

Expenditure Effectiveness Policy

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1. Purpose

The purpose of this policy is to establish clear guidelines and procedures for the effective management of financial resources at UBT. It aims to optimize resource utilization, ensure transparency, and comply with relevant regulations. By implementing this policy, UBT seeks to achieve financial efficiency, strategic alignment, and accountability in expenditure management across all departments and activities.

2. Scope

This policy encompasses all direct and indirect financial expenditures, including capital expenditures (CAPEX) and operational expenditures (OPEX), purchasing, contracting, facility management, student services, educational support services, marketing, and human capital recruitment and capacity building activities within all UBT campuses and branches.

3. Definitions & Acronyms

Term	Definition
Procurement	The process of acquiring goods, services, or works
Contracts	Legally binding agreements for goods, services, or works
Facility Management	The management of physical assets, buildings, and infrastructure
Student Services Departments	Student Services Departments includes all departments providing services to students
Educational Support Services Departments	Any department providing supports to the academic delivery and students academic resources. This includes (but not limited to) It, Library, Educational Support Center, VR digital services, Deanship of Students Affairs, Training Center, etc.
CAPEX	Capital Expenditure
OPEX	Operational Expenditure

4. Responsibilities

5. Finance Department: The Finance Department is responsible for:

- Developing systematic processes for conducting regular cost and investment analyses across all university activities.
- Establish departmental efficiency indicators, including return on investment (ROI), net present value (NPV), and cost-effectiveness ratios.
- Monitoring and reporting on efficiency indicators on a semester and annual basis, consolidating this information into comprehensive reports for review.

4.2. Purchasing and Contracting: The Purchasing and Contracting Department is responsible for:

- Formulating and adhering to detailed procurement guidelines and procedures, incorporating competitive bidding processes.
- Monitoring supplier performance through a vendor scorecard system and assessing cost-effectiveness.
- Tracking key performance indicators (KPIs) such as procurement

cycle time, supplier quality, and cost savings.

- Reporting on these KPIs bi-annually and annually, providing insights and recommendations for continuous improvement.

4.3. Operation Department: The Operation Management Department oversees the maintenance and improvement of university infrastructure and is responsible for:

- Developing and maintaining a comprehensive facility management plan, outlining maintenance schedules and sustainability practices.
- Performing periodic cost analyses for facility maintenance, recreational maintenance, safety maintenance and improvement projects, considering metrics such as maintenance cost per square foot and energy efficiency.
- Reporting semi-annually and annually on facility efficiency indicators, including space utilization rates and infrastructure maintenance costs.

4.4. Student Services: All Student Services Departments are responsible for providing efficient and effective services to students, and should:

- Define and measure service quality indicators and student satisfaction surveys.
- Monitor service efficiency indicators and student satisfaction regularly.
- Conduct reviews to ensure alignment with university goals and strategic objectives.

4.5. Educational Support Services: The Educational Support Services Departments are responsible for providing academic support services efficiently, and should:

- Define and measure service quality indicators.
- Monitor the efficiency and effectiveness of educational support services.
- Ensure alignment with the university's educational objectives.

4.6. Marketing Department: The Marketing Department is responsible for marketing activities to attract and retain students, and should:

- Define and measure marketing campaign efficiency, including the cost per enrolled student.
- Regularly assess the effectiveness of marketing strategies and campaigns.
- Ensure alignment with the university's enrollment and branding goals.

4.7. Human Resources and Capacity Building: The Human Resources Department and other relevant units are responsible for:

- Evaluating the efficiency and effectiveness of recruitment processes, considering the cost per hire, time to fill positions, and employee performance outcomes.

- Assessing the impact of capacity-building initiatives and training programs on employee skills and performance.
- Reporting on recruitment and capacity-building metrics annually, with recommendations for enhancements.

4.8. Oversight Committee: An Oversight Committee, if established, will support policy implementation and perform in-depth analyses as required, ensuring adherence to the policy across all departments. It should:

- Periodically assess the effectiveness of expenditure management practices.
- Review and consolidate semester and annual reports from various departments.
- Provide recommendations for enhancing expenditure efficiency.

5. Policy Principles

This expenditure effectiveness and efficiency policy adhere to the following guiding principles:

- **Efficiency Analysis:** All university departments shall conduct regular efficiency analyses, identifying areas for continuous improvement and optimization.
- **Cost and Investment Analysis:** Cost and investment analyses shall be conducted systematically for all university activities, ensuring spending aligns with revenue generation and cost-effectiveness.
- **Resource Optimization:** University departments shall prioritize resource optimization while fulfilling their respective missions and objectives.
- **Revenue Alignment:** Expenditure decisions shall align with revenue generation strategies to ensure long-term sustainability.

6. Policy Statement

6.1. Capital Expenditure (CAPEX):

- CAPEX projects must undergo a comprehensive cost-benefit analysis, including NPV, payback period, and internal rate of return (IRR).
- Departmental efficiency indicators shall include ROI, NPV, IRR, and cost-effectiveness ratios.
- Semi-annual and annual reporting of CAPEX projects' financial performance and alignment with strategic goals.

6.2. Operational Expenditure (OPEX):

- OPEX budgets shall be reviewed and optimized periodically, considering metrics such as cost per student, cost per credit hour,

cost per program, and student satisfaction.

- Departmental efficiency indicators shall include these cost metrics and service quality indicators.
- Semi-annual and annual reporting on OPEX budgets, efficiency improvements, and service quality.

6.3. Purchasing and Contracting:

- Procurement activities shall adhere to best practices for cost-effectiveness, including competitive bidding, supplier performance monitoring, and cost savings.
- Key performance indicators (KPIs) shall include procurement cycle time, supplier quality, cost savings, and contract compliance.
- Semi-annual and annual reports on procurement activities, KPIs, and recommendations for enhancements.
- Purchasing and contracts for services must be acquired as requested within the scope of work

6.4. Operation Management:

- Facilities shall be maintained and improved cost-effectively, with a focus on sustainability and safety.
- Key facility efficiency indicators shall include space utilization rates, maintenance cost per square foot, energy efficiency, and facility user satisfaction.
- Semi-annual and annual reports on facility management practices, maintenance management and construction management practices efficiency indicators, and recommendations for improvements.

6.5. Student Services:

- Student Services shall define, measure, and report on service quality indicators and student satisfaction regularly.
- Semi-annual and annual reports on service quality, student satisfaction, and efficiency improvements.

6.6. Educational Support Services:

- Educational Support Services shall define, measure, and report on service quality indicators regularly.
- Semi-annual and annual reports on service quality and efficiency improvements.

6.7. Marketing Department:

- The Marketing Department shall define, measure, and report on marketing campaign efficiency, including the cost per enrolled student.
- Regular assessments of marketing effectiveness and efficiency.
- Semi-annual and annual reports on marketing effectiveness, efficiency, and recommendations.

6.8. Human Resources and Capacity Building:

- Human Resources shall evaluate the efficiency and effectiveness of recruitment processes, considering the cost per hire, time to fill positions, and employee performance outcomes.
- Assess the impact of capacity-building initiatives and training programs on employee skills and performance.
- Semi-annual and annual reports on recruitment and capacity-building metrics, along with recommendations for enhancements.

In conclusion, the Expenditure Effectiveness and Efficiency Policy provides a comprehensive framework for the responsible management of financial resources. It emphasizes systematic processes, regular monitoring, and comprehensive reporting, with a view to continuous improvement and alignment with revenue generation strategies. The Oversight Committee, if established, ensures rigorous implementation and policy adherence across all university departments.

7. Related Documents

This includes the following: (in hierarchical order), legislation, policies, other procedures and standards, guidelines, and other useful resources

Document No.	Document Name	Document Type	Location

8. Approvals

[Deans Committee]

[Chair Name]

[Signature]

[Date]

[University Council]

[Chair Name]

[Signature]

[Date]