - The estimated savings or increased revenue potential and/or increased efficiencies as a result of this purchase (metrics that will be used to measure the purchase's effectiveness)

2. The white paper will be reviewed initially by the vice president of the area submitting the proposal. Assuming the white paper has been approved by the area's vice president, the proposer should identify key stakeholders who will benefit the most from this purchase. Include among the key stakeholders should be persons associated with the internal resources needed to implement the purchase (e.g. IITS).
3. Key stakeholders will review the white paper, and, if they endorse the purchase, the proposer must develop a detailed project budget and timeline. The plan will identify milestones and incorporate key metrics and when the metrics will be measured (i.e. Is it a year from the purchase, the next enrollment cycle, etc.?) The plan should also incorporate internal resources that will be needed and the anticipated time these resources will be expected to spend.
4. Any proposal submitted by December 31 will be included for consideration in the following fiscal year. Final approval for the purchase resides with the University President and/or her designees.
5. If the purchase is made but implementation is more than one calendar year from the date of the white paper, the intended outcomes and metrics must be reviewed and, if warranted, modified. An updated project plan and budget must be submitted for approval to Financial Affairs to be included in the appropriate budget cycle.
6. If the purchase is made and has a recurring operating cost, its usefulness, efficiencies, and effectiveness must be assessed annually by the responsible department as part of the annual assessment reporting cycle. Based on the milestones established in the project plan, a summary of actual project costs compared to the original project budget will be completed and actual results will be compared to anticipated outcomes. Data obtained in the assessment of purchases with recurring operating costs will also be used to fine tune the University's pro-forma functionality.
7. If there is a contract for renewal on the purchase, a full report on the deliverables first identified in the white paper must be submitted to the area vice president, the key stakeholders, and the Office of Institutional Effectiveness, before any renewal takes place.



## Instructions for Concept Papers

The concept paper is a short outline of the proposed capital expenditure or contract purchase (2 pages is usually sufficient). The following components are required:

<b><u>Name of Purchase:</u></b>
<b><u>Name &amp; Title of Proposer:</u></b>
<b><u>Purpose of the purchase:</u></b>
<b><u>Intended outcomes of the purchase:</u></b>
<b><u>How does this purchase align the University's mission and strategic goals?</u></b>
<b><u>Explain how this purchase does not duplicate what is already being used at the University:</u></b>
<b><u>Timeline for full implementation:</u></b>
<b><u>Anticipated total cost of the purchase:</u></b>

**Anticipated funding source (i.e. grant, operational budget, capital budget):**

**Internal resources required to implement purchase:**

**Describe the estimated savings, increased revenue potentials, and/or increased efficiencies as a result of this purchase:**

**What metrics will be used to measure the purchase's effectiveness?**

**Key Stakeholders**

**Approvals - Academic**

**Dean:**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Provost:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Approvals – Departmental**

**Area Vice President**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

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**Financial Affairs – Final Approval**

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_