AN EXPLORATORY STUDY OF THE USE OF ACCOUNTING INFORMATION
FOR MANAGEMENT CONTROL OF FACULTY SALARIES, DEPARTMENTAL
OPERATING EXPENSE, AND INSTRUCTIONAL ADMINISTRATION
EXPENSE AT THE DEAN'S LEVEL IN SELECTED STATE
COLLEGES AND UNIVERSITIES IN TEXAS

DISSERTATION

Presented to the Graduate Council of the
North Texas State University in Partial
Fulfillment of the Requirements

For the Degree of

DOCTOR OF PHILOSOPHY

By

Marlin Clinton Althaus
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1975

The purpose of this study was to determine how deans of colleges within the state-supported, four-year universities in Texas use accounting information to allocate and control resources dedicated to faculty salaries, departmental operating expense, and instructional administration expense.

A questionnaire was sent to the dean of each of the 133 colleges offering a four-year degree program in 22 state-supported universities in Texas. The questionnaire draft was constructed from a study of books, periodicals, and unpublished dissertations and theses related to planning, budgeting, reporting, and college and university administration. This draft was validated by a panel consisting of four financial officers, five deans, one president, and two professors.

The validated questionnaire was mailed to the 133 deans with usable response received from 102 deans for a usable response rate of 76.7 per cent. Reliability of the questionnaire was established by the test-retest method based on a second questionnaire mailed to a random sample of deans who
responded to the first questionnaire. The questions on the
two questionnaires were answered the same way an average of
84 per cent of the time.

The questionnaires were tabulated with the reported
information summarized by groups based on the headcount
enrollment as reported for the Fall Semester of 1974 with
10,000 students used as the dividing line between "small"
and "large" universities with 11 universities in each group.

Conclusions:
1. Communication is better between deans and financial
officers at small universities than at large universities.
2. The relationship between line and staff appears to
be misunderstood at several large universities.
3. Ten per cent of the deans at large universities and
2 per cent at small universities do not receive financial
reports.
4. The financial reports, if comparative, usually compare
year-to-date actual amounts with annual planned amounts.
5. Some of the deans keep their own set of financial
records.
6. Deans are cost conscious and aware of the state
formulas used in the state appropriation.
7. Many deans are frustrated and angry.
8. Most deans participate extensively in budgeting
faculty salaries and departmental operating expense but 20
per cent do not participate in planning of instructional administration expense.

Recommendations:

1. Dean should be a full-fledged, unqualified, decision-making member of the management team.

2. Dean should receive frequent feedback related to the performance of his college.

3. Deans must have free access to the financial officer and any staff people who can help them.

4. In-house bookkeeping systems should not be needed if the financial reports have been tailored to the dean's needs.

5. All new administrators should be required to attend formal training in the various phases of their work.

6. Financial plans should make available year-to-date budget figures for comparison with year-to-date actual figures.

7. Universities should be encouraged to support and participate in inter-university research projects concerning higher education administration.

8. Universities should be encouraged to use unit cost analysis systems such as that developed by NCHEMS.
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CHAPTER I

INTRODUCTION

In Texas, the legislative appropriation for the state-supported colleges and universities is based on an appropriation budget submitted to the Legislative Budget Board by each individual college or university. The appropriation budget is based on formulas which are revised periodically by the Coordinating Board, Texas College and University System, to assure adequacy of funds provided and fairness in allocation of funds among the various colleges and universities in the state system (5).

Although appropriation of funds to the various colleges and universities is by formula, allocation of funds to the various departments within the college or university is by a management budget prepared and controlled by local administrators based on local decisions as to the relative needs of the various departments (11).

These management budgets may serve two purposes: (a) allocation of resources, and (b) control of the allocated resources to assure that they are used effectively and efficiently in the accomplishment of the objective for which they were allocated.
The allocation process determines the amount of resources to be received by each of the sub-units in order for it to accomplish its assigned tactical plans within the framework of the broad strategic goals and objectives. Thus, the allocation process calls for decisions as to what specific plans are to be accomplished and the resources needed to accomplish them. These decisions require input which can only be provided by the accounting system.

Once a specific plan is selected and resources allocated for its attainment, the phase of control begins. In this phase the activities of the sub-unit charged with implementation of the plan are monitored to determine how efficiently and effectively the allocated resources are being used to accomplish the program objectives. This requires a periodic comparison of the allocated resources budgeted with the resources actually used. This comparison is implemented through information provided by the accounting records. Thus, accounting information serves to feed-back information which triggers decisions regarding the strategic and tactical planning process.

Purpose of the Study

The purpose of this study was to determine how deans of schools and colleges within the state-supported, four-year colleges and universities of Texas use accounting information
to allocate and control resources dedicated to faculty salaries, departmental operating expense, and instructional administration expense.

This study is an outgrowth of several previous studies which investigated various phases of university administration in Texas.

In 1972 Childers (4) conducted a study of the state colleges and universities in Texas which participate in the ad valorem tax fund and found that, although financial and accounting sophistication was related to enrollment size, budgeting was done in the traditional manner; that is, using a line-item budget.

In 1972 Sugg (12) conducted a study concerning the way in which each of six state universities in Texas went about allocating faculty salaries to the various departments within the university. He described the usual allocation process as one in which the appropriated funds are allocated first to cover current salaries, then to cover new positions and promotions, with the remainder used to increase salaries of present faculty.

In 1973 Reeves (11) conducted a study concerning the use of the formula system in twenty-two public four-year institutions of higher education in Texas in regard to faculty salaries and departmental operating expenses. He found that, although the funds appropriated by the Texas
legislature were based on a formula related to equivalent student enrollment, the amount budgeted by colleges and departments on any individual campus was based on administrative decisions at the local level with little or no correspondence with the state formula. A report published by the Coordinating Board, Texas College and University System, in 1970 showed this same information but made no attempt to explain the differences (5, pp. 61-73).

Although Childers, Sugg, and Reeves investigated facets of financial planning as related to the state four-year universities in Texas, they did not explore the part played by deans in the preparation of the financial plan for either the college administered by the dean or for the university as a whole.

Statement of the Problem

To accomplish the purpose of this study, attention was focused on the following research questions:

1. How is accounting information used by deans in the allocation of resources to faculty salaries, departmental operating expense, and instructional administration expense?

2. How is accounting information used by deans in the control of performance?
The first question was broken down into the following sub-questions:

1a. To what extent do the dean, the department heads, and the faculty members participate in budget preparation?
1b. Is the budget all-inclusive and consistent with goals and objectives?
1c. How flexible is the budget in response to enrollment changes?
1d. What help does the dean have available to assist him in budget preparation?
1e. What, in the dean's opinion, would improve the budgeting procedure?

The second question was broken down into the following sub-questions:

2a. Does the dean receive financial reports and are the reports timely?
2b. How do the reports help the dean control and evaluate performance?
2c. Do the reports show comparative information with significant variances highlighted?
2d. What non-financial information, if any, is included in the reports?
2e. Are the academic dean and the chief financial officer involved in the control process?
2f. What, in the opinion of the dean, should be done to make the reporting procedure more useful?
Assumptions Regarding the Universities Surveyed

It was assumed that the overall, long-term, institutional objectives and goals of each university surveyed have been formulated at the university level, thus creating a valid background for implementation of a management control system.

It was assumed that the overall, long-term, institutional objectives of the surveyed universities are supported at the university level by specific plans, policies, and procedures for their accomplishment.

It was assumed that a formal organization is in existence in each surveyed university with management responsibility clearly defined.

It was assumed that each school surveyed, in so far as is compatible with Texas law, is following standards of administration, accounting, and reporting as suggested in *College and University Business Administration, Revised Edition*, published by American Council on Education in 1968 (2).

Research Methodology

A questionnaire was sent to the dean of each of the colleges offering a four year degree program in twenty-two state-supported universities in Texas. Colleges offering degrees in law, medicine, veterinary medicine, and pharmacology were not included because they are usually separate from their parent universities for purposes of administration.
and/or funding. The twenty-two universities included in this study have 133 degree granting sub-units included in this study. Upper-level programs, two-year programs offering bachelor's degrees on a junior college campus, were not included. The twenty-two universities included in this study are listed in Figure 1.

The Questionnaire

The questionnaire draft was constructed from a study of books, periodicals, and unpublished dissertations and theses related to planning, budgeting, reporting, and college and university administration. The questionnaire was prepared based on a guide for self-study published by the Coordinating Board (6) and using the following financial planning principles as developed for use in business practice (1, pp. 99-122):

1. Cooperation of chief executive. The budget program must have the complete cooperation of the chief executive.

2. Responsibility and authority. It is absolutely essential that responsibility and authority be defined by top management.

3. Proper organization set-up. The organization structure should be clear-cut.

4. Satisfactory accounting. Account structure must be tied into budget reporting with respect to proper distribution and uniform classification of revenue and expense.

5. Budget committee. A budget committee should be established and should consist of the budget director, chief executive, and the department heads.
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Total number of deans 133


Fig. 1--Twenty-two Texas four-year universities included in this study showing Fall 1974 headcount and number of deans.
6. Position of the budget director. The scalar location of the budget director is very important.


8. Coverage. The budget should cover all phases of operations.

9. Realistic. The budget must be realistic and the goals attainable.

10. Budget revision. The budget director and chief executive must be alert to changing conditions so budget revisions may be made promptly.

11. Budget reports. Periodic budget reports should be prepared promptly and variations followed up promptly.

   a. Must be timely.

   b. Should furnish policy-making executives with data necessary to enable them to formulate policy and should supply executives data enabling them to determine whether they have achieved satisfactory performance.

   c. It is a good tool making possible "management by exception."

12. Control. The most valuable result of a good budget program is control.

   a. Set a standard of measurement.

   b. Compare actual and standard performance.

   c. Determine the cause of variance.

   d. Take necessary corrective action.

13. Budget manual. Budget procedures should be recorded in a manual as soon as possible.

14. Capital expenditures. The budget program should have as one of its main parts a good capital expenditure program.
Validation of Questionnaire

To validate the questionnaire, insure adequate coverage, and identify ambiguous questions, a panel of twelve experts was selected (10). The panel consisted of four university chief financial officers, four deans of colleges of education offering a degree in higher education administration, one dean of business administration with a background in business management who had served on the board of trustees of a large public school system, one university president, one professor of higher education administration, and one professor of accounting with a background in business planning and control. A list of the panel members is included as Appendix A. A copy of the questionnaire (Appendix B) and a cover letter (Appendix C) were mailed to each member of the panel on January 16, 1975, with a follow-up letter to non-respondents on January 31, 1975 (Appendix D).

Each member of the panel was asked to indicate whether he thought each item was valid for use in this study, invalid for use, or that he was unable to decide. Also, the five deans included on the panel were asked to complete the questionnaire. If eight of the twelve members of the panel agreed that an item was valid, it was used. Panel members were encouraged to submit additional items which they felt should be included.
All items on the questionnaire met the criteria of validity. A tabulation of the results is shown as Figure 2. The only suggestions by the members of the panel were in the nature of clarification of ambiguous questions. These suggestions were incorporated into the final questionnaire (Appendix E).

The Survey

The questionnaire, after validation, was sent to the deans of 133 degree-granting colleges and schools in twenty-two state-supported universities in Texas. Colleges offering degrees in law, medicine, veterinary medicine, and pharmacology were not included because they are usually separate from their parent universities for purposes of administration and/or funding. One degree-granting unit was subsequently identified as an institute funded under special legislation and was removed from the list of deans, thus leaving 132. However, one college of arts and sciences had been split into two colleges with usable response from both deans, thus the total deans is 133. The list of deans and colleges was prepared from the latest bulletins from each of the twenty-two universities on file in the Special Materials section of the North Texas State University Library and in the Office of the Registrar of North Texas State University. Upper-level programs, two-year programs offering bachelor's degrees on a junior college campus, were not included in this study.
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<tr>
<td>28</td>
<td>12</td>
<td>56</td>
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</tbody>
</table>

Fig. 2--Number of panel members who agreed on validity of each question to be used in this study.

One hundred and two usable responses were received from the 133 deans and are included in this study. This is a usable response of 76.7 per cent. One hundred per cent usable response was received from seven universities with at least 50 per cent usable response received from twenty-one of the twenty-two universities and over 40 per cent usable response received from the twenty-second university.
Reliability of the final questionnaire was established by the test-retest method (10). The final questionnaire was mailed to the remaining 128 deans on March 6, March 7, and March 9, 1975. By March 20, 1975, sixty-six usable responses had been received. Form B of the questionnaire (Appendix F) was prepared by rearranging the questions from Form A through drawing numbered slips of paper from a cup. Form B of the questionnaire was mailed with a cover letter (Appendix G) to thirty of the first sixty-six respondents. These thirty were selected by use of a random number table (8). The starting page of the table was selected by drawing one of ten pieces of paper out of a cup. Then on the selected page the groups of four-digit numbers were taken in order from top to bottom of the left-hand column followed by the next column to the right from top to bottom until thirty respondents were selected. The first digit of the four-digit number referred to the number of the page on which the deans were listed and the third and fourth digits referred to the line number. The 133 deans were listed on five pages with only thirty-six lines on each page and many blank lines and non-respondents on each page; therefore, this process was continued through the third page of the random number table before thirty respondents were selected.
Of the thirty Form B questionnaires mailed, twenty-two were completed and returned. These were compared with the first questionnaire received from each of these twenty-two respondents on an item by item basis. The individual items were answered the same way an average of 84 per cent of the time (Figure 3), thus establishing the reliability of the questionnaire.

<table>
<thead>
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<tr>
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<td>84.0</td>
</tr>
<tr>
<td>Questions answered differently</td>
<td>187</td>
<td>16.0</td>
</tr>
</tbody>
</table>

Total questions (22 responses times 53 questions) 1,166 100.0

Fig. 3--Results of test-retest for reliability.

Follow-Up

A follow-up letter (Appendix H) was mailed on March 22, 1975, to all deans who had not responded to the final questionnaire (Appendix E). An additional follow-up letter (Appendix I) was mailed on May 13, 1975, to the deans at two universities with less than 50 per cent response. Five additional usable responses were received from deans at these two universities. The second follow-up letter was not sent to the non-responding deans of the only remaining university with less than 50 per cent response, because negative responses had been received from 25 per cent of the deans. However, usable response from deans at this university exceeded 40 per cent of the total deans at the university.
Data Analysis

The questionnaires were tabulated with the reported information summarized by groups in order to protect the confidentiality of the data. A complete analysis of the questionnaires is included in Chapter III with the data organized in response to the research questions followed by a profile of each of the twenty-two universities.

Definition of Terms

For the purpose of this study, the following definitions were formulated:

**Academic dean.** See vice-president of academic affairs

**Appropriation budget.** The appropriation budget is the budget as approved by the legislature. It is based on the budget request submitted by the university and modified by the Legislative Budget Board and the legislature.

**Chief financial officer.** This term is used to refer to the person responsible for the accounting and financial functions of a university. His title at various universities in this study is "Vice-President of Business Affairs," "Vice-President of Fiscal Affairs," "Business Manager," or "Vice-President - Finance."

**College.** This term is used by some universities as the title of a degree granting sub-unit. In this study the term will be used to refer to all degree granting sub-units.
Coordinating Board. This term refers to the Coordinating Board, Texas College and University System. The Coordinating Board is charged with the responsibility of determining formulas for use by the various universities in requesting appropriations from the legislature, with approving degree programs offered by the various universities, and with promoting efficiency in the use of appropriated funds.

Dean. This term is used to refer to the administrator of a degree granting sub-unit of a university although the titles "vice-president" and "director" are used by some colleges included in this study.

Degree granting sub-unit. A degree granting sub-unit is an academic division, school, or college within a university which grants an academic degree and which includes departments and programs related to the degree. It is administered by a dean.

Departmental operating expense. This is the line-item classification in the appropriation budget from which payments are made for departmental supplies, departmental stenographic help, laboratory assistants, and other departmental expenses related to teaching. Funds in this classification may be used for faculty salaries at the option of the university.

Effective. "... producing or adapted to produce its proper result, fit for a destined purpose (9, p. 791)."
Efficiency. Efficiency is the ratio of input to output; that is, "the ratio of useful work or the effect produced to the energy expended in producing it (9, p. 792)."

Faculty salaries. This is the line-item classification in the appropriation budget from which teaching salaries are paid. Funds appropriated for faculty salaries can not be spent for any other purpose.

Goal. See "objective."

Governing board. The governing board is the Board of Directors or Board of Regents appointed by the Governor of Texas to administer the affairs of a specific university in the Texas College and University System.

Institutional research. Institutional research is defined by Godfrey as "that kind of inquiry which an institution or unit within the institution makes about its own operations or the activities and operations of several other institutions whose policies and programs affect its destiny (7, p. 8)."

Instructional administration expense. This is the line-item classification in the appropriation budget from which all expenses, including salaries, of the dean's office are paid.

Legislative Budget Board. This board is an official arm of the Texas State Legislature to which each university in the Texas College and University System presents its budget request for appropriation of state funds.
Management accounting. This is the type of accounting that is relevant in management control. Its purpose is to provide information that is useful to management.

Management budget. This is a financial plan prepared by management as a guide for action during a specific budget period. For purposes of this study, it is the operating budget prepared by the local administration of a university. It will usually agree in total with the appropriation budget but the amounts allocated to the various departments and colleges within the university need not be based on the state formulas. Thus the state appropriated funds may be allocated as desired by the local university administration except that funds appropriated for faculty salaries can not be used for any other purpose.

Management control. Anthony defines management control as the "process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives (3, p. 17)."

Non-financial information. This term refers to information expressed in units other than dollars.

Objective. An objective is a long-term purpose for the existence of the enterprise which serves as a guide for the actions of the enterprise. It is implemented by specific tactical plans, policies, and procedures consistent with the objective.
Operational control. Anthony defines operational control as the "process of assuring that specific tasks are carried out effectively and efficiently (3, p. 18)."

School. This is the term used by some universities as the title of a degree granting sub-unit. See "College."

Strategic planning. Anthony defines strategic planning as the "process of deciding on objectives of the organization, on changes in these objectives, on the resources used to attain these objectives, and on the policies that are to govern the acquisition, use, and disposition of these resources (3, p. 16)."

University. A university is a group of colleges, usually at one location, under a central administration. This term will be used to refer to any of the twenty-two state-supported universities included in this study.

Variance. A variance is a difference between a budgeted or planned amount and the amount which resulted from actual operations or performance.

Vice-president of academic affairs. This is the title used to refer to the administrator who reports to the president of a university and to whom the various deans of the degree granting sub-units (colleges) report.
Plan of the Study

The remaining portion of this study will be presented as follows:

Chapter II - Library research

Chapter III - Presentation and analysis of the data

Chapter IV - Summary, conclusions, and recommendations
CHAPTER BIBLIOGRAPHY


CHAPTER II

LIBRARY RESEARCH

This chapter reviews the literature pertaining to traditional university budgeting, business budgeting, and applicability of business practice to university administration.

Traditional University Budgeting

University budgeting has been traditionally line-item, top-down, budgeting with short-term horizons and reporting for dollar control. It is similar to, and modeled on, state and municipal budgeting.

The traditional university budget, like the municipal budget, concentrates on the amounts to be spent during the budget period for the various inputs such as salaries, utilities, and capital items. The traditional budget is basically an expenditures budget which does not include depreciation and may be partly or completely on the cash basis.

Cost control is accomplished through expenditure control by use of an encumbrance system of accounting to prevent over-spending each line-item appropriation. Usually no attempt is made to relate cost to accomplishment or to a volume indicator.
Traditionally the university budget has been prepared by the top administration of the university. Hungate indicates that the duties of the dean include receiving the budget from higher administration and passing it along to the departments, then keeping track of the budget status of the various departments and facilitating the flow of budget requests and budget decisions between the departments and higher administration (15, p. 86). Thus, Hungate sees the dean as a conduit with limited responsibilities for both decisions and performance.

The traditional university budget is short-term in its view into the future and is dollar-accountability oriented. This is the result of having its funds dependent upon line-item appropriation of a governmental unit on an annual or bi-annual basis with required reports on a line-item basis.

The traditional university budget has a number of disadvantages. The emphasis is on inputs instead of outputs, thus efficiency and effectiveness are not measured. The persons charged with the responsibility of controlling costs are not involved in the determination of the level of spending. The budget does not include the gradual deterioration of capital items as an operating expense, but includes the acquisition of capital items in the budget without a clear distinction between capital items and operating items. Subsequent budgets are often based on the amounts spent in
past budget periods instead of need, thus available amounts are encumbered or spent before the end of the budget period in order to insure a favorable base for the subsequent budget.

Perhaps those techniques of budgeting, cost control, planning, and reporting which have proven useful in business practice can be applied to the management of a university. How does business practice differ from university practice?

Business Budgeting

In a study of well-managed companies, Sord and Welsch found that over 96 per cent of those companies utilized a comprehensive profit planning and control program on a continuing basis (30, pp. 24, 72).

Profit Planning and Control

Implicit in profit planning and control is the confidence that a competent management can plan for, manipulate, and largely control the relevant variables that dominate the life of an enterprise. This is accomplished through the development and application of

1. broad and long-range objectives for the enterprise,
2. a long-range profit plan developed in broad terms,
3. a short-range profit plan detailed by relevant responsibilities (divisions, products, projects, etc.), and
4. a system of periodic performance reports detailed by assigned responsibilities (36, p. 3).
Relevant variables include both controllable and non-controllable variables. Managerial decision-making includes distinguishing between controllable and noncontrollable variables, manipulating the controllable variables, and planning around the noncontrollable variables in such a way as to take advantage of anticipated favorable impacts and to minimize unfavorable impacts (36, pp. 8-9).

According to Williams and McDowell (38), decisions made by the management of any enterprise are of three types: strategic planning, management control, and operational control, as defined by Anthony (2).

Strategic planning deals primarily with non-routine decisions made by top management with staff assistance and occasional line assistance. Although much routine internal information is used in strategic planning, the questions involved concern mitigated trade-offs and are non-recurring with the emphasis on external information of an economic nature.

Management control is carried on within guidelines established by strategic planning and relates to current operations. The management control process is a total system embracing all the organization's operations. It follows a definite pattern and timetable, which are repeated. Operational control is single-task oriented, requires little judgement, is tailormade to the operation, and relies on rules and instructions.
The unit of measure in regard to management controls needs to be stated in a common denominator common to all sub-units, whereas the unit of measure used in operational control can be unique to the particular task involved. The best common denominator used for all sub-units is stated in monetary terms; thus, there should be a close correspondence between the management control system and the accounting information system.

In a profit oriented enterprise, both the inputs (costs) and the outputs (revenues) are stated in the common denominator with efficiency and effectiveness measured to some extent at the management control level through the use of the income statement. In addition, effectiveness and efficiency are measured at the operational control level through the use of non-financial measures such as units per hour, material per unit, and standard performance; or combination measures such as cost per unit and cost per hour. Thus, the smallest sub-units will be operating both in the management control system with units of measure stated in the monetary common denominator and in the operational control system with units of measure stated in non-monetary terms unique to its own operation.

The time dimensions in profit planning and control will extend as far into the future as the expected life of the longest planned project. The time dimension will also extend
into the past as far as may be relevant to planning for the future. It extends into the future as far as the long-range profit plan developed in broad terms with a clear distinction made between the short-range and long-range profit plans. Project plans will relate primarily to capital expenditures and development of new products and will extend as far into the future as is necessary for their completion. The time dimension should be unique to the enterprise and should be designed to fit the particular needs and characteristics of the enterprise (36, pp. 13-15).

A profit planning and control system uses management by objectives. A necessary condition for management by objectives is decentralization of decision making. Within the framework of broad objectives, sub-goals, and standards of performance for the enterprise as a whole, each manager of a sub-unit determines his own goals oriented to the over-all objectives of the enterprise. Management by objectives provides for participative management, bottom-up budgeting, a stream of decisions aimed at attaining specific goals, and an accepted standard against which performance can be measured.

Participative management promotes goal orientation, management by objectives, and better communication within the enterprise. It encourages the manager to align his personal goals with those of his employer, gives him a feeling that he has a common cause with his organization,
teaches him decision making, and gives him a feeling of accomplishment. He feels that the organization goals are his goals, because he helped determine them. He knows and understands the standard against which he is to be measured, thus he feels that he has been treated fairly. He knows what is expected of him—the bounds of his responsibility and authority—in any given decision situation.

Participative management promotes what can be called "bottom-up" planning or budgeting. The budget is prepared by the managers at the lowest levels in the enterprise. Based on past experience, his own expertise, and expected conditions; and within the broad objectives of the total enterprise; each manager prepares a budget for his individual part of the enterprise. He then meets with his peers and their common supervisor and the individual budgets are molded into a budget for the larger unit. This is repeated at each level of the organization until a budget for the entire enterprise is put together by the budget committee, which usually consists of the heads of the major functional parts of the organization and chaired by the chief executive officer. If the budget for the total enterprise is unsatisfactory, the problem is redefined and the managers at each level in the organization are involved in any necessary revisions. This bottom-up approach leaves each manager feeling that the final budget includes "his" goals.
A profit planning and control system uses responsibility reporting, which is directed to each manager and emphasizes the factors which he can control. This requires the use of responsibility accounting with the code of accounts corresponding to the budget classifications and the use of costs accumulated by responsibility centers in order to report each cost to the manager responsible for its incurrence. The emphasis in the accounting system should be on reporting to the responsibility centers instead of financial reporting to stockholders and outsiders. The system should accomplish both purposes, if possible, but financial reporting should be secondary (2, p. 100). Responsibility accounting involves a great deal of "cost accounting," but the emphasis should be on the cost control aspects of cost accounting instead of the product costing aspects.

Business practice, with emphasis on profit planning and control, which includes long-term horizons, management by objectives, participative management, and responsibility reporting, has been useful and generally accepted by business enterprises. Are these techniques adaptable to university administration? Are they acceptable to university administrators?

Applicability of Business Practice to University Administration

Whether or not business practice in regard to planning and control can be transplanted to the administration of
universities has been a matter of controversy for some years with a recent trend toward the use of business techniques in universities.

The Controversy

In 1962, Millett stated his belief that ideas drawn from business and public administration have only a very limited applicability to colleges and universities. More than this, the essential ideas about business and public administration such as they are, actually promote a widespread and unfortunate misunderstanding of the nature of the college and university in our society (21, p. 4).

In a book published in 1960 in which he discusses the administration of universities in the context of administrative enterprises generally, Corson (8) agrees with Millett. According to Corson, a university cannot be governed like a business enterprise because of diversity of purpose and components. By 1968 Millett had become the champion of planning, programming, budgeting systems (PPBS) which were borrowed from the business world via the United States Department of Defense. Millett suggests that the budgeting practices of most universities are decidedly outmoded, but the university should not discard its concern with organizational units or objects of expenditure, but should subordinate these phases of budgeting to the program units of the university because program budgeting indicates the outputs, instead of inputs, of expenditure (22, p. 67).
Writing in 1971, Severance (28) stated the belief that the basic decisions of business firms and institutions of higher education are strikingly similar; thus, developments in managerial accounting and systems analysis can be applied to higher education with the essential characteristic being the separation of resource inputs (costs) into fixed, semi-variable, and variable categories and relating these directly to program outputs.

Whisman (37) points out that the answer to many of the problems confronting higher education may be found through use of modern management techniques for planning and decision-making. He suggests the use of PPBS, accountability systems, management information systems (MIS), program budgeting systems, cost accounting systems, and analytical planning models. He lists five essential postulates for successful transplant of these management techniques to higher education as follows:

1. Person responsible should help plan.
2. Academic programs should provide the planning base.
3. Separate priorities for new programs and deletions or changes in existing programs.
4. Changes in spending levels for entire system should not require complete recycling.
5. Process should be as simple as possible.

Welsch also expressed his belief that the concepts and techniques of profit planning and control "have wide application in individual business enterprises, governmental
units, charitable organizations, and virtually all group endeavors" because "both business and nonbusiness endeavors must have goals and objectives (36, p. 2)."

In an article in *Fortune Magazine*, Herbert Solow explains Edward Harold Litchfield's proposition that administration is basically the same in all types of organizations. Litchfield was at the same time Chancellor of the University of Pittsburgh and Chairman of the Board of Smith-Corona Marchant.

1. All administrative processes include decision making, programming, communicating, controlling, and reappraising; the process is cyclical in nature, it keeps on repeating.

2. Administration covers policy making, the use of resources (people, money, authority, and materials), and policy execution.

3. The administrative process is part of a larger 'action system,' whose three other 'dimensions' are the performing individual, the total enterprise, and all embracing 'ecology' (environment).

4. Finally, as Litchfield puts it, 'administration is the performance of the administrative process by an individual or a group in the context of an enterprise functioning in its environment (29, p. 124).'

**The Dean as Middle Management**

Traditionally, the dean has been looked upon as the man in the middle--neither faculty nor administration although each considered him a member of the other--through which information and decisions flowed back and forth between the department heads and higher administration.
According to Hoyle, the dean is "executive officer of his division and directly responsible to the vice-president of academic affairs or the president (14, p. 96)." He is responsible for planning, coordinating the instructional program in his division, and administering the budget and personnel under his command. He should present carefully developed goals and targets to the vice-president or president and should evaluate himself.

Although it appears that Hoyle advocates participative management, Hungate lists the functions to be performed by the "chief administrative officer of the several colleges, schools, or divisions (15, p. 86)" as including such things as receiving the budget from higher administration and passing it along to the departments, then keeping track of the budget status of the various departments and facilitating the flow of budget requests and budget decisions between the departments and higher administration.

According to Millett:

In a sense the dean does stand in the middle of the process by which scarce resources are allocated to the instructional parts of a university. The dean is expected to be the spokesman of the faculty to the administration of a university, and at the same time the outpost of the administration in conveying an understanding of general university points of view. The dean reviews the personnel practices of departments. He formulates the budget for his college or school and participates in its administration (21, p. 94).

Millett also points out that the term "college" should be used to indicate arrangements for supervising and
coordinating the instructional programs of a university and that colleges are arrangements for coordinating the activities of departments in the output of graduated students (22, p. 149). In his preface to a collection of papers on the academic deanship in American colleges and universities, Dibden states:

Though he does not carry sole responsibility, the academic dean thus is typically concerned about the goals and methods of education relevant to his college; the recruitment, retention, and elevation of appropriate teacher-scholars; the intellectual, informational, and cultural content and quality of the curriculum--and its effectiveness on and for students and their futures; the general climate of learning on the campus; and the advisable support in facilities and funds for these basic academic ventures of the college (9, p. viii).

The term "academic dean" as used by Dibden refers to the dean of an academic unit rather than the vice-president of academic affairs.

It would appear that Hoyle's, Dibden's, and Millett's deans are ready for the implementation of budgeting as practiced in business; Hungate's deans will require considerable training and reorientation.

Attempts to Transplant Business Practice

According to the literature, there have been a number of attempts to transplant business practice to university campuses. These attempts involve management information systems; planning, programming, budgeting systems; reporting systems; cost accounting systems; and planning models. Some
are tailored to a specific need at a specific campus; others are general enough to be used by a variety of universities. They range from very simple systems, such as the reporting system used by Youngstown State University--the appropriation ledger pages are photocopied and sent to the corresponding department heads monthly (32)--to very complex systems using large computers.

For discussion purposes, the literature will be grouped under three headings: (1) cost accounting, (2) participative management (management by objectives), and (3) other managerial techniques.

Cost accounting.--Cost accounting for schools at various educational levels has been around at least since 1920, when Burgess (4) published a book which gave statistics regarding public school costs for the period 1870 to 1918. In 1925 the Educational Finance Inquiry Commission (11) published a book which gives unit costs for various colleges and universities for the period 1921 to 1925. The techniques for obtaining the unit costs are explained in detail. In 1971, O'Neill (23) published costs per credit hour for higher education for the period 1930 to 1967. One widely used handbook on college and university accounting (27) has a chapter on cost accounting.

Cost accounting for costs of education have taken on an international interest as evidenced by the publication by the International Institute for Educational Planning--a
subdivision of the United Nations--of a three volume work
(16) giving twenty-seven case studies from various countries
regarding costs used in planning educational systems.

Unit cost analysis systems have been developed by such
organizations as the National Center for Higher Education
Management Systems (NCHEMS) in Boulder, Colorado, which has
available a system for distributing capital costs of physical
facilities (35). The New Jersey Community College System has
used NCHEMS to develop program costs to implement a planning,
programming, budgeting system and to develop costs by majors
with direct and indirect costs shown separately (18).

Some of the publications deal with cost accounting for
specific costs (13); others deal with distribution of a
variety of indirect costs (3). Each year in January College
Management publishes statistics regarding total costs and
total revenues and per student figures for two- and four-year
universities of various sizes (10).

Although cost accounting is mentioned frequently in the
literature, the emphasis is on product costing instead of on
cost control. Frequently the purpose of the various pub-
lished works is the determination of the cost per student
for a particular course or degree with an exploration of the
various bases on which indirect costs can be allocated to the
various degrees. Seldom is any mention made regarding the
use of direct versus indirect and fixed versus variable cost
in connection with budgeting and cost control.
Participative management and MBO.--Management by objectives (MBO) requires participative management throughout the organization from the chief executive officer to the lowest administrator. It requires the commitment of top management, clearly stated and consistent objectives at each level of administration, and open communication and feedback (20). According to Lahti, an MBO system requires management development and problem-solving skills, both of which are scarce commodities in educational administration (20). Success of MBO hinges on employee involvement, open communications, establishment of goals by those involved in achieving these goals, risks motivation, evaluation, and reward based on achievement (33). Said is advocating a variation of MBO when he suggests "goal-oriented budgeting" as a means to formulate goals and to allocate resources to missions and to academic units, thus combining the better features of dollar accountability and program budgets (26).

Other managerial techniques.--Several other managerial techniques used in business have been used by various universities. These techniques include planning systems, responsibility accounting, institutional research, systems simulation, self-evaluation, program budgeting, management information systems, break-even analysis, total management systems, marginal costing, and computers.
At the present time most colleges have a department of institutional research to prepare information for use by various administrators to help the administrator make decisions. The size and sophistication of this department will depend on the size of the university and the sophistication of its administrators. Its counterpart in the business world is the special reports section in the accounting department combined with operations research. Institutional research includes all studies that a university makes of itself, including self studies of academic programs (34).

Planning techniques have been given a high priority in the literature. Most stress long-range planning and the conceptual framework of planning. Casasco's book is an example:

1. Identify problems and needs and develop sets of overall goals and specific objectives for institutional development.

2. Formulate alternative courses of action to achieve objectives in short-, mid-, and long-range terms.

3. Evaluate the alternatives in terms of tentative priorities and targets.

4. Select the alternative for best performance within institutional constraints.

5. Formulate programming strategies in order to translate planning decisions into action.

6. Effect the program through the institution's organization and behavior. (Set performance standards.)

7. Evaluate and review the program.

8. Recycle the planning process (5, pp. 6-7).
The planning procedure is often combined with a computer simulation and a management information system. This has been done by Centennial College in Ontario (17) and Texas A & M University (24). Texas A & M University appears to be the only one of the twenty-two schools covered in this study which has participated in a national or regional study concerning higher education administration.

The management information system developed by a university often includes the records of the registrar's office, the records of the university personnel office, and the accounting records. Thus, it is often overly complex. A study (19) of the systems used by the University of Utah, Ohio State University, and the University of Illinois indicates that acceptance by deans and department heads has been a problem, top management is often hostile, and the users of the system and its resulting reports must be educated to its use. The study also noted that there is a communication problem between the users, who often do not know what they need, and the systems analyst, who does not know what to provide. The study concludes that the systems are expensive but save money and improve management.

In summary, the literature of higher education indicates that various universities are using various management techniques singularly or in various combinations. Most of the systems in use are partial systems which were implemented to
solve a particular problem involving a part of the university's operations. However, the systems, as described in the literature, often appear to be incredibly complex with a large computer required for implementation. Whisman (37) points out several problems in using these management tools in universities as:

1. Planning leadership has not been demonstrated.
2. Use of the new tools requires a resource commitment.
3. New tools may be too complex.
4. Unrelated use is made of analytical tools.

Summary

It appears that business practice is applicable to university administration, although the results have been spotty. There has been a shift toward goal-oriented university budgets and away from line-item budgets, although line-item budgets are required by many governmental units. The university organization and the business organization both fit Litchfield's (29) description of administrative processes. The use of computers and information systems has made available more information for decision purposes than was available in the past; but not all colleges have sufficient computer capabilities and many university administrators lack the skills needed to understand and use the flood of data now available to them.

A study by Childers (6) indicates a direct relationship between enrollment size and methods of financial management.
in the state universities in Texas and indicates that practices used successfully by universities of one size might not be useful for smaller or larger universities. Guidelines for self-evaluation of management practices (12) issued by the Coordinating Board, Texas College and University System, imply that business practice is not only compatible with university administration but should be used by universities under the jurisdiction of the Coordinating Board.

None of the studies reviewed indicated how the deans at the state universities in Texas participate in the planning and control process. The questionnaire discussed in Chapter I was used to collect information about deans at twenty-two four-year state universities in Texas. This information was summarized in Chapter III. Chapter IV includes the summary, conclusions, and recommendations.
CHAPTER BIBLIOGRAPHY


CHAPTER III

PRESENTATION AND ANALYSIS OF THE DATA

It is the purpose of this chapter to present and analyze the data received from respondents who returned the questionnaire used in the study. This chapter is divided into three sections: introduction, presentation of the data as it relates to the research questions stated in Chapter I, and presentation of a profile of each of the twenty-two universities.

Introduction

A questionnaire was mailed to the administrators (deans) of 133 degree granting units (colleges) in twenty-two state-supported universities in Texas. A list of the participating universities is included in Chapter I.

Although the questionnaires were mailed to specific deans identified by name and title at specific colleges and were returned with the name and title of the dean and the name of the college corrected as needed, no specific information is associated in this chapter with any specific dean or college.

In order to make the data in this chapter more meaningful, the twenty-two universities were divided into two groups
based on headcount enrollment as reported to the Coordinating Board for the Fall Semester of 1974 with 10,000 students used as the dividing line between "small" universities and "large" universities. There are eleven universities in each classification.

In each of the tables in this chapter, an asterisk to the left of the first figure in a row indicates that the difference between the percentages in that row is not significant. See Appendix M for details.

One hundred and thirty-three deans were included in the study with 102 or 76.7 per cent responding. See Table I. The

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<td>57</td>
<td>133</td>
</tr>
<tr>
<td>Number of usable responses</td>
<td>59</td>
<td>43</td>
<td>102</td>
</tr>
<tr>
<td>Per cent response</td>
<td>*77.6</td>
<td>75.4%</td>
<td>76.7%</td>
</tr>
</tbody>
</table>

large universities (over 10,000 enrollment) included seventy-six deans of whom fifty-nine, or 77.6 per cent, responded, and forty-three, or 75.4 per cent, of the fifty-seven deans at the small universities responded.
Table II gives a profile of the deans who responded. Slightly more than one-fourth of the deans in both the large and small universities had been in their present position less than two years. The deans at the small universities had more longevity in their present positions with 46.5 per cent with tenure of more than five years compared to 37.3 per cent with more than five years at the large universities. About 80 per cent of the deans at the small universities had moved to their present position from head of a department or academic area (48.8 per cent) or from full-time teaching teaching (30.2 per cent). At the large universities, 37.3 per cent had been head of a department or academic area and 18.6 per cent had moved from full-time teaching for a total of approximately 55 per cent. At the large universities 18.6 per cent of the deans as compared to 4.7 per cent at the small universities had served as associate or assistant dean of a college. This difference is probably due to the fact that small universities have few associate and assistant deans. The percentage of deans who moved from a previous deanship to their present position were about the same for both large and small universities, with 10.2 per cent for the large universities and a total of 9.3 per cent for the small universities. A much higher percentage of the deans at the large universities (13.6 per cent) were recruited from industry or the professions than was true of the small universities (4.7 per cent). None
<table>
<thead>
<tr>
<th>TABLE II</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROFILE OF DEANS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tenure as dean of present college</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 years</td>
<td>*28.8%</td>
<td>27.9%</td>
<td>28.4%</td>
</tr>
<tr>
<td>Two through 5 years</td>
<td>33.9</td>
<td>25.6</td>
<td>30.4</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>37.3</td>
<td>46.5</td>
<td>41.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position held immediately before becoming dean</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrator of a department or academic area</td>
<td>37.3%</td>
<td>48.8%</td>
<td>42.2%</td>
</tr>
<tr>
<td>Dean of a college on a different campus</td>
<td>*10.2</td>
<td>6.9</td>
<td>8.8</td>
</tr>
<tr>
<td>Associate or assistant dean of this or some other college</td>
<td>18.6</td>
<td>4.7</td>
<td>12.8</td>
</tr>
<tr>
<td>Full-time teaching faculty</td>
<td>18.6</td>
<td>30.2</td>
<td>23.5</td>
</tr>
<tr>
<td>Position in industry or profession</td>
<td>13.6</td>
<td>4.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Student at another university</td>
<td>1.7</td>
<td>.....</td>
<td>1.0</td>
</tr>
<tr>
<td>Dean of a university</td>
<td>.....</td>
<td>2.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Chief administrator of student affairs</td>
<td>.....</td>
<td>2.3</td>
<td>.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present age</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 or under</td>
<td>.....%</td>
<td>7.1%</td>
<td>3.0%</td>
</tr>
<tr>
<td>36 through 45</td>
<td>*18.6</td>
<td>19.1</td>
<td>18.8</td>
</tr>
<tr>
<td>46 through 55</td>
<td>*45.8</td>
<td>40.5</td>
<td>43.6</td>
</tr>
<tr>
<td>56 through 65</td>
<td>*35.6</td>
<td>33.3</td>
<td>34.6</td>
</tr>
<tr>
<td>66 or older</td>
<td>.....</td>
<td>.....</td>
<td>.....</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Highest degree earned</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelors</td>
<td>.....%</td>
<td>.....%</td>
<td>.....%</td>
</tr>
<tr>
<td>Masters</td>
<td>10.2</td>
<td>4.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Doctorate</td>
<td>89.8</td>
<td>95.3</td>
<td>92.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
of the deans who responded was over sixty-five years old. The percentages of deans in the "36 through 45" age group and the "56 through 65" age group were almost the same for the two groups of universities. However, the small universities had a higher percentage in the "35 and under" group than did the large universities (7.1 per cent compared to none), and the large universities had a higher percentage in the "46 through 55" group than did the small universities (45.8 per cent compared to 40.5 per cent). An earned doctorate was held by 89.8 per cent of the deans at the large universities and 95.3 per cent of the deans at the small universities.

Data as Related to the Research Questions

Chapter I stated two research questions which were broken down into eleven sub-questions.

The First Research Question

The first research question was stated as follows: "How is accounting information used by deans in the allocation of resources to faculty salaries, departmental operating expense, and instructional administration expense?" The data collected in response to this research question is discussed herein as it relates to the sub-questions as stated in Chapter I.

Sub-question la.--To what extent do the dean, the department heads, and the faculty members participate in budget preparation?
The degree to which the dean participates in preparation of the financial plan for faculty salaries, departmental operating expenses, and instructional administration expense for his college is shown in Table III. The deans in large universities exercise a much higher degree of participation in the preparation of the financial plans of their own colleges than do the deans in the small universities.

In regard to faculty salaries, 63.8 per cent of the deans at large universities indicated that they participated
extensively in the financial plan. The comparable percentage for the small universities was 38.1 per cent with over half of the deans in this group indicating that they enjoyed some participation in the planning of faculty salaries. No participation was indicated by 5.2 per cent of the deans at large universities and 4.8 per cent of the deans at small universities.

The percentages of deans participating in the planning for departmental operating expense follow the same general pattern as the percentages of deans participating in the planning for faculty salaries except that a lower percentage (56.9 per cent) of the deans from large universities and a higher percentage (46.5 per cent) of the deans from small universities indicated that they participated extensively. Some participation was exercised by 48.8 per cent of the deans at small universities and by 39.7 per cent of the deans at large universities. Only 3.4 per cent of the deans at large universities and 4.7 per cent at small universities indicated that they had no participation in the planning for departmental operating expense.

Almost one-fifth of both groups of deans (19.3 per cent for large and 19.1 per cent for small universities) indicated that they had no participation in the planning for instructional administration expense, which is the budget for operating the dean's office. At the large universities, 50.9 per cent
indicated extensive participation and 29.8 per cent indicated some participation. The comparable percentages for the small universities are 35.7 per cent and 45.2 per cent, respectively.

The degree to which the heads of departments or academic areas participate in preparation of the financial plan for faculty salaries and departmental operating expense is shown in Table IV. According to Table IV, 55.9 per cent of the deans at large universities indicated that the administrators under their supervision participated extensively in the planning of faculty salaries, 35.6 per cent indicated some participation, and 8.5 per cent no participation. The comparable percentages for the deans of small universities

<table>
<thead>
<tr>
<th>TABLE IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEGREE TO WHICH THE ADMINISTRATORS OF DEPARTMENTS OR ACADEMIC AREAS PARTICIPATE IN PREPARATION OF THE FINANCIAL PLAN FOR THEIR UNITS AS REPORTED BY THEIR DEANS</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Faculty Salaries</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No participation</td>
<td>*8.5%</td>
<td>11.9%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Some participation</td>
<td>35.6</td>
<td>52.4</td>
<td>42.6</td>
</tr>
<tr>
<td>Extensive participation</td>
<td>55.9</td>
<td>35.7</td>
<td>47.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Departmental operating expense</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No participation</td>
<td>3.4%</td>
<td>14.3%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Some participation</td>
<td>*35.6</td>
<td>33.3</td>
<td>34.7</td>
</tr>
<tr>
<td>Extensive participation</td>
<td>61.0</td>
<td>52.4</td>
<td>57.4</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
are 35.7 per cent extensive participation, 52.4 per cent some participation, and 11.9 per cent no participation.

The planning for departmental operating expense by department heads showed a higher percentage of extensive participation for both groups of deans than was shown for planning of faculty salaries. At the large universities, 61.0 per cent of the deans indicated that the administrators under their supervision participated extensively, 35.6 per cent participated some, and 3.4 per cent did not participate. The comparable percentages for the deans at small universities are 52.4 per cent, 33.3 per cent, and 14.3 per cent, respectively.

The degree to which the faculty, other than administrators of departments or academic areas, participate in preparation of the financial plan for faculty salaries and departmental operating expense is displayed in Table V. Over one-half of the deans (60.4 per cent at the large universities and 57.1 per cent at the small) indicated that their faculty had no participation. Only 8.6 per cent of the deans at the large universities and 4.8 per cent at the small universities indicated that their faculties had extensive participation in planning faculty salaries and departmental operating expense.
TABLE V

DEGREE TO WHICH THE FACULTY, OTHER THAN ADMINISTRATORS
OF DEPARTMENTS OR ACADEMIC AREAS, PARTICIPATE IN
PREPARATION OF THE FINANCIAL PLAN FOR FACULTY
SALARIES AND DEPARTMENTAL OPERATING EXPENSE
AS REPORTED BY THEIR DEANS

<table>
<thead>
<tr>
<th>Participation</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No participation</td>
<td>*31.0%</td>
<td>38.1%</td>
<td>34.0%</td>
</tr>
<tr>
<td>Some participation</td>
<td>*60.4</td>
<td>57.1</td>
<td>59.0</td>
</tr>
<tr>
<td>Extensive participation</td>
<td>*8.6</td>
<td>4.8</td>
<td>7.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Table VI indicates in general terms the relationship between deans and higher administration in regard to the financial planning process. This table indicates that the deans of the large universities have a great deal more autonomy in financial planning for their own colleges than do their counterparts at the small universities. At the large universities 27.1 per cent of the deans indicated that they are permitted to allocate a predetermined sum set by higher administration and 11.9 per cent indicated that they were permitted to develop the percentage by which this year's financial plan would be increased to determine next year's financial plan. This is a total of 39.0 per cent. The comparable percentages for the small universities is 12.2 per cent for self-determined allocation and 14.6 per cent
### TABLE VI

**PERCENTAGE OF DEANS SHOWING DEGREE OF PLANNING AUTONOMY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Get a total dollar amount from higher administration which the dean can allocate as he desires</td>
<td>27.1%</td>
<td>12.2%</td>
<td>21.0%</td>
</tr>
<tr>
<td>Get specific amounts designated by higher administration for each department or academic area</td>
<td>16.9%</td>
<td>31.7%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Determine which programs are desirable and prepare a financial plan to support these programs (zero-based budgeting)</td>
<td>*6.8%</td>
<td>4.9%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Prepare next year's financial plan by adjusting the current financial plan by a certain percentage developed by the dean</td>
<td>*11.9%</td>
<td>14.6%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Prepare next year's financial plan by adjusting the current financial plan by a certain percentage specified by higher administration</td>
<td>11.9%</td>
<td>26.8%</td>
<td>18.0%</td>
</tr>
<tr>
<td>Other</td>
<td>25.4%</td>
<td>9.8%</td>
<td>19.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

for a self-determined percentage of increase, or a total of 26.8 per cent of the deans. On the other hand, the deans at the small universities indicate that 31.7 per cent get specific amounts designated by higher administration for each department or academic area and 26.8 per cent prepare next
year's financial plan by adjusting the current financial plan by a percentage specified by higher administration. This totals 58.5 per cent of the deans at the small universities who have their budgets determined by higher administration. The comparable percentages for the large universities are 16.9 per cent and 11.9 per cent for a total of 28.8 per cent. Only 6.8 per cent of the deans at large universities and 4.9 per cent at small universities indicated that they use "zero-based" budgeting. However, one dean indicated that his university plans to switch to zero-based budgeting next year and another dean indicated that his university claimed to be using zero-based budgeting but continued to adjust the current budget by a percentage to determine next year's budget. An analysis of the "Other" category in Table VI determined that the 25.4 per cent and 9.8 per cent consisted of several deans who used methods which were combinations of the several listed methods and one large university and one small university at which the deans determine what changes are desirable then go to higher administration and to the council of deans to negotiate and compete with the other deans for the amounts needed.

Sub-question 1b.--Is the budget all-inclusive and consistent with goals and objectives?

Table VII shows the percentage of deans who are operating under written broad objectives and specific goals and the
percentage of deans who feel that their current financial plan is consistent with such written objectives and goals. Of the deans who responded to the questionnaire, 61.0 per

TABLE VII
PERCENTAGE OF COLLEGES HAVING LONG-RANGE GOALS CONSISTENT WITH CURRENT FINANCIAL PLAN

<table>
<thead>
<tr>
<th>Have long-range (3-5 years) broad objectives and more specific goals been stated in writing for your college?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>61.0%</td>
<td>53.5%</td>
<td>57.8%</td>
</tr>
<tr>
<td>No</td>
<td>39.0</td>
<td>46.5</td>
<td>42.2</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Is your current annual financial plan consistent with these stated long-range objectives and specific goals?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>80.6%</td>
<td>65.2%</td>
<td>74.6%</td>
</tr>
<tr>
<td>No</td>
<td>19.4</td>
<td>34.8</td>
<td>25.4</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

cent of the deans at large universities and 53.5 per cent of the deans at small universities incidated that broad objectives and more specific goals had been stated in writing for their college. Of the deans who reported written goals and objectives, 80.6 per cent at the large universities and 65.2 per cent at the small universities felt that their current annual financial plan is consistent with these stated long-range objectives and specific goals. Several deans in both
groups indicated that written goals and objectives did not exist at present, but were in the process of formulation.

Table VIII indicates the amount of detail included in the annual financial plans. At the large universities, 89.3 per cent of the deans are operating under financial plans which show annual or academic year amounts only with no breakdown by shorter periods, 8.9 per cent have financial plans which show planned amounts by semesters, and 1.8 per cent have monthly financial plans. At the small universities monthly financial plans are non-existent at the dean's level, 7.0 per cent of the deans have semester financial plans, and 93.0 per cent are operating under annual or academic year financial plans.

### Table VIII

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts planned for each month</td>
<td>1.8%</td>
<td>....%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Amounts planned for each semester or quarter or term</td>
<td>*8.9</td>
<td>7.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Amounts for the academic year or fiscal year only with no breakdown by months, semesters, quarters, or terms</td>
<td>*89.3</td>
<td>93.0</td>
<td>90.9</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Sub-question lc.--How flexible is the budget in response to enrollment changes?

Table IX shows the effect of enrollment changes on departmental operating expense and instructional administration expense. Approximately 70 per cent of the deans at both groups of universities felt that these two expenses could be changed at mid-year but that such a change would involve a great deal of difficulty. At the large universities, 15.5 per cent of

| TABLE IX |
| --- | --- | --- |
| **EFFECT OF ENROLLMENT CHANGES ON CERTAIN EXPENSES** |

<table>
<thead>
<tr>
<th>Can departmental operating expense be increased or decreased in total for your college at mid-year if circumstances change rapidly and drastically?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>*15.5%</td>
<td>19.5%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Yes, but with difficulty</td>
<td>*70.7%</td>
<td>73.2%</td>
<td>71.7%</td>
</tr>
<tr>
<td>No</td>
<td>13.8%</td>
<td>7.3%</td>
<td>11.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Can instructional administration expense be increased or decreased in total for your college at mid-year if circumstances change rapidly and drastically?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>*14.3%</td>
<td>17.1%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Yes, but with difficulty</td>
<td>*71.4%</td>
<td>73.2%</td>
<td>72.2%</td>
</tr>
<tr>
<td>No</td>
<td>*14.3%</td>
<td>9.7%</td>
<td>12.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

the deans indicated that departmental operating expense could be changed at mid-year but that such a change would involve
a great deal of difficulty. At the large universities, 15.5 per cent of the deans indicated that departmental operating expense could be changed, 70.7 per cent that it could be changed with difficulty, and 13.8 per cent that it could not be changed at mid-year. The comparable percentages for the deans at the small universities are 19.5 per cent, 73.2 per cent, and 7.3 per cent.

At the large universities, 14.3 per cent of the deans indicated that instructional administration expense could be changed, 71.4 per cent that it should be changed with difficulty, and 14.3 per cent that it could not be changed at mid-year. The comparable percentages for the deans at the small universities are 17.1 per cent, 73.2 per cent, and 9.7 per cent.

Sub-question 1d.—What help does the dean have available to assist him in budget preparation?

Help, as covered by this sub-question, included technical personnel, planning committees, special information, conferences, special studies, and manuals. Several tables show the percentages of deans who have available, and use, various aids.

One important source of help for deans in regard to financial matters is the chief financial officer and his staff. Table X shows the deans' attitudes in regard to the availability of the chief financial officer and his staff.
TABLE X
PERCENTAGES OF DEANS WITH VARIOUS ATTITUDES
CONCERNING AVAILABILITY OF THE CHIEF
FINANCIAL OFFICER OR SOMEONE ON
HIS STAFF IF ASSISTANCE IS
NEEDED IN PREPARATION
OF THE FINANCIAL PLAN

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available willingly and quickly</td>
<td>*64.4%</td>
<td>66.7%</td>
<td>65.3%</td>
</tr>
<tr>
<td>Says he is available, but is too busy when called</td>
<td>....</td>
<td>11.9</td>
<td>4.9</td>
</tr>
<tr>
<td>Not available</td>
<td>1.7</td>
<td>7.1</td>
<td>4.0</td>
</tr>
<tr>
<td>Dean's instructions require him to contact someone other than the chief financial officer if assistance is needed</td>
<td>23.7</td>
<td>14.3</td>
<td>19.8</td>
</tr>
<tr>
<td>Not needed in financial planning</td>
<td>6.8</td>
<td>....</td>
<td>4.0</td>
</tr>
<tr>
<td>Have not called him</td>
<td>3.4</td>
<td>....</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Approximately two-thirds of the deans in both groups (64.4 per cent at large universities and 66.7 per cent at small universities) felt that the chief financial officer or someone on his staff was available willingly and quickly. An additional 11.9 per cent of the deans at the small universities felt that the chief financial officer or someone on his staff was available, but too busy when needed. Only 1.7 per cent of the deans at the large universities and 7.1 per cent at the small universities considered the chief financial officer and his staff not available. At the large universities, 23.7 per cent and, at the small universities, 14.3 per cent of the
deans consulted someone other than the chief financial officer regarding questions about the financial plan. The person consulted, where it was indicated on the questionnaire, was usually the vice-president of academic affairs. Among the deans at the large universities, 3.4 per cent had not had occasion to call the finance officer or his department, therefore do not know whether or not he is available, and 6.8 per cent felt that they did not need the finance officer's aid in financial planning either because they know how to prepare their financial plan or because they do not prepare a financial plan.

The deans at the large universities often have assistant or associate deans to help with financial planning. Table XI shows that at the large universities 13.6 per cent of the deans consider the financial planning function the responsibility of an associate dean (10.2 per cent) or an assistant dean (3.4 per cent). The deans at small universities have not assigned the responsibility to assistant or associate deans, but 95.2 per cent are carrying the load themselves as compared to 81.3 per cent of the deans at large universities. The 5.1 per cent of the deans at large universities and 4.8 per cent of the deans at small universities shown in the "other person" category indicated that the planning function is the responsibility of the department head, the vice-president of academic affairs, or the two working together.
TABLE XI
RESPONSIBILITY FOR FINANCIAL PLANNING AND NATURE OF RESPONSIBILITY

<table>
<thead>
<tr>
<th>The financial planning function is the responsibility of:</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>The dean personally</td>
<td>81.3%</td>
<td>95.2%</td>
<td>87.1%</td>
</tr>
<tr>
<td>An associate dean</td>
<td>10.2</td>
<td>....</td>
<td>5.9</td>
</tr>
<tr>
<td>An assistant dean</td>
<td>3.4</td>
<td>....</td>
<td>2.0</td>
</tr>
<tr>
<td>Other person</td>
<td>* 5.1</td>
<td>4.8</td>
<td>5.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The responsibility for the financial planning function consists of:</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical only</td>
<td>* 4.1%</td>
<td>2.6%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Development only (preparation)</td>
<td>*20.4</td>
<td>26.3</td>
<td>23.0</td>
</tr>
<tr>
<td>Control only (follow-up)</td>
<td>2.0</td>
<td>7.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Some combination of development and control</td>
<td>73.5</td>
<td>63.2</td>
<td>69.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

According to 73.5 per cent of the deans at large universities and 63.2 per cent of the deans at small universities, this responsibility consisted of both development and control. At the large universities, 20.4 per cent of the deans indicated that the responsibility consists of development only, 2.0 per cent control only, and 4.1 per cent clerical work only. The percentages for the deans at the small universities are 26.3 per cent development only, 7.9 per cent control only, and 2.6 per cent clerical only.
A few of the deans use a budget committee. Table XII shows that at the large universities, 17.0 per cent of the deans used some type of budget committee but 83.0 per cent did not.

| TABLE XII |
| PERCENTAGE OF DEANS USING VARIOUS TYPES OF BUDGET COMMITTEES AND ORIGIN THEREOF |

<table>
<thead>
<tr>
<th>Do you use a &quot;budget&quot; committee composed of faculty members?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, a committee which is consultative only</td>
<td>* 6.8%</td>
<td>9.3%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Yes, a committee which actually prepares the budget for my approval</td>
<td>6.8</td>
<td>2.3</td>
<td>4.9</td>
</tr>
<tr>
<td>Yes, a committee which approves the budget after it is prepared by someone else</td>
<td>1.7</td>
<td>....</td>
<td>1.0</td>
</tr>
<tr>
<td>Yes, department heads</td>
<td>*1.7</td>
<td>2.3</td>
<td>2.0</td>
</tr>
<tr>
<td>No</td>
<td>*83.0</td>
<td>86.1</td>
<td>84.3</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Origin of the &quot;budget&quot; committee, if one is used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointed by the dean</td>
</tr>
<tr>
<td>Elected by the faculty</td>
</tr>
<tr>
<td>Department heads</td>
</tr>
<tr>
<td>Senior faculty or chosen in department</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Many comments on the questionnaires pointed out that the particular college does not have a budget committee but each
department within the college has its own budget committee consisting of senior faculty members and/or elected faculty. Of the deans who indicated that their college has a budget committee, two-thirds of the deans at the small universities indicated that the committee is appointed by the dean, one-sixth consisted of the department heads, and one-sixth consisted of senior faculty members or were chosen by the department head or faculty within a department. At the large universities, 30.0 per cent of the deans indicated that the budget committee is appointed by the dean, 10.0 per cent elected by the faculty, 10.0 per cent of the committees consist of the department heads, and 50.0 per cent of the committees consist of senior faculty and/or faculty members chosen by the department head or faculty within a department.

Historical cost data is usually available in any accounting system, but information as to how this data relates to the output of a specific program is frequently not available. Table XIII shows that 67.8 per cent of the deans at the large universities have available cost data which indicates the cost per student for programs and courses and that 82.5 per cent of the deans with this data available use it in planning new programs and courses and in developing financial plans. Of this group of deans, 28.8 per cent do not have this cost data available and 3.4 per cent do not know whether or not it is available. Only 48.8 per cent of the deans at the small
TABLE XIII
PERCENTAGE OF DEANS USING HISTORICAL COST PER STUDENT

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are historical cost data available which indicate the cost per student for programs and courses?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>67.8%</td>
<td>48.8%</td>
<td>59.8%</td>
</tr>
<tr>
<td>No</td>
<td>*28.8</td>
<td>32.6</td>
<td>30.4</td>
</tr>
<tr>
<td>Don't know</td>
<td>3.4</td>
<td>18.6</td>
<td>9.8</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Do you use the above historical cost data in planning new programs and courses and in developing a financial plan to support them:

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>82.5%</td>
<td>95.2%</td>
<td>86.9%</td>
</tr>
<tr>
<td>No</td>
<td>17.5</td>
<td>4.8</td>
<td>13.1</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

universities have this data available, but 95.2 per cent of those having it available indicate that they use it in planning new programs and courses. At the small universities, 32.6 per cent of the deans indicate that they do not receive this data and 18.6 per cent (as compared to 3.4 per cent at the large universities) do not know whether or not the data is available.

In regard to the use of forecasts of non-financial information, 71.9 per cent of the deans at large universities and 70.7 per cent of the deans at small universities indicated
that they use such information in the development of financial plans for faculty salaries, departmental operating expense, and instructional administration expense. See Table XIV.

The respondents were asked to list the types of non-financial information used. Besides forecasts of enrollment, various deans listed curriculum changes, faculty changes, number of majors, semester credit hours generated, university goals regarding salaries, transfer applications, new programs, student/faculty ratio, full-time student equivalent, average class size, research activities, subjective judgement, guesses at what the Legislature will do, job market trends, curriculum mix, and new space allocation.

During the past five years, studies have been conducted at 56.1 per cent of the colleges at the large universities and 57.1 per cent of the colleges at the small universities to evaluate the effectiveness of programs and courses in

TABLE XIV

PERCENTAGE OF DEANS USING FORECASTS OF ENROLLMENT AND OTHER NON-FINANCIAL INFORMATION IN THE DEVELOPMENT OF FINANCIAL PLANS

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Do use</strong></td>
<td>71.9%</td>
<td>70.7%</td>
<td>71.4%</td>
</tr>
<tr>
<td><strong>Do not use</strong></td>
<td>28.1%</td>
<td>29.3%</td>
<td>28.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
preparing students for graduate schools, professions, and industry. See Table XV. Respondents who indicated that such studies had been carried out were asked to explain how "effectiveness" was measured. The answers to this question

TABLE XV

PERCENTAGE OF COLLEGES AT WHICH STUDIES HAVE BEEN CONDUCTED DURING THE PAST FIVE YEARS TO EVALUATE THE EFFECTIVENESS OF PROGRAMS AND COURSES

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducted studies</td>
<td>*56.1%</td>
<td>57.1%</td>
<td>56.6%</td>
</tr>
<tr>
<td>No studies conducted</td>
<td>*43.9</td>
<td>42.9</td>
<td>43.4</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

were not particularly illuminating. Many deans mentioned accreditation reviews and self-studies for such organizations as the Southern Association. Other measures of a more useful nature were subsequent success of graduates in other programs and in employment as measured by subsequent degrees, scores on professional exams, salary, and position as indicated by job title.

Communication between levels of administration are important to financial planning and can be accomplished through the issuance of a budget manual or some form of written instructions and through a meeting or series of
meetings at which policies, objectives, goals, programs and/or techniques are discussed. Table XVI indicates that 76.2 per cent of the deans at small universities and 64.4 per cent of deans at large universities received a manual or set of instructions regarding the policies, timetable, and forms to be used in preparation of the financial plan. Of the deans at the large universities who received such manual or written instructions, 52.6 per cent indicated that it was

| TABLE XVI |

PERCENTAGE OF DEANS WHO RECEIVED A MANUAL OR SET OF INSTRUCTIONS REGARDING THE POLICIES, TIMETABLE, AND FORMS TO BE USED IN PREPARING THE FINANCIAL PLAN

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received</td>
<td>64.4%</td>
<td>76.2%</td>
<td>69.3%</td>
</tr>
<tr>
<td>Not received</td>
<td>35.6</td>
<td>23.8</td>
<td>30.7</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From whom received:
- Vice-President, Finance; Business Manager; or Controller
- Vice-President, Academic Affairs
- Vice-President, Fiscal and Vice-President, Academic President
- Not indicated

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice-President, Finance; Business Manager; or Controller</td>
<td>52.6%</td>
<td>68.8%</td>
<td>60.0%</td>
</tr>
<tr>
<td>Vice-President, Academic Affairs</td>
<td>*21.1</td>
<td>12.5</td>
<td>17.1</td>
</tr>
<tr>
<td>Vice-President, Fiscal and Vice-President, Academic President</td>
<td>* 2.6</td>
<td>3.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Not indicated</td>
<td>*15.8</td>
<td>15.6</td>
<td>15.7</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
received from the vice-president of finance, business manager, or controller, 21.1 per cent from the vice-president of academic affairs, 7.9 per cent from the president, and 2.6 per cent from the vice-president of fiscal and vice-president of academic affairs. Among the deans at the small universities who received such manual or written instructions, 68.8 per cent received it from the vice-president of finance, business manager, or controller, 12.5 per cent received it from the vice-president of academic affairs, and 3.1 per cent received it from the vice-president of fiscal and vice-president of academic affairs. The source of the document was not indicated by 15.8 per cent of the deans at the large universities and 15.6 per cent of the deans at the small universities.

At most universities the chief financial officer and/or the chief academic officer held one or more meetings with the deans to discuss policies, objectives, goals, programs, and/or techniques to be considered in the current financial plan. Table XVII shows that 70.7 per cent of the deans at the small universities and 67.8 per cent of the deans at the large universities were involved in such meetings. That these meetings were very helpful was indicated by 55.3 per cent of the deans at large universities and 51.7 per cent of the deans at small universities. Another 42.1 per cent of the deans at the large universities and 44.8 per cent at the small universities indicated that they felt that these meetings were
somewhat helpful. Only 2.6 per cent at the large universities and 3.5 per cent at the small universities felt that these meetings were not worth the time involved.

**TABLE XVII**

PERCENTAGE OF DEANS PARTICIPATING IN PLANNING MEETINGS AND THEIR REACTION THERETO

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participated</td>
<td>*67.8%</td>
<td>70.7%</td>
<td>69.0%</td>
</tr>
<tr>
<td>Did not participate</td>
<td>*32.2%</td>
<td>29.3%</td>
<td>31.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Participating deans considered the meetings:
- Very helpful: *55.3% 51.7% 53.7%
- Somewhat helpful: *42.1% 44.8% 43.3%
- Helpful but not worth the time involved: *2.6% 3.5% 3.0%

Total 100.0% 100.0% 100.0%

Sub-question le.--What, in the dean's opinion, would improve the budgeting procedure?

Each dean was asked to respond to the question: "In your opinion, what changes should be made in the financial planning procedure followed at your university?" The responses received are included in Appendix J. The primary thrust of the responses can be summed up in one word: decentralization. The deans at both the large and small universities expressed
the desire to make more resource allocation decisions at the dean's or department head's level in order to optimize resource usage. Both groups of deans are asking for decentralization of financial planning with more faculty participation, but the comments received from the deans of the large universities are much more emphatic than the comments from the deans of the small universities. There is also frequent mention among both groups of deans, but particularly among the deans of the large universities, of allocation of funds to colleges in proportion to the amounts generated by colleges based on the state formula. At least one large university is presently allocating funds to colleges and departments on the amounts generated by applying the state formulas to credit hours generated by the unit. Another frequent comment relates to the short time interval between the beginning of the budget cycle, often the end of the legislative session, and the beginning of the budget year, which often results in a last minute rush to acquire additional faculty and staff, to drop programs, to implement new programs and make other last minute changes. Program oriented budgets are also mentioned frequently.

The Second Research Question

The second research question was stated as follows: "How is accounting information used by deans in the control of performance?" The data collected in response to this research
question is discussed herein as it relates to the sub-questions as stated in Chapter I.

Sub-question 2a.--Does the dean receive financial reports, and are the reports timely?

According to Table XVIII, a substantially higher percentage of the deans at the small universities receive financial reports on a regular basis than do the deans at the large

| TABLE XVIII |
| PERCENTAGE OF DEANS WHO RECEIVE FINANCIAL REPORTS AT VARIOUS FREQUENCIES AND LENGTH OF RELATED TIME LAG |

<table>
<thead>
<tr>
<th>Frequency of receipt</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>More often than monthly</td>
<td>*1.7%</td>
<td>2.4%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Monthly</td>
<td>75.9</td>
<td>83.3</td>
<td>79.0</td>
</tr>
<tr>
<td>Quarterly</td>
<td>*1.7</td>
<td>*2.4</td>
<td>*2.0</td>
</tr>
<tr>
<td>Each semester</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Semi-annually and/or annually</td>
<td>*3.5</td>
<td>4.7</td>
<td>4.0</td>
</tr>
<tr>
<td>At no regular interval (from time to time)</td>
<td>*6.9</td>
<td>4.8</td>
<td>6.0</td>
</tr>
<tr>
<td>No financial reports are received</td>
<td>10.3</td>
<td>2.4</td>
<td>7.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Usual time elapsed between the end of the reported period and receipt of the related financial reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 11 days</td>
</tr>
<tr>
<td>Eleven through 20 days</td>
</tr>
<tr>
<td>More than 20 days</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>
universities. At the small universities, 2.4 per cent of the deans receive financial reports more often than monthly, 83.3 per cent receive them monthly, 2.4 per cent receive them each semester, and 4.7 per cent receive them semi-annually and/or annually, for a total of 92.8 per cent who receive financial reports on a regular basis. At the large universities, 1.7 per cent of the deans receive financial reports more often than monthly, 75.9 per cent monthly, 1.7 per cent each semester, and 3.5 per cent on a semi-annual and/or annual basis, for a total of 82.8 per cent who receive financial reports on a regular basis. Table XVIII shows that 6.9 per cent of the deans at large universities and 4.8 per cent of the deans at small universities receive financial reports at irregular intervals and 10.3 per cent at the large universities and 2.4 per cent at the small universities receive no financial reports.

Although a higher percentage of deans at the small universities receive financial reports, such reports are received less promptly than they are at the large universities. At the large universities (see Table XVIII), 48.0 per cent of the deans received the financial reports less than eleven days after the end of the reported period, 32.0 per cent received them in eleven through twenty days, and 20.0 per cent received the reports more than twenty days after the end of the reported period. At the small universities, 42.5 per cent received the reports in less than eleven days, 32.5
per cent in eleven to twenty days, and 25.0 per cent received the reports more than twenty days after the end of the reported period.

Most of the reports received by the deans are on the encumbrance basis. According to Table XIX, 82.7 per cent of the deans at the large universities and 90.2 per cent of the deans at the small universities believe that the financial reports received by them include both actual expenditures and commitments.

TABLE XIX

PERCENTAGE OF FINANCIAL REPORTS WHICH INCLUDE BOTH ACTUAL EXPENDITURES AND COMMITMENTS AS REPORTED BY DEANS

<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include both</td>
<td>82.7%</td>
<td>90.2%</td>
<td>86.0%</td>
</tr>
<tr>
<td>Do not include both</td>
<td>17.3</td>
<td>9.8</td>
<td>14.0</td>
</tr>
<tr>
<td>Dean does not know</td>
<td>....</td>
<td>....</td>
<td>....</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Sub-question 2b.—How do the reports help the dean control and evaluate performance?

It appears that the deans at the small universities find the financial reports more useful than do the deans at the large universities. Table XX shows the degree to which...
### TABLE XX

**DEGREE TO WHICH FINANCIAL REPORTS HELP IN PLANNING, MEASURING PERFORMANCE, AND ASSESSING NEED FOR CORRECTIVE ACTION**

<table>
<thead>
<tr>
<th>Do the financial reports assist you in formulating policy and plans for your college?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are of considerable help</td>
<td>*38.5%</td>
<td>46.1%</td>
<td>41.7%</td>
</tr>
<tr>
<td>Are of some help</td>
<td>40.5</td>
<td>30.8</td>
<td>36.3</td>
</tr>
<tr>
<td>Are of little or no help</td>
<td>*21.0%</td>
<td>23.1%</td>
<td>22.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Do the financial reports enable you to determine whether your college has attained satisfactory performance?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>*18.0%</td>
<td>25.0%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Some help</td>
<td>*42.0%</td>
<td>42.5%</td>
<td>42.2%</td>
</tr>
<tr>
<td>Little or no help</td>
<td>*40.0%</td>
<td>32.5%</td>
<td>36.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Do the financial reports help you to identify situations that require corrective action?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>82.7%</td>
<td>94.9%</td>
<td>87.9%</td>
</tr>
<tr>
<td>No</td>
<td>17.3%</td>
<td>5.1%</td>
<td>12.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The deans believe the financial reports help them in planning, measuring performance, and assessing need for corrective action. At the large universities, 38.5 per cent of the deans indicated that the financial reports are of considerable help, 40.5 per cent of some help, and 21.0 per cent of little or no help in formulating policy and plans for
their colleges. The comparable percentages for the deans of the small universities are 46.1 per cent considerable help, 30.8 per cent of some help, and 23.1 per cent little or no help.

Table XX also shows that 25.0 per cent of the deans at the small universities as compared to 18.0 per cent at the large universities considered the financial reports helpful in determining whether their college had attained satisfactory performance. At the small universities, 42.5 per cent considered the reports of some help as did 42.0 per cent at the large universities. Forty per cent of the deans at the large universities and 32.5 per cent of the deans at the small universities considered the reports of little or no help in measuring satisfactory performance.

In identifying situations that require corrective action, 82.7 per cent of the deans at large universities and 94.9 per cent at small universities considered the reports helpful.

Sub-question 2c.--Do the reports show comparative information with significant variances highlighted?

Data concerning the percentage of deans who receive reports showing comparative data and highlighted variances is shown in Table XXI.

Seventy per cent of the deans at small universities and 49.1 per cent of the deans at large universities receive financial reports which compare actual amounts with planned
TABLE XXI
PERCENTAGES OF DEANS WHO RECEIVE REPORTS SHOWING COMPARATIVE DATA AND HIGHLIGHTED VARIANCES

<table>
<thead>
<tr>
<th>Do the financial reports compare actual amounts with planned or estimated amounts?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>49.1%</td>
<td>70.0%</td>
<td>58.1%</td>
</tr>
<tr>
<td>No</td>
<td>50.9</td>
<td>30.0</td>
<td>41.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Do the financial reports highlight significant variances from financial plans?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>39.6%</td>
<td>55.3%</td>
<td>46.2%</td>
</tr>
<tr>
<td>No</td>
<td>60.4</td>
<td>44.7</td>
<td>53.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Does each financial report identify kinds of corrective action required rather than only raising further questions?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>*11.3%</td>
<td>7.5%</td>
<td>9.7%</td>
</tr>
<tr>
<td>No</td>
<td>*88.7</td>
<td>92.5</td>
<td>90.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Do the financial reports analyze your costs and compare them with costs of other departments, schools, colleges, or institutions?</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>*17.0%</td>
<td>14.6%</td>
<td>15.9%</td>
</tr>
<tr>
<td>No</td>
<td>*83.0</td>
<td>82.9</td>
<td>83.0</td>
</tr>
<tr>
<td>I don't know</td>
<td>....</td>
<td>2.5</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

or estimated amounts. Significant variances from financial plans are highlighted on the reports received by 55.3 per cent of the deans at the small universities and 39.6 per cent
of the deans at the large universities. The kind of corrective action required was not identified on the reports received by 92.5 per cent of the deans at the small universities and 88.7 per cent of the deans at the large universities. The financial reports received by 82.9 per cent of the deans at the small universities and 83.0 per cent of the deans at the large universities received reports which did not analyze the college and departmental costs and compare them with costs of other departments, schools, colleges, or institutions. This type of analysis and comparison did appear on the reports received by 14.6 per cent of the deans at the small universities and 17.0 per cent of the deans at the large universities. The other 2.5 per cent of the deans at the small universities indicated that they did not know whether or not their reports included this type of analysis and comparison.

Sub-question 2d.—What non-financial information, if any, is included in the reports?

According to Table XXII, 79.1 per cent of the deans at small universities and 59.3 per cent of the deans at large universities received reports which showed no non-financial information. Of the reports received by the deans at large universities, in addition to the ones on which non-financial information was absent, 11.9 per cent showed cost per student enrolled, 11.9 per cent showed cost per full-time equivalent student, 18.6 per cent showed cost per semester hour or
<table>
<thead>
<tr>
<th></th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do the financial reports include</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the following amounts?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost per student enrolled</td>
<td>11.9%</td>
<td>.....%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Cost per full-time equivalent student</td>
<td>11.9</td>
<td>4.7</td>
<td>8.8</td>
</tr>
<tr>
<td>Cost per semester hour or quarter</td>
<td>18.6</td>
<td>9.3</td>
<td>14.7</td>
</tr>
<tr>
<td>hour</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not included but can be derived</td>
<td>3.4</td>
<td>.....</td>
<td>2.0</td>
</tr>
<tr>
<td>Full-time equivalent faculty</td>
<td>1.7</td>
<td>.....</td>
<td>2.0</td>
</tr>
<tr>
<td>Income and salary for each</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>faculty member</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td>59.3</td>
<td>79.1</td>
<td>67.6</td>
</tr>
</tbody>
</table>

**Do the financial reports compare the above amounts with the corresponding planned amounts?**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*42.9%</td>
<td>40.0%</td>
<td>42.1%</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*57.1</td>
<td>60.0</td>
<td>57.9</td>
</tr>
</tbody>
</table>

**Total adds to more than 100.0% because of multiple checking.**

quarter hour, 1.7 per cent showed full-time equivalent faculty, 1.7 per cent showed income and salary for each faculty member, and 3.4 per cent showed information from which cost per student, cost per equivalent student, and cost per semester hour can be derived. The comparative percentages for deans at small universities are 4.7 per cent showing cost per full-time equivalent student, 9.3 per cent showing cost per
semester hour or quarter hour, and 2.3 per cent showing income
and salary for each faculty member.

Table XXII also indicates that of the financial reports
which included non-financial information, 42.9 per cent of
those received by deans of large universities and 40.0 per
cent of those received by deans of small universities com-
pared such non-financial information with the corresponding
planned amounts.

Sub-question 2e.--Are the academic dean and the chief
financial officer involved in the control process?

The financial reports are received in the faculty mail
by 97.4 per cent of the deans at the small universities and
90.4 per cent of the deans at the large universities (Table
XXIII). The remaining 2.6 per cent and 9.6 per cent of the
deans receive the reports by personal delivery or other means.

| TABLE XXIII |
| PERCENTAGE OF DEANS WHO RECEIVE THE FINANCIAL REPORTS BY MAIL, AT MEETINGS, OR BY OTHER MEANS |

<table>
<thead>
<tr>
<th>In the faculty mail</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At a regular meeting of administrators</td>
<td>90.4%</td>
<td>97.4%</td>
<td>93.4%</td>
</tr>
<tr>
<td>By other means (personal delivery)</td>
<td>9.6</td>
<td>2.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
None of the deans indicated that the financial reports were received at a regular meeting of administrators.

Should he have a question concerning the financial reports, over three-fourths (84.0 per cent at large universities and 77.5 per cent at small universities) of the responding deans believe that the chief financial officer is available willingly and quickly. (See Table XXIV.) According to 10.0 per cent of the deans at small universities, the chief financial officer says he is available but is too busy

| TABLE XXIV |
| Percentage of Deans with Various Attitudes Concerning Availability of the Chief Financial Officer or Someone on His Staff if the Dean Has Questions Concerning the Financial Reports |

<table>
<thead>
<tr>
<th>Availability of Chief Financial Officer</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available willingly and quickly</td>
<td>84.0%</td>
<td>77.5%</td>
<td>81.1%</td>
</tr>
<tr>
<td>Says he is available but is too busy when called</td>
<td>....</td>
<td>10.0</td>
<td>4.5</td>
</tr>
<tr>
<td>Available, but dean does not understand his explanations</td>
<td>2.0</td>
<td>....</td>
<td>1.1</td>
</tr>
<tr>
<td>Not available</td>
<td>....</td>
<td>....</td>
<td>....</td>
</tr>
<tr>
<td>Dean is required to contact someone other than the chief financial officer if he has questions</td>
<td>*14.0</td>
<td>12.5</td>
<td>13.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

when called. Two per cent of the deans at large universities indicated that he is available but his explanations were not
understood by the dean. The dean is required to contact someone other than the chief financial officer to answer questions concerning the financial reports according to 12.5 per cent of the deans at small universities and 14.0 per cent of the deans at large universities.

Most of the deans at small universities (67.5 per cent) report to the vice-president of finance or to the business manager in regard to financial matters, while most of the deans at large universities (59.6 per cent) report to the vice-president of academic affairs. See Table XXV. At the large universities, 14.9 per cent of the deans report to the vice-president of finance or the business manager, 12.8 per cent report to the vice-president of academic affairs and vice-president of fiscal affairs, 6.4 per cent report to the president, 2.1 per cent report to the provost, 2.1 per cent report to the dean, college of professional schools, and 2.1 per cent claim they don't know to whom they report in regard to financial matters. At the small universities, 27.5 per cent report to the vice-president of academic affairs and the remaining report to the vice-president of academic affairs and the vice-president of fiscal affairs.

Table XXV indicates that the person to whom a dean reports in regard to financial matters is much more likely to discuss the financial reports with the dean before a problem arises if the dean is at a small university than if he is at a large
### TABLE XXV
PERCENTAGE OF DEANS REPORTING TO VARIOUS ADMINISTRATORS IN REGARD TO FINANCIAL MATTERS AND FREQUENCY OF FOLLOW-UP DISCUSSIONS

<table>
<thead>
<tr>
<th>Title of administrator</th>
<th>Large</th>
<th>Small</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice-president of academic affairs</td>
<td>59.6%</td>
<td>27.5%</td>
<td>44.8%</td>
</tr>
<tr>
<td>Vice-president of finance or business manager</td>
<td>14.9</td>
<td>67.5</td>
<td>39.1</td>
</tr>
<tr>
<td>Vice-president of academic affairs and vice-president of fiscal affairs</td>
<td>12.8</td>
<td>5.0</td>
<td>9.2</td>
</tr>
<tr>
<td>President</td>
<td>6.4</td>
<td>....</td>
<td>3.4</td>
</tr>
<tr>
<td>Provost</td>
<td>2.1</td>
<td>....</td>
<td>1.1</td>
</tr>
<tr>
<td>Dean, college of professional schools</td>
<td>2.1</td>
<td>....</td>
<td>1.2</td>
</tr>
<tr>
<td>Dean does not know</td>
<td>2.1</td>
<td>....</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Frequency of discussion with above administrator</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regularly discusses each financial report with dean</td>
<td>10.0%</td>
<td>2.6%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Occasionally discusses each financial report with the dean</td>
<td>32.0</td>
<td>59.0</td>
<td>43.8</td>
</tr>
<tr>
<td>Discusses the financial report with the dean only when he has overspent his planned expenditures</td>
<td>34.0</td>
<td>17.9</td>
<td>27.0</td>
</tr>
<tr>
<td>Never discusses the financial report with the dean</td>
<td>*24.0</td>
<td>20.5</td>
<td>22.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

At the small universities, 2.6 per cent of the deans regularly discuss each financial report with their supervisor and 59.0 per cent discuss the reports occasionally.
At the large universities, the comparable percentages are 10.0 per cent for regular discussion and 32.0 per cent for occasional discussion. Thirty-four per cent of the supervisors regarding financial matters at large universities discuss the financial reports with the deans only if the dean is overspent and 24.0 per cent never discuss the financial reports with the dean. At the small universities, only 17.9 per cent discuss the reports only when an overspent condition exists and only 20.5 per cent never discuss the reports with the deans.

Sub-question 2f.--What, in the opinion of the dean, should be done to make the reporting procedure more useful?

In order to collect data with which to answer this question, two questions were used on the questionnaire. The first question was: In your opinion what is the most useful part of the present financial reporting procedure used by your university? Why? The 7.0 per cent (Table XVIII) who indicated that they did not receive any financial reports were not asked to answer this question. The responses received are included in Appendix K.

The general theme of these responses is that the monthly statement is very useful as a means of monitoring the budgets to see if they are being overspent. It also appears that many deans have their own bookkeeping system for their own college
and the most important function of the financial reports is to check them against the in-house books. Student credit hours and formula-generated income are also mentioned several times.

The second question was: In your opinion what could be done to make the financial reporting procedure more useful to you? All deans who returned the questionnaire were asked to respond to this question. The responses received are included in Appendix L.

The deans believe that the financial reporting system would be more useful if it furnished more detail, especially cost detail on a student or semester hour basis, if the reports were more currently received, and if the financial plan and the financial reports were more in phase with each other. Some of the deans would be happy if they started getting reports. Several deans pointed out that the reports are designed for accountants and should be simplified and better oriented toward planning instead of toward financial reporting.

### Individual Profiles of the Universities Included in this Study

The following is a summary of the data furnished by the deans at each of the twenty-two universities included in this study. Each university has been assigned a randomly selected identification consisting of "S" followed by a
numeral from 1 to 11 or "L" followed by a numeral from 1 to 11. "S" identifies the university as a small university (less than 10,000 students) and "L" identifies the university as a large university (more than 10,000 students). Information as to the number of deans and organizational structure has not been used as this would tend to identify the university.

Small Universities

Each of the following universities had a headcount enrollment of less than 10,000 students during the Fall Semester of 1974. Usable response was received from 100 per cent of the deans at four of the eleven universities in this group. All of the deans at three additional universities responded, but one dean at each university disqualified himself on the grounds of illness or newness at the university. At one university, three deans responded without completing the questionnaire, thus reducing the usable response from this university slightly below 50 per cent. At least two-thirds of the deans responded with usable questionnaires from the remaining universities in this group. The following comments summarize the responses from each university.

University S-1.--The responding deans at this university had been in their positions two or more years and had been either department heads or assistant or associate deans before
becoming deans. All participated some or extensively in preparation of the financial plan for their colleges, although higher administration specified the amounts by departments. Higher administration held planning meetings, which the deans considered somewhat helpful. Financial reports are received each semester. The deans believe that there should be more input from deans and departments before the budget is prepared in order to reduce the protests and revisions that take place after it is prepared by higher administration. The financial reports should show more comparative amounts.

University S-2.--Most of the deans at this university have been deans for more than two years and most were department heads before becoming deans. Most participate extensively in preparation of the financial plan by determining what changes are desirable and then competing with the other deans for available funds. All the colleges have long-range plans, but about half indicated that their present financial plans are not consistent with the long-range plans. About half of the deans indicated that they report to the vice-president of finance and half to the vice-president of academic affairs regarding financial matters. Reports are received monthly, but late, and include considerable analysis and comparative information. The deans believe that they have a good system which is steadily improving.
University S-3.--About half of the deans at this university have been deans for less than two years and most were full-time teaching faculty immediately before becoming deans. The deans have some participation and the department heads have some or no participation in preparation of the financial plan. Higher administration specifies the amounts budgeted for each department. Long-range plans have not been stated in writing. About half of the deans indicated that planning meetings were held by higher administration and that these meetings were very helpful. Financial reports are received monthly and are very helpful and include considerable comparable data. The deans report to the vice-president of finance, who is readily available, in regard to financial matters. The deans desire more involvement of faculty and department heads, more data, and more help in preparing the budgets, but the system is gradually evolving in that direction.

University S-4.--Most of the deans at this university have been deans more than five years. About half were full-time teaching faculty and the remainder were administrators of some type before becoming dean. The deans and department heads participate rather extensively in preparation of the financial plan with about half of the deans indicating that higher administration specifies the budgets by departments and the rest indicate that they develop the changes in next year's
budget. Considerable non-financial data are available for planning. About half of the deans indicated that planning meetings were held by higher administration and that such meetings were somewhat helpful. Financial reports are received monthly, are useful, and include considerable comparative data. The chief financial officer, or a member of his staff, is available, but some of the deans indicated that he is too busy to give quick help. The deans believe that the planning should be better related to some objective measure of output, that the financial reports are generally satisfactory, but could be more accurate and provide more details.

University S-5.--Most of the deans at this university have been deans less than two years and were department heads or associate or assistant deans before becoming deans. The deans and department heads participate some or extensively in preparation of the financial plan, although higher administration specifies the amounts of changes. Some non-financial information is available and is used by the deans. Planning meetings are held by higher administration and the deans consider them very helpful. Financial reports are received monthly, include little comparative data, but are considered useful. The deans report to the chief financial officer, who is readily available, in regard to financial matters. The
deans desire more explicit departmental budgets, and desire budget compared to actual by departments in the financial reports, which should be easier to read and understand.

**University S-6.**--About half of the deans at this university have been deans less than two years and most were previously department heads or deans on a different campus. The deans and department heads have some or extensive participation in preparation of the financial plan with the deans deciding the allocation within their colleges or the amounts of the changes from last year's budget. Most of the deans do not know what historical cost data is available for use in planning although most use non-financial data in planning. Only one dean indicated that planning meetings were held by higher administration before preparation of the budget. Reports are received monthly, but not promptly, and include considerable comparative data. The deans report to the chief financial officer, whom most considerable quickly available, in regard to financial matters. The deans desire more faculty involvement and better reporting of capital outlays but indicate that they are generally satisfied with the system.

**University S-7.**--Most of the deans at this university have been dean more than five years and most were department heads before they became deans. The deans and department
heads participate extensively in the preparation of the financial plan but indicated that higher administration specifies the percentage of change to be used to develop next year's budget. Less than half of the deans indicated that historical cost per student for programs and courses is available and used by them in preparing the budget. The rest of the deans indicated that it is not available or they don't know if it is available. Planning meetings were held by higher administration and such meetings were very helpful. Financial reports are received monthly, are of considerable help to the deans, and include considerable comparative data but no non-financial data. Most of the deans indicate that the chief financial officer says that he is available but is too busy when called. The deans desire a closer working relationship with the chief financial officer and a more detailed category breakdown into specific budget items.

University S-8.--The deans responding from this university were department heads and became deans at least two years ago. The department heads participate extensively and the deans participate some or none in the preparation of the financial plan, and higher administration specifies the changes to be made to develop next year's budget. No long-range plans have been developed for the colleges. Part of the deans indicate that historical cost per student is available and used and part indicate that it is not available.
Planning meetings were held by higher administration, and such meetings were very helpful. Financial reports are received monthly, are considered useful, and include some comparative data but no non-financial data. The deans consider the chief financial officer available willingly and quickly. The deans report to the vice-president of academic affairs in regard to financial matters. The deans desire more final authority at lower levels because the administrators at lower levels are closer to the situation. They also desire financial reports which compare budgeted amounts with actual amounts and show cost per student or cost per semester credit hour taught in each academic area compared to the money generated per semester hour in each academic area.

University S-9.--Most of the deans responding from this university have been dean more than five years and most were full-time teaching faculty immediately before becoming dean. The deans have some or no participation in preparation of the financial plan with higher administration specifying the amounts budgeted by departments. All of the colleges have long-range plans, but not all of the deans believe that their current budget is consistent with such plans. Historical cost per student for programs and courses is not available. Planning meetings are not held by higher administration for the deans. The deans consider the chief financial officer
available willingly and quickly, but are responsible to the vice-president of academic affairs in regard to financial matters. Financial reports are received monthly, but not promptly, and are considered of some help by the deans although there is some disagreement as to what the reports show. Part of the deans indicated that the reports are helpful, compare actual amounts with planned amounts, highlight significant variances, analyze and compare costs between departments, and report cost per semester hour which is compared with planned cost per semester hour. The rest of the deans indicated that this information is not shown. The deans desire responsibility for all phases of financial planning at their level to allow more flexibility in planning and want reports which show semester credit hours produced in relation to cost. The deans complimented the relative promptness of the financial reports although they indicated that the reports are received eleven to twenty days after the end of the period.

University S-10.--About half of the deans at this university have been deans more than five years and the rest less than two years. Most were department heads before becoming dean. The deans and department heads participate extensively in preparation of the financial plan. Most of the deans indicated that they determine the amounts of the changes to be included in next year's budget. Long-range planning has not been stated in writing for any of the colleges in the
university. There appears to be some uncertainty in regard to whom the deans report in financial matters and in regard to what information is available to the dean in preparation of the budget. Planning meetings were held by higher administration and the deans consider them very helpful. Financial reports are received monthly, but not promptly, by most of the deans, although one dean indicated that he did not receive financial reports. The reports include considerable analysis and comparative information, and the deans consider them useful. The deans consider the chief financial officer as available willingly and quickly although there seems to be some confusion as to whether they report to the chief financial officer or to the vice-president of academic affairs in regard to financial matters. The deans desire the development of long-range financial plans to better cope with shifts in enrollment among the departments and more explicit instructions to make financial planning easier. They would like for the financial reports to be more timely and to present more information on cost per student hours compared to revenue generated by departments. They would also like more conferences on budget matters.

University S-11.--The deans at this university have all held their positions at least two years and most were either a department head or a dean on another campus when they assumed their present positions. The deans and department
heads have some participation in preparation of the financial plan, and higher administration determines the amounts of changes to be used to develop next year's budget. Long-range plans have been developed for most of the colleges, but one dean indicated that his present budget is not consistent with his long-range plans. There is considerable confusion as to whom the deans report in regard to financial matters as well as to what information is available for use in planning. Most of the deans indicated that planning meetings were held by higher administration and such meetings were very useful. The deans receive monthly financial reports which they consider useful although the reports include little comparative information and no non-financial information. Half the deans indicated that they receive reports in ten days or less and half indicated that they are received after twenty days. About half of the deans consider the chief financial officer available willingly and quickly, but the rest indicated that their instructions require them to contact someone other than the chief financial officer if they have questions regarding financial reports. The deans desire that recommendations made in the financial planning procedure be followed and that the reports be received more promptly. The deans would like to receive reports which show cost per student, cost per full-time equivalent student, cost per semester hour, and cumulative
amounts. However, one dean stated that the fiscal department is most cooperative and renders any additional assistance which he requests.

Large Universities

Each of the following universities had a headcount enrollment of more than 10,000 students during the Fall Semester of 1974. Usable response was received from 100 per cent of the deans at three of the eleven universities in this group. All of the deans at one additional university responded, but two deans returned the questionnaire with a short letter explaining that they did not have time to complete it. Usable response from the various universities varied from slightly less than 60 per cent up to 100 per cent of the deans. The following comments summarize the responses from each university.

University L-1.--More than half of the deans at this university have held their position for more than five years and most were either a department head, a dean on a different campus, or an assistant or associate dean immediately before assuming their present positions. All of the deans and department heads at this university participate extensively in preparation of all parts of the financial plan, and most of the deans receive a total dollar amount from higher administration which the dean can allocate as he desires. Most of
the colleges have long-range plans with their financial plans consistent with the long-range plans. Historical cost per student and a variety of non-financial data is available to the deans. There appears to be some confusion as to whom the deans report in regard to financial matters, but all agree that the chief financial officer is available willingly and quickly when needed. Planning meetings are held and are considered very helpful. Financial reports are received by the deans monthly, are considered useful, and include a wide variety of comparative information and non-financial information. The deans desire more lead time between budget decisions and implementation to give more time to recruit faculty and desire the vice-president of academic affairs to learn more about budgeting. The deans feel that the reporting system is adequate. They receive a variety of reports, several of which furnish information such as cost per student credit hour which is oriented specifically toward planning. One dean commented that if he needed additional information, all he had to do was pick up his phone and call the computer center.

University L-2.--The deans at this university were either department heads, deans at a different campus, or assistant or associate deans before assuming their present positions at least two years ago. The deans and department heads participate extensively in the planning of faculty
salaries but participate some or none in planning for other expenses. Higher administration determines the percentage to be added to develop next year's budget. Long-range plans have been developed for all colleges and the current budget is consistent with such plans. The deans report to the vice-president of academic affairs in regard to financial matters and have been instructed to report to him instead of the chief financial officer if they need assistance in preparing budgets or understanding the financial reports. One dean indicated that planning meetings are held by higher administration for the deans, but he considered such meetings not worth the time involved. The other deans indicated that such meetings were not held. There seems to be some confusion as to whether the deans receive reports monthly or each semester. One dean commented that he received no financial reports; they went to the department heads. If he wanted to see what was going on, he had to borrow a copy from one of his department heads. It appears that the reports show little comparative information and no non-financial information. The deans desire more budget decisions at the dean's level in order to equalize the allocation of funds between departments, a program oriented budget, and a chief financial officer who knows what he is doing. They want to start receiving copies of the financial reports and would like for the reports to compare actual expenditures with the financial plan by semesters.
University L-3.--The responding deans at this university have all been in their present position less than five years and most were department heads or full-time faculty before assuming their present positions. The deans participate extensively in financial planning and the department heads participate extensively in planning of departmental operating expense but do not participate in planning of faculty salaries. The university is just moving into zero-based budgeting and most of the colleges have developed long-range plans. However, the deans are not being given much historical cost information and very little non-financial information. The deans indicate that the chief financial officer is available willingly and quickly, if needed, but one dean indicated that he did not understand the financial officer's explanations, and all deans indicated that they report to the vice-president of academic affairs in regard to financial matters. Higher administration holds planning meetings which the deans find very helpful. The deans receive reports monthly and consider them of considerable help. The reports include some comparative information but no non-financial information. The deans desire more discretion on the allocation of operating funds with decisions made on factual information instead of subjective judgement.

University L-4.--Half of the responding deans at this university have been deans less than two years with most of
the deans having been associate or assistant deans or full-
time teaching faculty. The deans and department heads
participate some or extensively in financial planning with
half of the deans indicating that they allocate the funds
and half indicating that higher administration does the
allocating. The financial plans are consistent with long-
range plans, which have been developed for most colleges.
The deans report to the vice-president of academic affairs
and the vice-president of fiscal affairs in regard to finan-
cial matters. The chief financial officer is available
willingly and quickly, if needed, but one dean indicates that
his instructions require him to contact someone other than
the chief financial officer if assistance is needed. Half
of the deans indicated that historical cost per student is
available, half indicated that it is not available. All but
one of the deans indicated that higher administration holds
planning meetings with the deans and that such meetings are
very helpful or somewhat helpful. The deans receive monthly
reports, but not always promptly, except one dean who indicates
that he receives semi-annual or annual reports. There is some
confusion as to what the reports include. Some deans indicate
that the reports include comparative information on an
encumbered basis, some indicate that they do not. Some of
the deans indicate that the system is working fine, but most
desire more autonomy in allocating funds with more partici-
pation at the dean's level and lower. They desire more
prompt reports that include information concerning cost per unit at the various academic levels for resident instruction and operation in order to have a basis for priority assignment of revenues. The deans indicate that the financial reports are useful for bookkeeping but of little use for planning. Some of the deans have their own in-house bookkeeping systems.

University L-5.--All of the reporting deans at this university have been deans less than two years. Most were department heads or associate or assistant deans prior to becoming deans. The deans and department heads enjoy some or extensive participation in budget preparation, but generally the amounts of changes are decided by higher administration. However, the system is evolving toward more autonomy for the deans. Only half of the deans are operating under written long-range plans. The deans indicate that they report to the vice-president of academic affairs in regard to financial matters and that their instructions require them to contact someone other than the chief financial officer if they need assistance in budgeting or in understanding the financial reports. Planning meetings are held by higher administration, and the deans indicated that such meetings are very helpful. The deans receive monthly reports, but not always promptly. Half of the deans indicated that the financial reports are of little or no help although they include considerable comparative information and some non-financial
information. Half of the deans indicated that the reports are on an encumbered basis, half indicated that they are not. The deans desire a system of program priority departmentalized budgets with much more responsibility at the dean's level or department level for allocation of funds. The deans would like complete revision of the financial reports because "they are fine for accountants but not for administrators."

University L-6.--Most of the deans at this university have been deans for more than two years with all having been department heads or full-time teaching faculty immediately before becoming dean. The deans or department heads participate extensively in preparation of the financial plan with the deans allocating the funds and negotiating with and competing with the other deans for additional funds. The financial plans are consistent with long-range plans, which have been developed in all but one college. The deans indicate that the chief financial officer is available willingly and quickly although several indicated that their instructions require them to contact someone other than the chief financial officer if they need assistance. Most of the deans indicate that they report to the vice-president of academic affairs in regard to financial matters. There is some confusion as to what information is available for use in planning and as to what information is included in the financial reports although all deans receive financial reports monthly and find them
helpful. Half of the deans indicate that the reports compare actual amounts with planned amounts; half indicate that the reports do not show this comparison. Most of the deans indicate that the reports show a variety of non-financial information, some of the deans indicate that the reports show no non-financial information. The deans' comments indicate that the deans are happy with the reports that they receive—that the reports include adequate cost figures, adequate comparison of planned amounts versus actual amounts, and adequate comparison of costs incurred versus revenues generated for all planning and control purposes.

University L-7.—Half of the reporting deans at this university have been deans from two through five years. Some of the others have been dean less than two years and some more than five years. Half were department heads before becoming deans and the rest were full-time teaching faculty or associate or assistant deans. The deans and department heads enjoy extensive participation in financial planning, except that half the deans indicated that they have no participation in the planning of instructional administration expense. Most of the deans prepare next year's budget by adjusting the current budget by a percentage developed by the dean; however, the system is evolving toward a total dollar amount determined by higher administration and allocated by the dean. Half of the colleges have developed
long-range plans with budgets consistent therewith. The deans indicated that the chief financial officer is available willingly and quickly. Half of the deans did not indicate to whom they report in regard to financial matters, the others indicated various administrators and one dean commented that he did not know. Historical cost per student is available and used for planning, as is a variety of non-financial information. Several deans indicate that higher administration holds planning meetings for the deans and that such meetings are very helpful, but most of the deans indicate that such meetings are not held. Most of the deans indicate that they receive financial reports semi-annually or annually, but not always promptly, but almost half of the deans indicate that they do not always receive any financial reports. The reports are helpful and include comparative information but no non-financial information. The deans desire more frequent reporting with information regarding semester hour produced by various departments and comparative figures for the entire university available to the deans. They also indicate that the deans and department heads should have more autonomy in setting faculty salaries.

**University L-8.**--Over half of the deans reporting from this university have been deans two through five years and most of the rest have been dean less than two years. Over half of the deans were department heads, deans on a different
campus, or an assistant or associate dean immediately before assuming their present positions. The deans and department heads participate extensively in the preparation of the financial plan although one dean commented that he does no planning -- "it's a function of budget preparation." However, most of the deans indicated that they either get specific amounts designated by higher administration for each department or prepare next year's budget by adjusting the current budget by a certain percentage specified by higher administration. Long-range plans have been developed for fewer than half of the reporting colleges. The deans indicated that the chief financial officer is available willingly and quickly. About half of the deans indicated that they report to the chief financial officer and about half report to the president in regard to financial matters. There is considerable confusion as to what information is available and what information is included in the financial reports. Some of the deans indicate that historical cost per student is available; some indicate that it is not available. Some of the deans indicate that the financial reports compare actual amounts with planned amounts; most indicate that the reports do not make this comparison. About half of the deans indicated that higher administration held planning meetings with the deans and that such meetings were helpful; the rest of the deans indicated that these meetings were not held. Slightly more than half
of the deans indicated that they received financial reports monthly; other deans indicated that they received financial reports semi-annually, annually, or at irregular intervals. All but one of the deans considered the reports helpful. About half of the deans indicated that the reports made comparisons between departments, were on the encumbered basis, and/or included a variety of non-financial information; the rest did not agree. The deans desire more review between the deans and president to eliminate misunderstanding of recommendations, more formalized financial plans, more time in which to prepare budgets, more detailed knowledge of the budgeting process, more flexibility within individual schools, and financial reports which better relate to the budget and budgeting practices.

University L-9.--Almost all of the deans at this university have been dean two through five years and most were either department heads or associate or assistant deans when promoted to dean. The deans participate extensively and the department heads participate some in preparing the financial plan. Most of the deans get a total dollar amount to be allocated by the dean or decide on the amount or percentage of change to be included in next year's budget. Half of the colleges have written long-range plans. Half of the deans indicated that historical cost per student is available, one indicated that he does not know if it is available, and the
rest indicated that it is not available. The deans use a variety of non-financial information in preparing budgets. All of the deans indicated that higher administration holds planning meetings with the deans, and all indicated that such meetings are somewhat helpful. One dean indicated that he receives reports at irregular intervals, but the rest indicated that they receive reports monthly but not promptly. Two of the deans indicated that the reports are of little or no help; the rest indicated that they are of some help. Two deans indicated that the reports do compare actual amounts with planned amounts and that the reports show comparative costs between departments and/or colleges; the rest of the deans indicated that the reports do not show this information. The deans indicated that the reports show no non-financial information. According to the deans, the chief financial officer is available willingly and quickly although most of the deans report to the vice-president for academic affairs in regard to financial matters. The deans desire more lead time for the budget, more detailed studies and discussions to insure equitable allocations, zero-based budgets, more participation at dean's level in macro-budget decisions, better correspondence between the funds allocated and the funds generated by college based on state formula, and fewer line-items in order to make the budget more flexible. The deans indicated that the financial reports would be more
useful if the philosophy of reporting were to shift from a historical financial viewpoint to a financial information for planning viewpoint with cost per student, cost per student credit hour, and comparisons with other institutions included in the reports.

University L-10.--Half of the deans at this university have been dean less than two years and half were full-time teaching faculty when they became dean. The deans and department heads participate extensively in preparation of the financial plan. Funds are allocated to the colleges by the vice-president of academic affairs and to the departments by the dean on the basis of the state formula, thus each college and department receives funds in proportion to the semester credit hours produced by it. All but one of the colleges have developed long-range plans. The deans report to the vice-president of academic affairs in regard to financial matters. The chief financial officer is considered to be available willingly and quickly. Planning meetings are held by higher administration and these meetings are considered very helpful. One dean indicated that he receives financial reports at irregular intervals; the rest of the deans indicated that they receive these reports monthly. One dean indicated that the reports do not include comparative information on the encumbered basis, the other deans indicated that they believe
that the opposite is true. The deans indicated that they believe that the present system is adequate, but the reports could be simplified.

University L-ll.--Most of the deans at this university have been dean more than five years and most were department head or dean on another campus when they assumed their present positions. The deans and department heads participate some in preparation of the financial plan. The financial plans for various colleges are prepared in different ways. Some of the deans indicated that they receive an amount allocated to each department by higher administration, some indicated that the changes to develop next year's budget are based on a percentage specified by higher administration, and some indicated that it is based on a percentage developed by the dean. About half the colleges have developed long-range plans, but only one dean feels that his budget is consistent with his long-range plans. The deans report to the chief financial officer in regard to financial matters and consider him available and quickly. Historical cost per student is not available. Less than half the deans indicated that higher administration held planning meetings for the deans, but these deans considered these meetings very helpful. One dean indicated that he receives financial reports at irregular intervals, some of the deans indicated that they receive financial reports monthly, and some indicated that they receive no financial
reports. One dean explained that the reports go to the department heads instead of to the deans. The reports include neither cumulative information, comparative information, nor non-financial information. The financial reports are considered by one dean as being of considerable help and by another as being of little or no help in formulating policy and plans. The deans desire decentralization of primary responsibility to the college level, because the deans are in a better position to make decisions. The deans indicated that they would like more frequent work and talk sessions with higher administration and that they would like to receive financial reports.
CHAPTER IV

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

It is the purpose of this chapter to summarize the study, state conclusions, and propose recommendations. The first part of this chapter summarizes the study and the data presented in Chapter III, the second part states conclusions based on this data, and the third part proposes recommendations concerning the conclusions.

Summary

A questionnaire was sent to the dean of each of the colleges offering a four-year degree program in twenty-two state-supported universities in Texas. Colleges offering degrees in law, medicine, veterinary medicine, and pharmacology were not included because they are usually separate from their parent universities for purposes of administration and/or funding. Upper-level programs, two-year programs offering bachelor's degrees on a junior college campus, were not included. The twenty-two universities included in this study are listed in Figure 1 of Chapter I and have 133 degree granting sub-units included in this study.

The questionnaire draft was constructed from a study of books, periodicals, and unpublished dissertations and theses.
related to planning, budgeting, reporting, and college and university administration. This draft was validated, with some suggested clarification, by a panel consisting of four university chief financial officers, five deans of colleges, one university president, and two professors with backgrounds in higher education administration and planning and control.

The validated questionnaire was mailed to the 133 deans of degree granting colleges in twenty-two state-supported universities in Texas. The list of deans and colleges was prepared from the latest bulletins from each of the twenty-two universities on file in the Special Materials Section of the North Texas State University Library and in the Office of the Registrar of North Texas State University.

One hundred and two usable responses were received and are included in this study. This is a usable response of 76.7 per cent. One hundred per cent usable response was received from the deans of seven universities; over 50 per cent but less than total response was received from the deans of fourteen universities; slightly less than 50 per cent usable response was received from the deans of the twenty-second university.

Reliability of the questionnaire was established by the test-retest method. The questionnaire was revised with the questions rearranged randomly and was mailed to a random sample of thirty of the respondents whose responses were
received within two weeks after the original mailing to the entire group of 133 deans. Twenty-two of the test-retest questionnaires were completed and returned. These were compared with the first questionnaire received from each of the twenty-two respondents on an item by item basis and were found to have been answered the same way an average of 84 percent of the time, thus establishing the reliability of the questionnaire.

The questionnaires were tabulated with the reported information summarized in Chapter III by groups in order to protect the confidentiality of the data. The twenty-two universities were divided into two groups based on headcount enrollment as reported to the Coordinating Board for the Fall Semester of 1974 with 10,000 students used as the dividing line between "small" universities and "large" universities. There are eleven universities in each classification.

Chapter I stated two research questions which, for purposes of research, were broken down into eleven sub-questions.

The First Research Question

The first research question was stated as follows: "How is accounting information used by deans in the allocation of resources to faculty salaries, departmental operation expense, and instructional administration expense?" The data collected
in response to this research question is briefly summarized herein as it relates to the sub-questions as stated in Chapter I.

Sub-question la.--To what extent do the dean, the department heads, and the faculty members participate in budget preparation?

The deans in large universities exercise a much higher degree of participation in the preparation of the financial plans for their own colleges than do the deans in the small universities. However, about one-fifth of the deans in both groups indicated that they had no participation in the planning for instructional administration expense, which is the budget for operating the dean's office. Also, the department heads in large universities participate more extensively in the preparation of the financial plan for their sub-units than do the department heads in small universities. Faculty members enjoy about the same degree of participation in both groups.

Sub-question lb.--Is the budget all-inclusive and consistent with goals and objectives?

Long-range objectives have been stated in writing for 61 per cent of the responding colleges at the large universities and for 53.5 per cent at the small universities. The current financial plans are consistent with these long-range
objectives at 80.6 per cent of the large university colleges having long-range plans and at 65.2 per cent at small university colleges having long-range plans. Approximately 90 per cent of the financial plans for both groups show amounts for the academic year or fiscal year only with no breakdown by months, semesters, quarters, or terms.

**Sub-question 1c.--How flexible is the budget in response to enrollment changes?**

Approximately 70 per cent of the deans in each group of universities felt that departmental operating expense and instructional administration expense could be changed at mid-year but that such a change would involve a great deal of difficulty.

**Sub-question 1d.--What help does the dean have available to assist him in budget preparation?**

Approximately two-thirds of the deans in both groups felt that the chief financial officer or someone on his staff was available willingly and quickly. None of the deans at large universities found the chief financial officer too busy when called, but 11.9 per cent of the deans at small universities found him too busy. Approximately one-third of the deans at large universities and 14.3 per cent at small universities had been instructed to contact someone other than the chief financial officer or felt that assistance was
not needed in preparing their financial plans. The dean assumed personal responsibility for the financial plan at 81.3 per cent of the colleges at large universities and 95.2 per cent at small universities with this responsibility consisting of some combination of development and control approximately 73 per cent of the time at large universities and approximately 63 per cent of the time at small universities. Only about 15 per cent of the deans in both groups use a budget committee, which usually consists of senior faculty or members chosen by the department heads at the large universities and appointed by the dean at the small universities. Historical cost data showing the cost per student for programs and courses is available to approximately two-thirds of the deans at large universities and approximately one-half of the deans at small universities. Most of the deans in both groups use such cost data if it is available. Approximately 70 per cent of both groups use forecasts of enrollment and other non-financial information, and slightly more than half of each group have conducted studies during the past five years to evaluate the effectiveness of their programs and courses. Approximately two-thirds of the deans at large universities and three-fourths of the deans at small universities have received a manual or set of instructions regarding the policies, timetable, and forms to be used in preparing the financial plan. Approximately one-half of these at the large universities and approximately
two-thirds at the small universities will have received this manual or instructions from the chief financial officer. Approximately one-fifth of the deans at large universities and one-eighth at small universities will have received it from the vice-president of academic affairs. Slightly more than two-thirds of the deans in each group participated in planning meetings and approximately 97 per cent of those who participated in each group considered these meetings helpful.

Sub-question le.--What, in the dean's opinion, would improve the budgeting procedure?

The responses to this sub-question are included in Appendix J. The primary thrust of the responses can be summed up in one word: decentralization. The deans at both the large and small universities expressed the desire to make more resource allocation decisions at the dean's or department head's level in order to optimize resource usage. The comments received from the deans at the large universities are much more emphatic concerning decentralization than are the comments from the deans at the small universities. Another frequent comment relates to the short time interval between the end of the legislative session and the beginning of the budget year, which often results in a last minute rush to acquire additional faculty and staff, to drop or add programs, and to make other last minute changes.
The Second Research Question

The second research question was stated as follows: "How is accounting information used by deans in the control of performance?" The data collected in response to this research question is briefly summarized herein as it relates to the sub-questions as stated in Chapter I.

Sub-question 2a.--Does the dean receive financial reports, and are the reports timely?

A substantially higher percentage of the deans at the small universities receive financial reports on a regular basis than do the deans at the large universities--approximately 93 per cent at small universities and approximately 83 per cent at large universities. However, the reports received by the deans at small universities are somewhat less prompt than those received by the deans at large universities. Most of the reports received by the deans are on the encumbrance basis with approximately 90 per cent at small universities and approximately 83 per cent at large universities on that basis.

Sub-question 2b.--How do the reports help the dean control and evaluate performance?

It appears that the deans at the small universities find the financial reports more useful than do the deans at the large universities. Approximately 46 per cent of the deans at small universities as compared to 38.5 per cent at the
large universities found the financial reports of considerable help in formulating policy and plans for their colleges. Twenty-five per cent at the small universities as compared to 18 per cent at the large universities felt that the financial reports enabled them to determine whether their colleges have attained satisfactory performance. Approximately 95 per cent at the small universities and approximately 83 per cent at the large universities felt that the financial reports help identify situations that require corrective action.

Sub-question 2c.--Do the reports show comparative information with significant variances highlighted?

Seventy per cent of the deans at small universities and 49.1 per cent at large universities receive financial reports which compare actual amounts with planned or estimated amounts. Approximately 55 per cent of the reports at the small universities and approximately 40 per cent at the large universities highlight significant variances. Approximately 11 per cent of the reports at large universities and 7.5 per cent at small universities identify the kinds of corrective action required. Approximately 16 per cent of the reports in each group analyze the actual costs and compare them with the costs of other departments, schools, colleges, or institutions.

Sub-question 2d.--What non-financial information, if any, is included in the reports?
Approximately 80 per cent of the deans at small universities and 60 per cent at large universities received reports which showed no non-financial information. The remaining reports showed such things as cost per student enrolled, cost per full-time equivalent student, cost per semester hour or quarter hour, full-time equivalent faculty, income and salary for each faculty member, and various information from which cost per student, cost per equivalent student, and cost per semester hour can be derived by the dean. Approximately 40 per cent of the reports in each group showing non-financial information compare such information with the corresponding planned amounts.

Sub-question 2e.--Are the academic dean and the chief financial officer involved in the control process?

Among the deans at the large universities 84 per cent indicated that the chief financial officer is available willingly and quickly if the dean has questions concerning the financial reports, and 14 per cent indicated that they are to contact someone other than the chief financial officer to answer questions concerning the financial reports. The comparable percentages for the deans at the small universities is 77.5 per cent and 12.5 per cent. Ten per cent of the deans at the small universities indicated that the chief financial officer is too busy when called. Two per cent of the deans
at the large universities indicated that the chief financial officer is available but they did not understand his explanation.

Approximately 60 per cent of the deans at the large universities compared to approximately 28 per cent at the small universities report to the vice-president of academic affairs in regard to financial matters. Approximately 15 per cent at the large universities and 67.5 per cent at the small universities report to the chief financial officer in regard to financial matters. Approximately 2 per cent of the deans at the large universities indicated that they did not know to whom they are to report in regard to financial matters. Few of the higher administrators discuss the financial reports with the deans on a regular basis. Approximately one-fourth of the deans at the large universities and approximately one-fifth at the small universities indicated that higher administration never discusses the financial reports with them. Most of the deans--66 per cent at the large universities and 76.9 per cent at the small--have the report discussed with them by higher administration only occasionally or only when the dean has overspent his planned expenditures.

Sub-question 2f.--What, in the opinion of the dean, should be done to make the reporting procedure more useful? In order to collect data with which to answer this question, two questions were used on the questionnaire: (1) In your opinion,
what is the most useful part of the present financial reporting procedure used by your university and (2) in your opinion, what could be done to make the financial reporting procedure more useful to you?

The 7 per cent of the responding deans who indicated that they did not receive any financial reports were not asked to answer the first question. The responses received from the respondents who received reports are included in Appendix K. The general theme of these responses is that the financial statement is very useful as a means of monitoring the budgets to see if they are being overspent. It also appears that some deans have their own bookkeeping system for their own college and the most important function of the financial reports is to check them against the in-house books. Student credit hours and formula generated income are also mentioned several times.

The responses to the second question are included in Appendix L. The deans believe that the financial reporting system would be more useful if it furnished more detail, especially cost detail on a student or semester hour basis; if the reports were more currently received; and if the financial plan and the financial reports were more in phase with each other. Some of the deans would be happy if they started receiving reports. Several deans pointed out that the reports are designed for accountants and should be simplified and better oriented toward planning instead of toward financial reporting.
Conclusions

1. Communication is much better between the deans at the small universities and their chief financial officers than it is at the large universities.

2. There appears to be a misunderstanding of the relationship between line and staff at several of the large universities.

3. Over 10 per cent of the deans at the large universities and over 2 per cent of the deans at the small universities do not receive financial reports.

4. The financial reports, if they compare actual with planned expenditures, usually compare year-to-date actual amounts with annual planned amounts.

5. Some of the deans keep their own set of financial records.

6. The deans are very cost conscious and aware of the state formulas used in the state appropriation.

7. Many of the deans who responded to this study are frustrated and angry.

8. Most of the deans participate extensively in the preparation of the financial plan for faculty salaries and departmental operating expense but 20 per cent do not participate at all in planning of instructional administration expense.
Communication is much better between the deans at the small universities and their chief financial officers than it is at the large universities. This is indicated by the data showing that a dean at a small university is more likely to be receiving monthly financial reports, is more likely to understand the financial reports and know what information is included therein, and by the comments made by the deans. The data indicate that the chief financial officers at the small universities have done a better job of educating the deans as to the information available for planning purposes and as to the information included in the financial reports and the purposes for which it should be used. Only one dean at a small university suggested that the reports be simplified; several at the large universities did. Disagreement as to what information is available or is included in the reports is rare among the deans at the small universities; it is common at the large universities.

The deans at several of the large universities have been instructed to consult the vice-president of academic affairs, or the president, if a question arises concerning preparation of the financial plan or interpretation of the financial reports. This indicates a misunderstanding of the relationship between line and staff—a misunderstanding which wastes the talents of the chief financial officer and prevents the dean and the vice-president of academic affairs from functioning
at their optimum level. Since the feedback received by the chief financial officer has been filtered, the financial reports are likely to be unresponsive to the needs of the deans and eventually become unuseful from the dean's viewpoint. The financial planning system and financial reporting system are the responsibility of the chief financial officer; the resource allocation decisions which go into the former and the financial performance reported by the latter are the responsibility of the dean and the vice-president of academic affairs. The chief financial officer is not responsible for planning in the academic area--this is the responsibility of the academic vice-president and the deans--but he is responsible for the planning and reporting tools used by the planners and for advising them in the proper use of these tools. The responsiveness and usefulness of these tools depend on open communication between the chief financial officer and the academic area. Asking the chief financial officer for advice should not be considered by higher administration as an infringement on line authority, but some vice-presidents of academic affairs seem to consider it an infringement. Some deans stated the wish that their vice-president of academic affairs learn something about budgeting. The deans at small universities have much freer access to the chief financial officer than do the deans at the large universities. This
probably accounts for the better rapport and better communication through financial reports which better meet the needs of these deans.

Over 10 per cent of the deans at the large universities and over 2 per cent of the deans at the small universities do not receive financial reports. There appears to be at least two different reasons for this situation. Some universities do not send financial reports to deans; the reports go directly to the department heads. Some of these deans indicated that they receive the reports by borrowing or copying the reports received by the department heads. At several large universities, all of the deans except one or two indicated that they received the reports monthly and these one or two indicated that they received no reports. Does this mean that this dean, for some reason or other, is not on the financial report distribution list? Or does it mean that the report is being received and filed in his office without his knowledge? Perhaps no one ever told him what it is and what it means, and his background has not equipped him to recognize a financial report.

The financial reports, if they compare actual with planned expenditures, usually compare year-to-date actual amounts with the planned amounts for the academic year or the fiscal year. Approximately 9 per cent of the deans operate
under financial plans which show budgets by month or by semester, but 83 per cent of the deans receive financial reports on a monthly or semester basis.

Some of the deans keep their own set of books, and, in some cases, have a staff person with the responsibility of keeping these books. This is an indictment of the financial reporting system and indicates that the system either is not furnishing the dean with the information needed to manage his college or is furnishing inaccurate information. Several deans commented that the most useful part of the financial reporting procedure is to check against the in-house books for accuracy.

The deans are very cost conscious and aware of the state formulas used in the state appropriations. Many are asking for the formula background information in their reports and a more definite relation between college credit hours produced and resources allocated to their colleges.

Many of the deans who responded to this study are frustrated and angry. On two or three campuses all of the deans are satisfied with their present budgeting and reporting systems, and on some campuses some of the deans are satisfied, but most of the deans at the twenty-two universities want more decentralization with more resource allocation decisions at the dean's or department head's level. Some of the universities
are moving rapidly toward decentralization, but many deans are being thwarted at every attempt to move planning decisions down to their level.

Over half of the deans participate extensively and over 40 per cent enjoy some participation in the preparation of the financial plan for faculty salaries and departmental operating expense for their colleges with the deans at the large universities enjoying significantly more participation than the deans at the small universities. Approximately one-fifth of the deans at both groups of universities do not participate in planning of instructional administration expense for their college. Less than one-half of the deans indicated extensive participation in planning for this category, which is the budget for operating the dean's office.

Recommendations

The following recommendations are made in an attempt to improve planning and reporting by the state-supported universities in Texas and to engender additional research.

1. The dean should be a full-fledged, unqualified member of the management team. He should make the decisions, with input from his department heads and faculty, concerning his college, with as much help and encouragement as possible from higher administration and staff experts. His decisions should be within guidelines set by higher administration and
by the Legislature and the Coordinating Board; but he should make the decisions subject, in some cases, to approval by higher administration.

2. As a member of the management team, the dean should receive frequent feedback related to the performance of his college and the departments within it. These reports should be directly related to measurement of the performance of his college and/or related to the preparation of future financial plans for his college. The content of the reports and their arrangement and frequency should be determined by the deans, the department heads, and the chief financial officer in as many meetings as is necessary to develop reports which are possible, from the chief financial officer's viewpoint, and useful, from the dean's and department head's viewpoints.

3. The deans and department heads must have free access to the chief financial officer and any other staff people who can help them. This is not an infringement on anyone's authority. The chief financial officer is there to offer his services to anyone who has a proper need for it. To deny any level of management access to him is to cripple the administrative function performed by that level. If the dean is to properly perform his administrative function, he must have feedback by which to measure his performance. To "measure" performance, the reported feedback must relate to the goals and objectives incorporated in the current financial plan.
If the dean and the chief financial officer do not work together to develop reports which include needed information and/or useful measures of performance, the dean will consider the reports either not useful (he has not communicated his needs to the chief financial officer) or too complicated (no one has explained to him how to read the report).

4. There should be little or no need for in-house bookkeeping systems within a college if the financial reports have been tailored to the dean's needs and the deans have been given a minimum amount of training in administration, planning, reporting, and the reading of computer print-outs. The reports can be tailored to the dean's needs if he has access to and rapport with the chief financial officer.

5. All new deans, department heads, and higher administrators, regardless of their backgrounds, should be required to attend formal training in the various phases of their work. This should include, as a minimum, the requirements of the Coordinating Board and the Legislative Budget Board as well as the policies, practices, and local considerations of the university. A successful professor rarely becomes a successful dean overnight, even when he has served a year or two as head of a department. Business organizations usually require new administrators to have special training or special experience before or after promotion. The public schools require a teacher to have an administrative certificate before he is
eligible for promotion to principal. It appears evident from some of the comments on the questionnaires that some of the deans and some of the vice-presidents of academic affairs, because of previous experience and training, which probably caused them to be highly desirable from an academic viewpoint for their present position, believe themselves to be more knowledgeable in the area of administration, financial planning, and financial reporting than is actually the case. The administrators need to be reeducated before they can fit in and become a working member of a management team. Some of these new deans may be largely unreeducable, but should be required to attend special training along with the new dean who is seeking help.

6. The financial plan should be prepared in such a way as to make available year-to-date budget figures to be compared with the year-to-date actual amounts reported in the financial reports. This would improve the measurement of performance on a monthly or semester basis.

7. All universities under the jurisdiction of the Coordinating Board should be encouraged to support and participate in regional and national research projects concerning higher education administration. These projects stimulate creative thinking and learning at the local level and promote cross-regional exchange of ideas.
8. Universities should be encouraged to use unit cost analysis systems such as that developed by the National Center for Higher Education Management Systems (NCHEMS) in Boulder, Colorado, which is a system for distributing capital costs of physical facilities. However, care must be exercised to insure that the adopted systems are used for the purpose for which they were designed and not out of context.
APPENDIX A

TEST OF VALIDITY

To test the validity of the questionnaire, it was mailed on January 16, 1975, to a panel consisting of the following persons, all of whom responded, with results as indicated:

Mr. John L. Carter, Jr.
Vice-President for Fiscal Affairs
North Texas State University

Undecided: #50, 54
Invalid: None

Mr. Goyne A. Robason
Executive Administrative Vice-President
Texas College of Osteopathic Medicine

Undecided: None
Invalid: None

Mr. Joe Hooper
Vice-President for Business Affairs
Midwestern University

Undecided: None
Invalid: #4, 9, 29

Mr. Frank Graydon
Budget Director
The University of Texas System

Undecided: #1, 17, 29, 36, 42, 43, 46
Invalid: #6, 20, 31, 32, 33, 51

Dr. Glenn A. Welsch
John Arch White Professor of Accounting
The University of Texas at Austin

Undecided: #1, 3, 6, 7, 31, 48, 51
Invalid: None
Also suggested many improvements in wording.

Dr. William A. Miller, Jr.
Chairman of Division of Higher Education
North Texas State University

Undecided: None
Invalid: None

Dr. John G. Barker
President
Midwestern University

Undecided: #17, 27, 42, 43, 44, 46
Invalid: #51
Tally by Questions

Question Number

1. 2 undecided. Explanation of FICE Code was not included on the questionnaire mailed to the panel.

3. 1 invalid, 1 undecided. I plan to fill in #1, 2, and 3 and mail each questionnaire to a specific administrator identified by name.

4. 1 invalid.

6. 1 invalid, 1 undecided.

7. 1 invalid, 1 undecided.

9. 1 invalid.

17. 2 undecided. This question has been reworded to clarify some of the options.

20. 1 invalid

21. 1 undecided. However, several respondents checked two answers; therefore, the question as submitted to the panel has been split into #21 and #22.
Question
Number

23.  1 invalid, 1 undecided.

27.  1 undecided.

28.  This question was not on the questionnaire sent to the panel, but was added as a logical part of #27.

29.  1 invalid, 2 undecided. Several respondents qualified their answers; therefore, #30 was added to define the answer checked for #29.

31.  1 invalid, 1 undecided. Several respondents asked if this question duplicated #15 and #16; therefore, the wording has been changed slightly in order to emphasize the difference.

32.  1 invalid, 1 undecided.

33.  1 invalid, 1 undecided.

36.  1 undecided.

39.  1 undecided.

40.  1 invalid.

42.  1 invalid, 2 undecided.

43.  2 undecided.

44.  1 undecided.

46.  1 invalid, 2 undecided.

47.  1 invalid.

48.  1 invalid, 1 undecided. Wording has been changed slightly to clarify meaning.

49.  1 undecided.

50.  1 invalid, 1 undecided.

51.  3 invalid, 1 undecided.

52.  1 invalid.
54. 1 invalid, 2 undecided. As submitted to the panel, the questionnaire did not include #53, which has been added to clarify #54.

55. 1 undecided.

56. 1 undecided.
QUESTIONNAIRE FOR DEANS

Please complete the following questionnaire by placing a check mark on the blank to the left of the correct answer for each question. The information supplied by you on this questionnaire will be tabulated and used in a doctoral dissertation with no respondents, schools, colleges, or universities associated by name with any specific information. Any information supplied by you will be held in strict confidence.

Please check here if you would like a copy of the tabulated information.

Background Information

1. FICE Code

2. College or School

3. Dean's (or acting dean's) name

4. Tenure as dean and/or acting dean
   a. ____ less than 2 years
   b. ____ 2 through 5 years
   c. ____ more than 5 years

5. Position held immediately before becoming dean or acting dean of this school or college
   a. ____ department head or acting department head
   b. ____ dean, or acting dean, of another school or college
   c. ____ full-time teaching faculty
   d. ____ position in industry or profession
   e. ____ other (please explain)

6. Present age
   a. ____ 35 or under
   b. ____ 36 through 45
   c. ____ 46 through 55
   d. ____ 56 through 65
   e. ____ 66 or older

7. Highest degree earned
   a. ____ bachelors
   b. ____ masters
   c. ____ doctorate
8. Major field of study
   a. ___ liberal arts, including economics, mathematics, humanities, etc.
   b. ___ science
   c. ___ fine arts
   d. ___ teacher education
   e. ___ agriculture
   f. ___ engineering
   g. ___ home economics
   h. ___ business administration
   i. ___ other (please explain) ________________________________

9. Approximate enrollment in your college or school
   a. ___ less than 500
   b. ___ 500 through 999
   c. ___ 1,000 through 1,499
   d. ___ 1,500 through 1,999
   e. ___ 2,000 through 2,999
   f. ___ 3,000 through 3,999
   g. ___ 4,000 or more

10. Approximate enrollment in entire university at your location
    a. ___ less than 5,000
    b. ___ 5,000 through 9,999
    c. ___ 10,000 through 14,999
    d. ___ 15,000 through 19,999
    e. ___ 20,000 or more

11. Number of faculty members in your college or school at your location
    a. ___ less than 50
    b. ___ 50 through 99
    c. ___ 100 through 149
    d. ___ 150 through 199
    e. ___ 200 or more

Who Prepares the Budget in Your College or School and How is it Done?

12. Degree to which you as dean participate in preparation of the budget for faculty salaries for your college or school
    a. ___ no participation
    b. ___ some participation
    c. ___ extensive participation
13. Degree to which you as dean participate in preparation of the budget for departmental operating expense for your college or school
   a. ____ no participation
   b. ____ some participation
   c. ____ extensive participation

14. Degree to which you as dean participate in preparation of the budget for instructional administration for your college or school
   a. ____ no participation
   b. ____ some participation
   c. ____ extensive participation

15. Degree to which the department heads in your college or school participate in preparation of the budget for faculty salaries for their departments
   a. ____ no participation
   b. ____ some participation
   c. ____ extensive participation

16. Degree to which the department heads in your college or school participate in preparation of the budget for departmental operating expense for their departments
   a. ____ no participation
   b. ____ some participation
   c. ____ extensive participation

17. In preparing the budget for my college or school
   a. ____ I follow the instructions of the academic dean/academic vice-president in regard to amounts to be budgeted
   b. ____ I determine which programs are desirable and prepare a budget to support these programs
   c. ____ I prepare next year's budget for my college or school by adjusting the current budget by a certain percentage
   d. ____ Other (please explain) ____________________________

18. Have long-range (3-5 years) goals and objectives been stated in writing for your college or school
   a. ____ yes
   b. ____ no (Skip #19)
19. Is your current annual budget consistent with these stated long-range goals and objectives? (That is, does this year's budget move your college or school a step closer to realization of the stated long-range goals and objectives?)
a. yes
b. no (please explain)

20. Our budget shows
   a. amounts budgeted for each month
   b. amounts budgeted for each semester
   c. amounts budgeted for the academic year or fiscal year only, with no breakdown by months or by semesters

21. Can faculty salaries, departmental operating expense, and instructional administration expense be reallocated at mid-year if circumstances change rapidly and drastically?
a. yes
b. yes, but with difficulty
   c. no

22. Is the financial officer or someone on his staff available to assist you in connection with preparation of the budget?
a. is available willingly and quickly
b. says he is available, but is too busy when I call him
   c. is not available
   d. my instructions require me to contact the academic dean/academic vice-president if I need assistance.

23. Is cost data available which indicates the cost per student for programs and courses?
a. yes
b. no (Skip #24)
   c. I don't know (Skip #24)

24. Do you use the above cost data in planning new programs and courses?
a. yes
b. no
25. Do you use forecasts of enrollment and other non-financial information in the development of budgets for faculty salaries, departmental operating expense, and instructional administration expense for your college or school?
   a. ____ yes (please list other non-financial information used)

26. During the past five years, have studies been conducted to evaluate how effectively programs and courses offered by your college or school prepared your students for graduate schools, professions, or industry?
   a. ____ yes
   b. ____ no

27. In my college or school, the budgeting function is handled by
   a. ____ me personally as dean
   b. ____ an associate dean
   c. ____ an assistant dean
   d. ____ other person whose title is _________

28. In my college or school the degree of participation of faculty in preparation of the budget for faculty salaries and departmental operating expense is
   a. ____ no participation
   b. ____ some participation
   c. ____ extensive participation

29. Do you use a budget committee composed of faculty members?
   a. ____ yes, a committee which is consultative only
   b. ____ yes, a committee which actually prepares the budget for my approval
   c. ____ yes, a committee which reviews the budget after it is prepared by someone else
   d. ____ no (Skip #30)

30. The budget committee is
   a. ____ appointed by the dean
   b. ____ elected by the faculty
   c. ____ other origin (please explain) ________

   ________________________________________________________________
   ________________________________________________________________
31. Has the chief financial officer or other person of your university made available to you a manual or set of instructions regarding the timetable and forms to be used in preparing your budget? (Please enter title of person from whom received.)
   a. ____ yes, received from
   b. ____ no manual or set of instructions received

32. Did the chief financial officer and/or the academic dean or academic vice-president hold one or more meetings with the deans to discuss policies, goals, programs, and/or techniques to be considered in the budget under preparation
   a. ____ yes
   b. ____ no (Skip #33)

33. It is my opinion that such meetings are
   a. ____ very helpful
   b. ____ somewhat helpful
   c. ____ helpful but not worth the time involved
   d. ____ a complete waste of time

34. In your opinion what changes should be made in the budgeting procedure followed at your university? Please explain the need for each suggested change.

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

What Reports Do You Receive and How Do You Use Them?

35. Budget and/or financial reports covering faculty salaries, departmental operating expense, and instructional administration expense are received by me as dean
   a. ____ more often than monthly
   b. ____ monthly
   c. ____ quarterly
   d. ____ each semester
   e. ____ semi-annually and/or annually
   f. ____ at no regular interval; from time to time
   g. ____ I receive no budget and/or financial reports (Skip to #52)
36. The usual time elapsed between the end of the reported period and receipt of the related budget reports and/or financial reports is
   a. ____ 1 through 10 days
   b. ____ 11 through 20 days
   c. ____ more than 20 days

37. If the reports are received monthly, quarterly, or each semester, do they show monthly, quarterly, or semester figures as well as year-to-date figures
   a. ____ yes
   b. ____ no
   c. ____ not received monthly, quarterly, or each semester

38. The reports assist me in formulating policy and plans for my school or college as follows: (check as many blanks as are appropriate and list ways in which the reports help you.)
   a. ____ are of considerable help in the following ways:
      ___________________________________________________________
      ___________________________________________________________
   b. ____ are of some help in the following ways:
      ___________________________________________________________
      ___________________________________________________________
   c. ____ are of little or no help

39. In your opinion, do the reports enable you to determine whether your school or college has achieved satisfactory performance
   a. ____ yes
   b. ____ some help
   c. ____ little or no help

40. Do the reports enable you to identify situations which require corrective action
   a. ____ yes
   b. ____ no

41. Do the reports compare actual costs with planned or estimated costs
   a. ____ yes
   b. ____ no
42. Do the reports highlight significant variances from plans and budgets
   a. ____ yes
   b. ____ no

43. Does each report identify types of corrective action required rather than only raising further questions
   a. ____ yes
   b. ____ no

44. Are costs analyzed and compared with other departments, schools, colleges, or institutions
   a. ____ yes
   b. ____ no

45. Do reports include both actual expenditures and items ordered but not yet received
   a. ____ yes
   b. ____ no
   c. ____ I don't know

46. Do reports include the following non-financial measures? (Check as many as are appropriate.)
   a. ____ total student enrollment
   b. ____ equivalent full-time students
   c. ____ semester hours
   d. ____ other (list) ________________________________
      ________________________________
      ________________________________
   e. ____ contains no non-financial data (Skip #47)

47. Do the reports compare such non-financial measures with the corresponding planned or budgeted measures
   a. ____ yes
   b. ____ no

48. The report is received by me
   a. ____ in the faculty mail
   b. ____ at a regular meeting of deans and/or administrators
   c. ____ by other means (please explain) __________
      ________________________________
      ________________________________
      ________________________________
49. If I have questions concerning the reports, the chief financial officer or a member of his staff
   a. ___ is available willingly and quickly
   b. ___ says he is available but is too busy when I call him
   c. ___ is available but I don't understand his explanations
   d. ___ is not available
   e. ___ my instructions require me to contact the academic dean/academic vice-president if I have questions

50. The academic dean or academic vice-president
   a. ___ regularly discusses each report with me
   b. ___ occasionally discusses the report with me
   c. ___ discusses the report with me only when I have overspent my budget
   d. ___ never discusses the reports with me

51. In your opinion what is the most useful part of the present reporting procedure? Why?

52. In your opinion what could be done to improve the reporting procedure to make it more useful to you?
January 16, 1975

Dear [Name]:

I think that you will readily agree that financial administration is an area within higher education which calls for intensive study and research. Several writers have recently noted the importance of budgeting and financial reporting to the smooth, efficient operation of an institution of higher education.

At the present time I am involved in a research project entitled "An Exploratory Study of the Use of Accounting Information for Management Control of Faculty Salaries, Departmental Operating Expense, and Instructional Administration Expense at the Dean's Level in Selected State Colleges and Universities in Texas." Dr. Ben Copeland of the Department of Accounting and Information Systems, College of Business Administration, North Texas State University, is supervising the study.

A suitable questionnaire is being developed to collect appropriate data for the study. The instrument attempts to measure the role a dean and his faculty play in preparing the budget for his college or school and the types of financial reports he receives and the use he makes of them. In order to establish validity for the survey instrument, I am establishing a panel consisting of deans, experts in financial administration, and experts in administration of higher education. Because of your special competence, I am requesting your service on this panel.

Would you, therefore, please take a few minutes to indicate in the left margin of the enclosed questionnaire whether you think each item is valid, invalid, or whether you are undecided as to the validity of the item.

Your reply will be held in strict confidence; no institution or individual will be identified in the completed report. However, I shall be happy to make the summary findings available to you personally if desired. A stamped, self-addressed envelope is enclosed for your convenience.

Sincerely,

M. Clinton Althaus
January 31, 1975

Dear ____________:

Several days ago you received a questionnaire entitled "Questionnaire for Deans" along with a cover letter explaining the purposes of the survey. I feel sure that you agree that a great deal of research needs to be done in the area of financial administration of higher education. Such research is dependent upon the kind cooperation of professionals in the field.

I am well aware that these are busy days for you and your staff and that the beginning of a new semester is a busy time. Also, I am aware of the multitude of requests that come to your desk for information and responses to questionnaires. It is possible that the questionnaire may have simply been placed aside and has not come to your attention.

I hope that you feel that you have the time to respond to the items giving requested data and opinions and that you will also take just a very few minutes to indicate in the left margin of the instrument whether you think each item is valid for inclusion in the study, invalid, or that you are unable to decide. This would not require a great deal of your time and would enable me to proceed with the research project.

Thank you very much for your assistance.

Sincerely yours,

M. Clinton Althaus
Dear [Blank]:

I think that you will readily agree that financial administration is an area within higher education which calls for intensive study and research. Several writers have recently noted the importance of financial planning and financial reporting to the smooth, efficient operation of an institution of higher education.

At the present time I am involved in a research project entitled "An Exploratory Study of the Use of Accounting Information for Management Control of Faculty Salaries, Departmental Operating Expense, and Instructional Administration Expense at the Dean's Level in Selected State Colleges and Universities in Texas." Dr. Ben Copeland of the Department of Accounting and Information Systems, College of Business Administration, North Texas State University, is supervising the study.

This study will attempt to measure the role the dean and his faculty play in preparing the financial plan for his college or school, the types of financial reports he receives, and the use he makes of them.

You can contribute significantly to this effort by taking just a few minutes to fill out the enclosed questionnaire and returning it to me in the enclosed, self-addressed envelope. Replies will be held in strict confidence. No person or college will be identified in the completed study.

Sincerely,

M. Clinton Althaus, Assistant Professor
Department of Accounting
QUESTIONNAIRE FOR ADMINISTRATORS
OF DEGREE-GRANTING UNITS

Please complete the following questionnaire by placing a check mark on the blank to the left of the correct answer for each question. The information supplied by you on this questionnaire will be tabulated and used in a doctoral dissertation with no respondents, schools, colleges, or universities associated by name with any specific information. Any information supplied by you will be held in strict confidence.

In this questionnaire the term "unit" as used in various questions refers to the degree-granting unit specifically named in question #2 below.

Please check here if you would like a copy of the tabulated information: _____.

Background Information

1. University FICE Code*__________________________.

2. Unit__________________________________________

3. Administrator__________________________________

4. Your tenure as administrator of this unit
   a. ___ less than 2 years
   b. ___ 2 through 5 years
   c. ___ more than 5 years

5. Position you held immediately before you became administrator of this unit
   a. ___ administrator of a department or academic area
   b. ___ administrator of a degree-granting unit on a different campus
   c. ___ associate or assistant administrator of this or some other degree-granting unit
   d. ___ full-time teaching faculty
   e. ___ position in industry or profession
   f. ___ other (please explain) ______________________

______________________________

*U.S. Office of Education (FICE) Institutional Code Numbers used by Coordinating Board, Texas College and University System
6. Your present age
   a. ____ 35 or under
   b. ____ 36 through 45
   c. ____ 46 through 55
   d. ____ 56 through 65
   e. ____ 66 or older

7. Your highest degree earned
   a. ____ bachelors
   b. ____ masters
   c. ____ doctorate

8. Your major field of study (doctorate)
   a. ____ liberal arts, including economics, mathematics, humanities, etc.
   b. ____ science
   c. ____ fine arts
   d. ____ teacher education
   e. ____ agriculture
   f. ____ engineering
   g. ____ home economics
   h. ____ business administration
   i. ____ other (please explain) _________________________

9. Approximate enrollment this semester in your unit as defined in #2 above
   a. ____ less than 500
   b. ____ 500 through 999
   c. ____ 1,000 through 1,499
   d. ____ 1,500 through 1,999
   e. ____ 2,000 through 2,999
   f. ____ 3,000 through 3,999
   g. ____ 4,000 or more

10. Approximate enrollment this semester in entire university at your location
    a. ____ less than 5,000
    b. ____ 5,000 through 9,999
    c. ____ 10,000 through 14,999
    d. ____ 15,000 through 19,999
    e. ____ 20,000 or more

11. Number of faculty members in your unit as defined in #2 above
    a. ____ less than 10
    b. ____ 10 through 24
    c. ____ 25 through 49
    d. ____ 50 through 99
    e. ____ 100 through 149
    f. ____ 150 through 199
    g. ____ 200 or more
Who Prepares the Financial Plan for your Unit
(as defined in #2 above) and How Is It Done?

12. Degree to which you as administrator participate in preparation of the financial plan for faculty salaries for your unit
   a. ___ no participation
   b. ___ some participation
   c. ___ extensive participation
      Please explain nature of your participation

13. Degree to which you as administrator participate in preparation of the financial plan for departmental operating expense for your unit
   a. ___ no participation
   b. ___ some participation
   c. ___ extensive participation
      Please explain nature of your participation

14. Degree to which you as administrator participate in preparation of the financial plan for instructional administration expense for your unit
   a. ___ no participation
   b. ___ some participation
   c. ___ extensive participation
      Please explain nature of your participation

15. Degree to which the administrators of departments or academic areas who report to you participate in preparation of the financial plan for faculty salaries for their departments or academic areas
   a. ___ no participation
   b. ___ some participation
   c. ___ extensive participation
      Please explain nature of your participation

16. Degree to which the administrators of departments or academic areas who report to you participate in preparation of the financial plan for departmental operating expense for their departments or academic areas
   a. ___ no participation
   b. ___ some participation
   c. ___ extensive participation
      Please explain nature of their participation
17. In preparing the financial plan for your unit do you
   a. ____ get a total dollar amount from higher administration which you can allocate as you desire
   b. ____ get specific amounts designated by higher administration for each department or academic area
   c. ____ determine which programs are desirable and prepare a financial plan to support these programs (zero-based budgeting)
   d. ____ prepare next year's financial plan for your unit by adjusting the current financial plan by a certain percentage developed by you
   e. ____ prepare next year's financial plan for your unit by adjusting the current financial plan by a certain percentage specified by higher administration
   f. ____ other (please explain) __________________________  
       __________________________  

18. Have long-range (3-5 years) broad objectives and more specific goals been stated in writing for your unit
   a. ____ yes (briefly explain their nature) __________________________  
       __________________________  
   b. ____ no (Skip #19)

19. Is your current annual financial plan consistent with these stated long-range objectives and specific goals? (That is, does this year's financial plan move your unit a step closer to realization of the stated long-range objectives and specific goals?)
   a. ____ yes
   b. ____ no (please explain) __________________________  

20. Does the annual financial plan for your unit show
   a. ____ amounts planned for each month
   b. ____ amounts planned for each semester or quarter or term
   c. ____ amounts for the academic year or fiscal year only with no breakdown by months, semesters, quarters, or terms.

21. Can departmental operating expense be increased or decreased in total for your unit at mid-year if circumstances change rapidly and drastically
   a. ____ yes
   b. ____ yes, but with difficulty
   c. ____ no
22. Can instructional administration expense be increased or decreased in total for your unit at mid-year if circumstances change rapidly and drastically
   a. ____ yes
   b. ____ yes, but with difficulty
   c. ____ no

23. Is the chief financial officer or someone on his staff available to assist you in preparation of the financial plan for your unit
   a. ____ available willingly and quickly
   b. ____ says he is available, but is too busy when I call him
   c. ____ not available
   d. ____ my instructions require me to contact someone other than the chief financial officer if I need assistance
   e. ____ other (please explain) ____________________________

24. Are historical cost data available which indicate the cost per student for programs and courses
   a. ____ yes
   b. ____ no (Skip #25)
   c. ____ I don't know (Skip #25)

25. Do you use the above historical cost data (#24) in planning new programs and courses and in developing a financial plan to support them?
   a. ____ yes
   b. ____ no

26. Do you use forecasts of enrollment and other non-financial information in the development of financial plans for faculty salaries, departmental operating expense, and instructional administration expense for your unit
   a. ____ yes (please list non-financial information used) ____________________________
   b. ____ no

27. During the past five years, have studies been conducted to evaluate the effectiveness of your programs and courses in preparing your students for graduate schools, professions, or industry
   A. ____ yes
   b. ____ no (Skip #28)
28. If you answered #27 "yes," how was "effectiveness" measured

29. In your unit is the financial planning function the responsibility of
   a. ___ you personally
   b. ___ an associate dean
   c. ___ an assistant dean
   d. ___ other person whose title is __________

30. In #29, this responsibility consists of
   a. ___ clerical only
   b. ___ development only (preparation of financial plan)
   c. ___ control only (follow-up of variances)
   d. ___ some combination of "b" and "c" (please explain)

31. In your unit the degree of participation of faculty, other than administrators of departments or academic areas, in preparation of the financial plan for faculty salaries and departmental operating expense is
   a. ___ no participation
   b. ___ some participation
   c. ___ extensive participation
      Please explain nature of their participation

32. Do you use a "budget" committee composed of faculty members
   a. ___ yes, a committee which is consultative only
   b. ___ yes, a committee which actually prepares the financial plan for my approval
   c. ___ yes, a committee which approves the financial plan after it is prepared by someone else
   d. ___ yes, other (please explain) ________________
   e. ___ no (Skip #33)

33. The "budget" committee is
   a. ___ appointed by the dean
   b. ___ elected by the faculty
   c. ___ other origin (please explain) ________________
34. Has the chief financial officer or other person of your university made available to you a manual or set of instructions regarding the policies, timetable, and forms to be used in preparing your financial plan? (Please enter the title of the person from whom received.)
a. yes, received from _______________________________
b. no

35. Prior to and/or during development of the current financial plan, did the chief financial officer and/or the chief academic administrator hold one or more meetings with the unit administrators to discuss policies, objectives, goals, programs, and/or techniques to be considered in the current financial plan?
a. yes
b. no (Skip #36)

36. The meetings in #35 above are
a. very helpful
b. somewhat helpful
c. helpful but not worth the time involved

37. In your opinion what changes should be made in the financial planning procedure followed at your university? Please explain the need for each suggested change.

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<th>Changes</th>
<th>Why Proposed</th>
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What Financial Reports Do You Receive And How Do You Use Them?

38. Financial reports covering faculty salaries, departmental operating expense, and instructional administration expense are received by you
a. more often than monthly
b. monthly
c. quarterly
d. each semester
e. semi-annually and/or annually
f. at no regular interval; from time to time
g. you receive no financial reports (Skip to #56)
39. The usual time elapsed between the end of the reported period and receipt of the related financial reports is
   a. ___ 1 through 10 days
   b. ___ 11 through 20 days
   c. ___ more than 20 days

40. Do the financial reports show current as well as cumulative (year-to-date) amounts
   a. ___ yes
   b. ___ no

41. Do the financial reports assist you in formulating policy and plans for your unit
   a. ___ are of considerable help in the following ways:
      __________________________________________________________
      __________________________________________________________
   b. ___ are of some help in the following ways:
      __________________________________________________________
      __________________________________________________________
   c. ___ are of little or no help

42. In your opinion do the financial reports enable you to determine whether your unit has attained satisfactory performance?
   a. ___ yes
   b. ___ some help
   c. ___ little or no help

43. Do the financial reports help you to identify situations that require corrective action
   a. ___ yes
   b. ___ no

44. Do the financial reports compare actual amounts with planned or estimated amounts
   a. ___ yes
   b. ___ no

45. Do the financial reports highlight significant variances from financial plans
   a. ___ yes
   b. ___ no

46. Does each financial report identify the kinds of corrective action required rather than only raising further questions
   a. ___ yes
   b. ___ no
47. Do the financial reports analyze your costs and compare them with costs of other departments, schools, colleges, or institutions
   a. ___ yes
   b. ___ no
   c. ___ I don't know

48. Do the financial reports include both actual expenditures and commitments (items ordered but not yet received)
   a. ___ yes
   b. ___ no
   c. ___ I don't know

49. Do the financial reports include the following amounts? (Please check as many as are appropriate.)
   a. ___ cost per student enrolled
   b. ___ cost per full-time equivalent student
   c. ___ cost per semester hour or quarter hour
   d. ___ other (please list) __________________________
   __________________________
   __________________________

50. Do the financial reports compare the amounts in #49 with the corresponding planned amounts
   a. ___ yes
   b. ___ no

51. Do you receive the financial reports
   a. ___ in the faculty mail
   b. ___ at a regular meeting of administrators
   c. ___ by other means (please explain) __________________________
   __________________________

52. Is the chief financial officer or a member of his staff available to assist you if you have questions concerning the financial reports
   a. ___ available willingly and quickly
   b. ___ says he is available but is too busy when I call him
   c. ___ available but I don't understand his explanations
   d. ___ not available
   e. ___ my instructions require me to contact someone other than the chief financial officer if I have questions
   f. ___ other (please explain) __________________________
   __________________________
53. What is the title of the person to whom you report in regard to financial matters

Title ____________________________

54. Does the person listed in #53 above
   a. ___ regularly discuss each financial report with you
   b. ___ occasionally discuss each financial report with you
   c. ___ discuss the financial reports with you only when you have overspent your planned expenditures
   d. ___ never discuss the financial reports with you

55. In your opinion what is the most useful part of the present financial reporting procedure used by your university? Why ____________________________

56. In your opinion what could be done to make the financial reporting procedure more useful to you ____________________________
QUESTIONNAIRE FOR ADMINISTRATORS
OF DEGREE-GRANTING UNITS
FORM B

Please complete the following questionnaire by placing a check mark on the blank to the left of the correct answer for each question. The information supplied by you on this questionnaire will be tabulated and used in a doctoral dissertation with no respondents, schools, colleges, or universities associated by name with any specific information. Any information supplied by you will be held in strict confidence.

In this questionnaire the term "unit" as used in various questions refers to the degree-granting unit specifically named in question #2 below.

Please check here if you would like a copy of the tabulated information: 

Background Information

1. University FICE Code*_________________

2. Unit_____________________________________

3. Administrator_____________________________________

4. Approximate enrollment this semester in your unit as defined in #2 above
   a. ____ less than 500
   b. ____ 500 through 999
   c. ____ 1,000 through 1,499
   d. ____ 1,500 through 1,999
   e. ____ 2,000 through 2,999
   f. ____ 3,000 through 3,999
   g. ____ 4,000 or more

5. Approximate enrollment this semester in entire university at your location
   a. ____ less than 5,000
   b. ____ 5,000 through 9,999
   c. ____ 10,000 through 14,999
   d. ____ 15,000 through 19,999
   e. ____ 20,000 or more

*U.S. Office of Education (FICE) Institutional Code Numbers used by Coordinating Board, Texas College and University System
6. Your highest degree earned
   a. ____ bachelors
   b. ____ masters
   c. ____ doctorate

7. Your tenure as administrator of this unit
   a. ____ less than 2 years
   b. ____ 2 through 5 years
   c. ____ more than 5 years

8. Your major field of study (doctorate)
   a. ____ liberal arts, including economics, mathematics, humanities, etc.
   b. ____ science
   c. ____ fine arts
   d. ____ teacher education
   e. ____ agriculture
   f. ____ engineering
   g. ____ home economics
   h. ____ business administration
   i. ____ other (please explain)______________________________

9. Position you held immediately before you became administrator of this unit
   a. ____ administrator of a department or academic area
   b. ____ administrator of a degree-granting unit on a different campus
   c. ____ associate or assistant administrator of this or some other degree-granting unit
   d. ____ full-time teaching faculty
   e. ____ position in industry or profession
   f. ____ other (please explain)______________________________

10. Your present age
    a. ____ 35 or under
    b. ____ 36 through 45
    c. ____ 46 through 55
    d. ____ 56 through 65
    e. ____ 66 or older

11. Number of faculty members in your unit as defined in #2 above
    a. ____ less than 10
    b. ____ 10 through 24
    c. ____ 25 through 49
    d. ____ 50 through 99
    e. ____ 100 through 149
    f. ____ 150 through 199
    g. ____ 200 or more
Who Prepares the Financial Plan for Your Unit
(as defined in #2 above)
and How Is It Done?

12. Can departmental operating expense be increased or decreased in total for your unit at mid-year if circumstances change rapidly and drastically
   a. ___ yes
   b. ___ yes, but with difficulty
   c. ___ no

13. Degree to which you as administrator participate in preparation of the financial plan for departmental operating expense for your unit
   a. ___ no participation
   b. ___ some participation
   c. ___ extensive participation
      Please explain nature of your participation

14. Have long-range (3-5 years) broad objectives and more specific goals been stated in writing for your unit
   a. ___ yes (briefly explain their nature)

   b. ___ no (Skip #15)

15. Is your current annual financial plan consistent with these stated long-range objectives and specific goals? (That is, does this year's financial plan move your unit a step closer to realization of the stated long-range objectives and specific goals?)
   a. ___ yes
   b. ___ no (please explain)
16. In preparing the financial plan for your unit do you
a. ___ get the total dollar amount from higher administration which you can allocate as you desire
b. ___ get specific amounts designated by higher administration for each department or academic area
c. ___ determine which programs are desirable and prepare a financial plan to support these programs (zero-based budgeting)
d. ___ prepare next year’s financial plan for your unit by adjusting the current financial plan by a certain percentage developed by you
e. ___ prepare next year’s financial plan for your unit by adjusting the current financial plan by a certain percentage specified by higher administration
f. ___ other (please explain)__________________________________________________________________________

17. Degree to which the administrators of departments or academic areas who report to you participate in preparation of the financial plan for faculty salaries for their departments or academic areas
a. ___ no participation
b. ___ some participation
c. ___ extensive participation
   Please explain nature of their participation__________________________________________________________________________

18. Can instructional administration expense be increased or decreased in total for your unit at mid-year if circumstances change rapidly and drastically
a. ___ yes
b. ___ yes, but with difficulty
c. ___ no

19. Does the annual financial plan for your unit show
a. ___ amounts planned for each month
b. ___ amounts planned for each semester or quarter or term
c. ___ amounts for the academic year or fiscal year only with no breakdown by months, semesters, quarters, or terms

20. Degree to which you as administrator participate in preparation of the financial plan for faculty salaries for your unit
a. ___ no participation
b. ___ some participation
c. ___ extensive participation
21. Degree to which the administrators of departments or academic areas who report to you participate in preparation of the financial plan for departmental operating expense for their departments or academic areas
   a. ___ no participation
   b. ___ some participation
   c. ___ extensive participation
      Please explain nature of their participation

22. In your opinion what changes should be made in the financial planning procedure followed at your university? Please explain the need for each suggested change.

   Changes          Why Proposed
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

23. Do you use a "budget" committee composed of faculty members?
   a. ___ yes, a committee which is consultative only
   b. ___ yes, a committee which actually prepares the financial plan for my approval
   c. ___ yes, a committee which approves the financial plan after it is prepared by someone else
   d. ___ yes, other (please explain)______________________
   e. ___ no (Skip #24)

24. The "budget" committee is
   a. ___ appointed by the dean
   b. ___ elected by the faculty
   c. ___ other origin (please explain)______________________

25. Degree to which you as administrator participate in preparation of the financial plan for instructional administration expense for your unit
   a. ___ no participation
   b. ___ some participation
   c. ___ extensive participation
      Please explain nature of your participation
26. Is the chief financial officer or someone on his staff available to assist you in preparation of the financial plan for your unit
   a. ___ available willingly and quickly
   b. ___ says he is available, but is too busy when I call him
   c. ___ not available
   d. ___ my instructions require me to contact someone other than the chief financial officer if I need assistance
   e. ___ other (please explain) ________________________________

27. Has the chief financial officer or other person of your university made available to you a manual or set of instructions regarding the policies, timetable, and forms to be used in preparing your financial plan
   a. ___ yes, received from ________________________________
   b. ___ no

28. Are historical cost data available which indicate the cost per student for programs and courses
   a. ___ yes
   b. ___ no (Skip #29)
   c. ___ I don't know (Skip #29)

29. Do you use the above historical cost data (#28) in planning new programs and courses and in developing a financial plan to support them
   a. ___ yes
   b. ___ no

30. During the past five years, have studies been conducted to evaluate the effectiveness of your programs and courses in preparing your students for graduate schools, professions, or industry
   a. ___ yes
   b. ___ no (Skip #31)

31. If you answered #30 "yes," how was "effectiveness" measured
   ___________________________________________________________________
   ___________________________________________________________________
   ___________________________________________________________________
   ___________________________________________________________________
32. In your unit the degree of participation of faculty, other than administrators of departments or academic areas, in preparation of the financial plan for faculty salaries and departmental operating expense is
a. ____ no participation
b. ____ some participation
c. ____ extensive participation
Please explain nature of their participation

33. In your unit is the financial planning function the responsibility of
a. ____ you personally
b. ____ an associate dean
c. ____ an assistant dean
d. ____ other person whose title is________________________

34. In #33 this responsibility consists of
a. ____ clerical only
b. ____ development only (preparation of financial plan)
c. ____ control only (follow-up of variances)
d. ____ some combination of "b" and "c" (please explain)

35. Prior to and/or during development of the current financial plan, did the chief financial officer and/or the chief academic administrator hold one or more meetings with the unit administrators to discuss policies, objectives, goals, programs, and/or techniques to be considered in the current financial plan
a. ____ yes
b. ____ no (Skip #36)

36. The meetings in #35 above are
a. ____ very helpful
b. ____ somewhat helpful
c. ____ helpful but not worth the time involved

37. Do you use forecasts of enrollment and other non-financial information in the development of financial plans for faculty salaries, departmental operating expense, and instructional administration expense for your unit
a. ____ yes (please list non-financial information used)

b. ____ no
What Financial Reports Do You Receive and How Do You Use Them?

38. Financial reports covering faculty salaries, departmental operating expense, and instructional administration expense are received by you
   a. ____ more often than monthly
   b. ____ monthly
   c. ____ quarterly
   d. ____ each semester
   e. ____ semi-annually and/or annually
   f. ____ at no regular interval; from time to time
   g. ____ you receive no financial reports (Skip to #56)

39. Do the financial reports include the following amounts (please check as many as are appropriate)
   a. ____ cost per student enrolled
   b. ____ cost per full-time equivalent student
   c. ____ cost per semester hour or quarter hour
   d. ____ other (please list)

   e. ____ none of the above (Skip #40)

40. Do the financial reports compare the amounts in #39 with the corresponding planned amounts
   a. ____ yes
   b. ____ no

41. The usual time elapsed between the end of the reported period and receipt of the related financial reports is
   a. ____ 1 through 10 days
   b. ____ 11 through 20 days
   c. ____ more than 20 days

42. Do the financial reports help you to identify situations that require corrective action
   a. ____ yes
   b. ____ no

43. Do the financial reports compare actual amounts with planned or estimated amounts
   a. ____ yes
   b. ____ no

44. In your opinion do the financial reports enable you to determine whether your unit has attained satisfactory performance
   a. ____ yes
   b. ____ some help
   c. ____ little or no help
45. What is the title of the person to whom you report in regard to financial matters
Title ________________________________

46. Does the person listed in #45 above
a. _____ regularly discuss each financial report with you
b. _____ occasionally discuss each financial report with you
c. _____ discuss the financial reports with you only when you have overspent your planned expenditures
d. _____ never discuss the financial reports with you

47. Do the financial reports show current as well as cumulative (year-to-date) amounts
a. _____ yes
b. _____ no

48. Does each financial report identify kinds of corrective action required rather than only raising further questions
a. _____ yes
b. _____ no

49. Do the financial reports assist you in formulating policy and plans for your unit
a. _____ are of considerable help in the following ways

b. _____ are of some help in the following ways

c. _____ are of little or no help

50. Do the financial reports highlight significant variances from financial plans
a. _____ yes
b. _____ no

51. Do you receive the financial reports
a. _____ in the faculty mail
b. _____ at a regular meeting of administrators
c. _____ by other means (please explain) _______________________

52. Do the financial reports include both actual expenditures and commitments (items ordered but not yet received)
a. _____ yes
b. _____ no
c. _____ I don't know
53. Is the chief financial officer or a member of his staff available to assist you if you have questions concerning the financial reports
   a. _____ available willingly and quickly
   b. _____ says he is available but is too busy when I call him
   c. _____ available but I don't understand his explanations
   d. _____ not available
   e. _____ my instructions require me to contact someone other than the chief financial officer if I have questions
   f. _____ other (please explain)______________________________

54. Do the financial reports analyze your costs and compare them with costs of other departments, schools, colleges, or institutions
   a. _____ yes
   b. _____ no
   c. _____ I don't know

55. In your opinion what is the most useful part of the present financial reporting procedure used by your university? Why?

56. In your opinion what could be done to make the financial reporting procedure more useful to you
Wichita Falls, Texas 76308
March 20, 1975

Dear __________________:

Words cannot adequately express my gratitude to you for your assistance in the study of "An Exploratory Study of the Use of Accounting Information for Management Control of Faculty Salaries, Departmental Operating Expense, and Instructional Administration Expense at the Dean's Level in Selected State Colleges and Universities in Texas." I shall be happy to make the results of the study available to you and hope to be in a position to repay your kindness in the future.

Validity has been established for the questionnaire. In order for the research to be accepted it is necessary also to establish reliability for this instrument. It seems that the test-retest method is the only appropriate method of establishing reliability in this instance. I have chosen a random sample of respondents to the instrument who are being asked to assist in establishing reliability.

I am aware that this is asking a lot from your busy schedule, but I am hoping that your professional interest will result in your taking the necessary time to execute Form B of the questionnaire which you completed a few days ago. When the Form B questionnaires are returned, I shall compare them with those previously received and compute a coefficient of correlation.

Your generous cooperation and timely return of the questionnaire in the enclosed stamped envelope will enable me to complete the research project and provide you with a summary of my findings.

Sincerely,

M. Clinton Althaus
Assistant Professor of Accounting
School of Business Administration
Midwestern University
Wichita Falls, Texas  76308
March 22, 1975

Dear ____________:

Response to the questionnaire mailed to you on March 9th relating to the use of accounting information for management control of various expenses at the dean's level in the state colleges of Texas has been very good. To date, questionnaires have been received from 55 per cent of the deans involved in the study.

In order to complete this important study on a timely basis and to complete my dissertation this semester, I urgently need your response at your very earliest convenience.

If you do not wish to respond to any item on the questionnaire, please feel free to omit that item in completing the instrument.

As I indicated previously, all data will be kept confidential; no college or individual will be identified in the completed study. A summary of the data will be forwarded to each person who participates in the study.

May I hear from you soon?

Sincerely,

M. Clinton Althaus
Assistant Professor of Accounting
School of Business Administration
Midwestern University
Box 4412
Wichita Falls, Texas 76308
May 13, 1975

Dear ____________:

S.O.S.---S.O.S.---S.O.S.

This is a desperate plea for assistance. I know that you are very busy at this time, but won't you please take about ten minutes to help with a worthwhile endeavor.

The study of the use of accounting information for management control of faculty salaries, departmental operating expense, and instructional administration expense at the dean's level in selected state colleges and universities in Texas is progressing. Questionnaires have been returned by ninety-seven deans, with all of the deans at several universities responding. However, the response from two universities, yours and one other, includes less than fifty per cent of the deans. Since your great university is an important part of the system of higher education in Texas, a response from you will contribute greatly to the study.

While I hope to produce a doctoral dissertation from this study, I feel that it has wide significance and interest to higher education in Texas and will serve to enhance the prestige and recognition of deans as financial administrators.

Would you, please, take a few moments, now, while you are thinking of it, to fill out the enclosed questionnaire and return it to me in the enclosed stamped envelope. I would appreciate it ever so much and shall be happy to provide you with a summary of my findings when I complete the dissertation.

For additional explanation, please refer to the enclosed copy of the cover letter which accompanied the original questionnaire mailed to you about March 9, 1975.

Sincerely,

M. Clinton Althaus, Assistant Professor
College of Business Administration
Midwestern University
RESPONSES TO THE QUESTION:
IN YOUR OPINION WHAT CHANGES SHOULD BE MADE
IN THE FINANCIAL PLANNING PROCEDURE
FOLLOWED AT YOUR UNIVERSITY?

Small Universities

Additional input from deans after consultation with departments.

Develop long-range financial plan (3-5 years or beyond) to better cope with shifts in enrollment among departments.

Reallocation of funds from declining areas to rapid growth areas to achieve higher quality in the delivery of services to students.

More explicit instructions to make it easier.

Have school responsibility for all phases of financing--salary, operational, and instructional--to allow more flexibility and planning.

Relate financial more closely to some objective measure of output to take care of significant operational changes.

Undergoing change at present.

Faculty involvement in budget preparation is needed.

Directors should be more involved! Under present administration I think this will be accomplished.

Development of a specific set of criteria and procedures for a financial plan.

Follow recommendations made in the financial planning procedure.

Procedure manual for budget planning.

More final authority should rest with administrative levels closer to the situation.

In general, I think our system works fairly good. One change that I would like to see is a cost/student for programs and courses calculated and made available to the deans and department heads.

A higher formula is needed.
We are beginning our second year on this proposal and it is too soon to give an appropriate answer or evaluation at this time.

A little closer working relationship with our V.P. for Fiscal Affairs would be welcome.

More input from administrative departments because they are more aware of needs.

More faculty participation to assure that needs are covered.

Input from administrators before final allocation is made because administrator of the unit is likely to have different priority in terms of how much goes where.

Greater involvement of all faculty members.

More information as to amount (or percentage) of possible budget increase year by year to aid in planning.

Budget 12 months in order to allow better planning.

Budget on basis of funds generated for more equitable allocation of funds.

Budget given semester allocation as dean and faculty determines in order to improve administrative policy.

Budget decisions should be made earlier in order to lengthen time restrictions in obtaining additional staff.

Large Universities

Shift primary responsibility to college level--in a better position to make decisions.

More financial autonomy at college level.

Would like to have more autonomy in the college relative to use of funds. This would permit college more freedom and flexibility in shifting funds easily from one aspect of its program to another.

To involved more people in the process including above me and below me.

We should devote time to improve the system toward a program-priority departmentalized budget.
Greater decentralization.

Our contingency funds for travel, M & O, and capital equipment are now in the V. P. for Academic Affairs office. I think the Dean should control these funds to a certain extent. The time involved in meeting emergencies is too long and the V.P. has a constant demand for funds that the dean can assess better.

Make budgeting an equalized process which is worked at all year round rather than being surprised that it is budget making time again.

We are just getting to the "zero-budget" plan. The deans have to administer the budgets. They must be allowed to help make them.

Decisions should be made on factual information and not on subjective judgement.

Make every budgeted category more flexible to allow for quick and dramatic change.

Carry a larger surplus in each category to allow for tremendous growth problems and change during budget year.

Allocation of dollar amount for instructional funds. Let chairmen and dean set faculty salaries in relation to market demand.

Responsibility should be relinquished by V.P.A.A. and assigned to academic deans. Deans should have more control over operations.

Little change needed.

More lead time for budget.

More detailed studies and discussions to insure equitable allocations.

Zero-budgeting because the environment in which higher education is operating has changed drastically and re-allocation of resources is sorely needed.

More participation at dean's level in macro-budget decisions.

Receive from central administration an amount of funds that better represent the percentage generated by college based on state formula.
Less line items to make the budget more flexible.
At this time, it works fine with no changes needed.

More unit participation because more interest is needed.

Start earlier and provide for more participation by colleges and departments prior to setting guidelines and dollar figures.

Subject to continuing review with greater autonomy allocated to budgeted units of college level.

The present procedure appears to be adequate. It would be nice to be funded on the basis of future enrollment, but this might have its pitfalls. It would be nice to establish a budget based on need rather than available funds, but this is impossible.

More review between Deans and President to eliminate misunderstanding of recommendations.

We need formalized financial plans. Salaries and operating expenses are formalized at budget preparation time.

Be given more time.

More detailed knowledge of budgeting process to administrators.

More flexibility within individual schools.

Zero-base or program budgeting because we need to know what the programs cost to start up.

Program costing because we need to understand where costs arise.

Quarterly or semi-annual evaluation because we need to control costs better.

We need a V.P. - Finance and more institutional analysis because data is lacking or is poor.

I would prefer to have a lump sum for each line item and allocate these funds to departments upon the basis of their justified requests in order to secure better distribution of available funds.

Phase financial planning with academic year for hiring faculty and getting equipment before academic year starts.
Continue to develop mechanism to determine available positions during a year of Legislative appropriations to permit early recruitment of both faculty and graduate assistants.

Present system is adequate.

Ours seems to work fine. Fund allocations should be made earlier to avoid time crunch on budget details.

V.P.A.A. should work with V.P. for Business Affairs because V.P.A.A. knows very little about budgeting.

New staff should be identified earlier to assist recruiting and fiscal planning.

Required new programs should enter budget cycle earlier to assist in fiscal planning.

Deadlines should not be so close together because it is difficult to meet and expect intelligent planning and review.
RESPONSES TO THE QUESTION:
IN YOUR OPINION WHAT IS THE MOST USEFUL PART
OF THE PRESENT FINANCIAL REPORTING PROCEDURE
USED BY YOUR UNIVERSITY: WHY?

Small Universities

Provides computerized up-to-date data helpful in controlling spending (feedback).
Serves as a useful planning tool for future budgets.
Pinpoints areas needing immediate attention.
Operating costs.
Relatively prompt reporting of encumbrances and expenditures.
Getting the reports as quickly and regularly as we do.
Use as a control device--when it is correct.
In my case, I am directly responsible to the President. This gives me a great deal of freedom and independence as long as I stay within the limits of the approved budget.
Letting departments know their budget balance helps to plan for the rest of the semester.
How much money we have spent and how much we have left to operate on.
Well informed.
The regularity of the reports, the accuracy of the report, and listing by class of type of expenditure.
It provides data which may be used for comparative study over the years; provides a checking system against accounting procedures used in my school; makes accountability easier for the school since we do not have our own accountant to monitor the system for us individually.
Monthly reports--because they give a good description of amounts spent and those remaining.
Currently informed of what has been paid.
Monthly reports indicate status of each department.
The balances in salaries, wages, other expenses, and capital outlay are the most helpful, since that gives the over-all status of the department.

A matter of checks and balances so we can compare ours with theirs.

No answers. I'll decide after a two-year period.

Control of operating and maintenance budget.

Keeps us up to date on budget and assists in making plans for the future.

Accuracy.

Once the budget is set we have comparative freedom in spending the budget. Overdrawing is not good stewardship but the V.P. for F.A. permits overdrawing in areas that are difficult to control like telephone, postage, duplicating, etc.

Keeps me apprised. I can then compare with plans.

Status of expenditures and remaining balances is updated monthly.

Funds generated in various areas to funds expended in various areas. These are prime factors in budgeting, trends and adjustments.

Departmental expenditures are adequately monitored by the monthly reports.

Opportunity to check the balances my books show with those of the university.

Large Universities

You will note that we have none (except to department heads, but you didn't ask about that).

Have very limited financial reporting procedure, essentially for local, auxiliary accounts only.

Amount of funds remaining so we do not overspend.

General overview, but line item oriented versus our function being program oriented.
Basic means of keeping track of budgetary situation.

All units, particularly at the departmental level, involve those most knowledgeable and responsible for programs in the planning. The Dean must know what the departments require and can justify. He must establish college priorities. The Vice-President must deal with each Dean and establish university priorities. We are all working to improve our system. The Deans will have more autonomy and thus more responsibility next year than this year. The most important aspect of our planning is to share with our chairmen and faculty the university fiscal status. Faced with the realities and limits, we can better plan and work toward our program priorities.

Only use is to provide a means to monitor budgets to see if we are overspending.

The monthly statement. We can see where we have been.

It works.

Quick, easy, and it works.

Department operating budgets--current accounting of expenditures and provides control of same.

Expenditures and planned expenditures.

Permits ready record of performance.

Cost accounting provides a guide for budgeting faculty salaries, faculty additions, production of credit hours in all areas.

Departmental reports (operating budget) provides a guide to expenditures, cost changes, etc.

New programs, many times, require "extra" funding for a period of time. The cost accounting report provides a means of determining the progress of these programs since they print out credit hours produced; which, in turn, are given the state formulas in dollars. In other words, it shows moneys produced each semester.

Monthly print outs on each budget.

It tells what is happening and implies what can be done.

Calculations of earnings by departments based on formula funding.
Fund balances.

Provides some data which is useful in comparing departments with each other, which in turn helps in preparing . . . (illegible).

I find that they are not useful.

Nil

Details

It allows us to double check our own in-house bookkeeping procedures. Financial report is just that, a record of expenditures. It is useful for bookkeeping but not for planning. It gives little indication of costs/units which probably is not useful anyhow, unless accompanied by breakdown by lower division, upper division and graduate. It does furnish a means of management and control of expenditure.

Shows cumulative balances (or deficits) by category for each department.

Monthly reports allow double check on remaining budget dollars.

Since our budget for teaching salaries and departmental operating expenses has a limited number of categories, the spending limits are established when the budget is established. With some restrictions, transfers of money can be made. The main purpose then of the report is to monitor the expenditures. In the previous questions relating cost per student, etc., this has pretty well been decided when the formula was established. One can always improve the cost effectiveness by going to larger and larger classes, but in our case we must also meet the standards of an accrediting agency which would preclude our obtaining cost effectiveness in that manner. I believe the financial reporting procedure could be simplified and each month's expenditures and encumbrances could be shown on the next month's report. As it is now, I think, you must wade through the whole year's operation on any given month.

Monthly print outs.

Completeness.

These questions evidently refer to a different kind of financial report from the ones we use.

Dean deals with President (V.P.'s are staff, not line).
Indicates what the university has recorded.

Itemized breakdown which allows me to note significant cost items.

Spot too rapid depletion of balances by category (wages of student employees, for example) in time to take corrective action.

Financial reporting is adequate. The detailed planning of finances as illustrated in the above answers is a college organized program. Organized by my assistant, to whom I am most grateful. He has a professional management degree and saves my life daily.

The reports concerning costs per student credit hour taught are the most useful in financial planning. All fiscal reports are useful in day to day operations.

The annual budget.

The ability to know exactly where we stand at any given time during the year.

Monthly reports for day to day operation.

Annual reports for new budget and longer range plans.

As indicated, we receive many financial reports. Each is designed to meet a specific purpose and each is most useful with respect to that purpose. I can't isolate one as most useful unless you indicate most useful for what.

Monthly reports--for mid-year adjustments.

Special reports--give useful planning information.
RESPONSES TO THE QUESTION:
IN YOUR OPINION WHAT COULD BE DONE TO MAKE THE
FINANCIAL REPORTING PROCEDURE MORE USEFUL TO YOU?

Small Universities

More explicit departmental budgets need to be prepared and figures in these budgets should be printed on monthly expenditure reports. This would facilitate management of these budgets by department heads and deans.

Adequate as is.

The report could be easier to read and understand.

Relate more closely the revenue producing (generation of funds) and the actual allocation of monies.

Provide more timely reports.

More conferences on budget matters.

More information on cost per student hours.

More information would help.

To receive monthly reports on departmental operating budgets.

Showing semester credit hours produced in relation to cost.

Be more accurate, provide more details.

I am perfectly pleased with the present arrangement and have no changes to recommend.

Give you feedback for control.

I'm getting along fine with what we've got.

Help in planning our budgets realistically.

More data.

An annual (if not monthly) report indicating (a) cost per student, (b) cost per full-time equivalent student, and (c) cost per semester hour.

I have no suggestions as the Fiscal Department is most cooperative and renders any additional assistance which I may request.
Reduction in time it takes to get monthly reports.

Cumulative reports to utilize for comparative judgement in future budget planning.

Compare item by item to budget requests.

A calculation of cost per student or cost per semester credit hour taught in each academic area for each semester and each fiscal year would be very helpful, especially if this were compared to the money generated per semester credit hour during the same time periods.

Give us a paid employee to keep our own records and keep them up to date.

Prompt distribution.

Breakdown into specific budget items.

No answers. I'll decide after a two-year period.

More detailed category breakdown.

Review and make suggestions before presentation (the fact) as opposed to after the fact. Time could be saved by all parties concerned.

To include those items implied in questions #42-49.

It would be good to receive the reports nearer the end of each reporting period.

Since the whole operation is done by computer it is hard to suggest a more accurate or definite procedure. The only area we feel inadequate is that of capital outlay (equipment, major properties, etc.) a/c C6D in the state numbering system.

Greatest good would be to be able to "juggle" accounts within the budget when needed. Some of this is possible.

I am still observing and evaluating.

We have developed a good reporting procedure and it will improve significantly with our new computer and more output from office of institutional studies, which is just now really functioning.

We are presently revising some budget categories.
Print-out monthly that compares expenditures and encumbrances to budgeted amounts.

Large Universities

More frequent work and "talk" sessions with the general administration.

Develop one!

Program orientation with monthly progress against plan and priorities prearranged.

Simplify the forms.

Our computer print outs were designed for the financial office--for accountants--and not for academic administrators. These must be improved. And, as stated above, just as departments should have certain contingency funds, so must the Dean. At present, I am receiving certain unrestricted (private) funds that give me flexibility. But I need more control over the allocation of travel. I also need to know the total amounts we can expect to divide among our various colleges to make sure my unit is receiving a fair share. Faculty members can accept limitations and crisis if they are sure other units must suffer the same limitations. The Dean must be in a position to explain fully how this is so; I cannot at present.

I'm not sure. I would like to have more discretion on allocating operating funds.

Go to daily basis reporting.

Computer read-out at the end of each day.

Reporting procedure for department operating budgets is satisfactory.

System for reporting dollars generated by semester hours produced should be available to all deans.

Cost comparisons for entire university should be available to deans--(faculty salaries in relation to semester hour production).

A total report on faculty salaries.

Cost per student.
I feel that this university has been furnishing complete information on the sources of moneys in teaching for several years, which is adequate and open to the entire staff.

I have available all required information.

Include cost per student enrolled, cost per full-time equivalent student.

More data on costs per student credit hour. Possibly some comparisons with other institutions.

A change in philosophy from historical total cost to financial info for planning purposes.

Need a financial assistant in my college to handle increasing volume of research accounts.

No problems.

Receive them within the first seven days of the month.

If it could be arranged to indicate costs in the main areas of expenditure--resident instruction and operation--for students at the various levels. Such procedures would provide a mechanism for comparisons across departmental lines and provide a basis, at least, for priority assignment of revenues.

More prompt posting and more realistic encumbering, especially when estimated for telephone and mail. Also, reports should reach us more promptly after end of reporting period each month.

Aw Hell!! I thought you were going to tell us this!!

I don't know.

More organization of material.

The dean's office needs larger reserves and more flexibility.

Avoid as much as possible any major changes in form and process from year to year.

Relate it to budget and budgeting practices.

Send me a copy.

Compare to semester or quarterly plan prepared in advance by chairmen.
Get a financial Vice-President who knows what he is doing. We now have none!!

No significant changes--I don't need more paperwork--phasing reports to better match academic schedules and needs--we get what we need from the university--our college efforts seem effective.

The reporting procedure presently provided is excellent. In addition to the monthly reports, the computer can be queried via telephone to provide budgetary information needed.

I consider our system satisfactory. The only information I need is comparative information on other universities in and out of our trade territory.

As indicated, it would help greatly if the V.P.A.A. were either more knowledgeable in fiscal matters or else worked more closely with the V.P. for Business Affairs.

Our system is very satisfactory.
Calculations of T scores for test of significance of difference between two percentages shown in Tables in Chapter III.

\[ \sigma_{p1} = \sqrt{\frac{P_1 q_1}{n_1} \sqrt{1 - \frac{n_1}{N_1}} } \]
\[ \sigma_{p2} = \sqrt{\frac{P_2 q_2}{n_2} \sqrt{1 - \frac{n_2}{N_2}} } \]

\[ \sigma_{D_p} = \sqrt{\sigma_{p1}^2 + \sigma_{p2}^2} \]

\[ T = \frac{P_1 - P_2}{\sigma_{D_p}} \]

\( p_1 \) = percentage shown for large universities
\( p_2 \) = percentage shown for small universities
\( n_1 \) = number of responses used as denominator to calculate the percentage shown for large universities
\( n_2 \) = number of responses used as denominator to calculate the percentage shown for small universities
\( N_1 = 76 \) = total population of deans at large universities
\( N_2 = 57 \) = total population of deans at small universities

An asterisk in the following table indicates that the difference is not significant.
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