

Budgeting for IT

Accounting AND IT in the same presentation, what could be more exciting!

Who is in the audience?

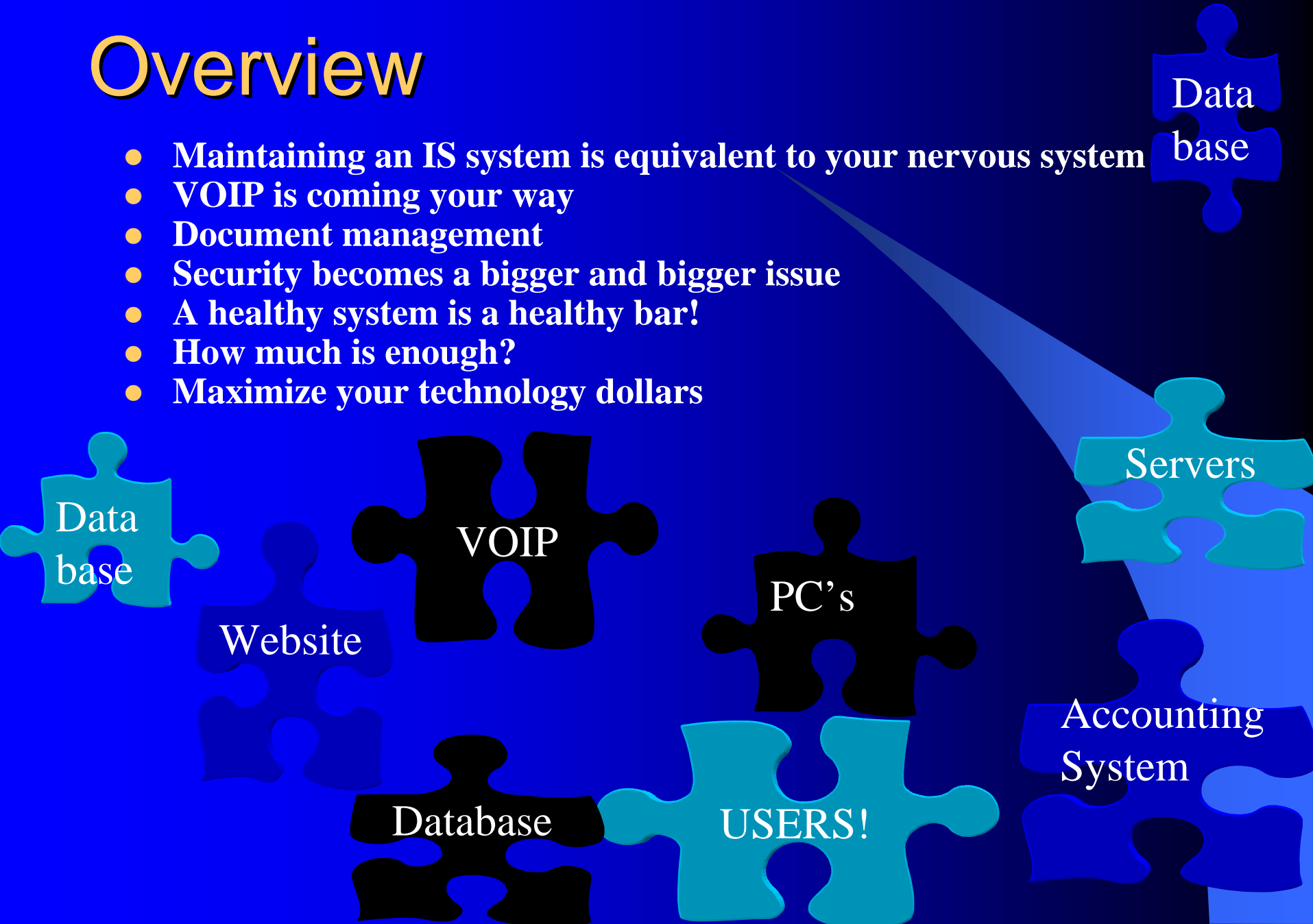
- Are you state or local?
- Mandatory/Voluntary
- Do you have IT Staff?
- Do you have an IT Budget?

Who are your presenters?

- Gary Clarke, State Bar of California
 - Mandatory Bar
- Kari Hartman, Indianapolis Bar
 - Voluntary Local Bar
- Marc Mersol, State Bar of Nevada
 - Mandatory Unified Bar

Overview

- Maintaining an IS system is equivalent to your nervous system
- VOIP is coming your way
- Document management
- Security becomes a bigger and bigger issue
- A healthy system is a healthy bar!
- How much is enough?
- Maximize your technology dollars



Agenda

- What do I have and where am I?
- Where do I want to go?
- Now that I know where I am and where I want to go, how do I budget?
- How to write a RFP for major IT projects
- Summary

What Do I Have and Where Am I (Inventory Assessment)

- Hardware
- Software
- Systems and procedures
- Employees
- Security
- Dollars available for IT – What is the current run rate for IT expenditures?
- Examples ??????

Where Do I want to go?

- Increase efficiency
- Maintain status quo
- Lower costs.....
- Member access/benefits
- Advanced technology
- Paperless
- Security

Now that I know where I am and where I want to go, how do I budget?

- 1. Hardware refresh cycles and their impact on budget
 - Have clearly stated refresh cycles – PCs, Printers, Servers, Communications
- 2. Software and software maintenance and impact on budget
 - Don't underestimate Microsoft
 - Track each maintenance agreement; shop for best prices
- 3. Employees, contractors, etc. and impact on budget
- 4. Training etc. and budget impact and organizational benefit
 - Training can save costs and increase productivity
 - Find a partner that you trust and use them

Now that I know where I am and where I want to go, how do I budget? (cont'd)

- 5. The theory of how to stay away from one time funding
 - You have to rationalize IT expenditures into your budget
 - When it matters, you will need the resources
- 6. Look for hidden IT costs, toner, paper, other consumables
 - Check your printer to employee ratio
 - Standards make sense and save money
- 7. Bandwidth costs money
 - Know what you are using
 - Consolidate where possible
- 8. Obsolescence will wreck your budget

How to manage the budget

July 11, 2007 Description	23601 Information Technology				23602 Library/Archives-SF&LA				23603 Telecommunication		
	2007 Budget	2 MOS BUDGET	ACTUAL 2/28/2007	VAR	2007 Budget	2 MOS BUDGET	ACTUAL 2/28/2007	VAR	2007 Budget	2 MOS BUDGET	ACTUAL 2/28/2007
38800 Outside Label Revenue	\$ 125,004	\$ 20,834	\$ 7,770	\$ 13,064	\$ -	\$ -		\$ -	\$ -	\$ -	
40110 Salaries - Regular	\$ 2,336,947	\$ 389,491	\$ 181,256	\$ 208,235	\$ 119,781	\$ 19,964		\$ 19,964	\$ 208,266	\$ 34,711	\$ 11,381
40120 Salaries - Casual Hourly	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
40130 Salaries - Overtime	\$ 41,208	\$ 6,868	\$ 581	\$ 6,287	\$ -	\$ -		\$ -	\$ 2,988	\$ 498	\$ 46
40140 Payroll Tax Allocatio	\$ 243,759	\$ 40,627	\$ 18,914	\$ 21,713	\$ 12,280	\$ 2,047		\$ 2,047	\$ 21,652	\$ 3,609	\$ 1,226
40150 Fringe Allocation	\$ 801,573	\$ 133,596	\$ 33,664	\$ 99,932	\$ 41,088	\$ 6,848		\$ 6,848	\$ 71,437	\$ 11,906	\$ 2,891
40160 Temporary Outside Help		\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
40180 Dues & Membership	\$ 1,800	\$ 300	\$ 1,100	\$ (800)	\$ 456	\$ 76		\$ 76	\$ 600	\$ 100	
40190 Recruiting Expenses	\$ 5,004	\$ 834		\$ 834	\$ -	\$ -		\$ -	\$ -	\$ -	
40200 Rideshare Reimbursement	\$ 20,004	\$ 3,334	\$ 1,494	\$ 1,840	\$ 1,020	\$ 170		\$ 170	\$ 1,200	\$ 200	\$ 100
40220 Seminars and Training	\$ 60,000	\$ 10,000	\$ 13,000	\$ (3,000)	\$ 2,004	\$ 334		\$ 334	\$ 5,004	\$ 834	
40510 Travel - Staff	\$ 80,004	\$ 13,334	\$ 8,886	\$ 4,448	\$ 5,004	\$ 834	\$ 291	\$ 543	\$ 5,004	\$ 834	\$ 362
40530 Travel - Others	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
40570 Business Expenses	\$ -	\$ -	\$ 128	\$ (128)	\$ -	\$ -		\$ -	\$ -	\$ -	
40590 Catering	\$ 1,200	\$ 200	\$ 383	\$ (183)	\$ -	\$ -		\$ -	\$ -	\$ -	
41010 Books and Publication	\$ 1,500	\$ 250	\$ 30	\$ 220	\$ 264,996	\$ 44,166	\$ 25	\$ 44,141	\$ -	\$ -	
41020 Postage	\$ 252	\$ 42	\$ 44	\$ (2)		\$ -		\$ -	\$ 252	\$ 42	
41030 Stationery and Office	\$ 7,500	\$ 1,250	\$ 884	\$ 366	\$ 468	\$ 78		\$ 78	\$ 252	\$ 42	
41040 Subscriptions	\$ 6,000	\$ 1,000		\$ 1,000	\$ 14,868	\$ 2,478	\$ 1,838	\$ 640	\$ 204	\$ 34	
41050 Telephone	\$ 35,004	\$ 5,834	\$ 412	\$ 5,422	\$ 2,436	\$ 406	\$ 4	\$ 402	\$ 2,004	\$ 334	
41510 Computer Softw are Pur	\$ 120,000	\$ 20,000		\$ 20,000	\$ -	\$ -		\$ -	\$ -	\$ -	
41520 Computer Supplies	\$ 41,868	\$ 6,978	\$ 7,356	\$ (378)	\$ -	\$ -		\$ -	\$ -	\$ -	
41530 Computer Supplies	\$ 28,212	\$ 4,702	\$ -	\$ 4,702	\$ -	\$ -		\$ -	\$ -	\$ -	
41540 Equipment - Hardware	\$ 128,940	\$ 21,490	\$ 1,376	\$ 20,114	\$ -	\$ -		\$ -	\$ -	\$ -	
41550 Internet Softw are		\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
41560 Repairs and Maintenanc	\$ 30,000	\$ 5,000		\$ 5,000	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 600
41570 Software Maintenance	\$ 469,992	\$ 78,332	\$ 58,635	\$ 19,697	\$ -	\$ -		\$ -	\$ -	\$ -	
41590 Web Hosting	\$ 174,996	\$ 29,166	\$ 4,183	\$ 24,983	\$ -	\$ -		\$ -	\$ -	\$ -	
42140 Escalation -Transamer	\$ 5,016	\$ 836	\$ 814	\$ 22	\$ -	\$ -		\$ -	\$ -	\$ -	
42170 Transamerica Office R	\$ 48,060	\$ 8,010	\$ 8,380	\$ (370)	\$ -	\$ -		\$ -	\$ -	\$ -	
42190 Repairs	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
42560 In House Copier Usage	\$ 996	\$ 166		\$ 166	\$ 144	\$ 24		\$ 24	\$ 96	\$ 16	
42710 Equipment Purchase-Cap	\$ -	\$ -	\$ 33	\$ (33)	\$ -	\$ -		\$ -	\$ -	\$ -	
42720 Equipment Purchase-No	\$ 169,992	\$ 28,332	\$ 24,682	\$ 3,650	\$ 1,008	\$ 168		\$ 168	\$ 8,400	\$ 1,400	\$ 300
42730 Equipment Rental	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ 900	\$ 150	\$ 31
42740 Furniture Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
42780 Repairs and Maintenanc	\$ 126,000	\$ 21,000	\$ 1,266	\$ 19,734	\$ -	\$ -		\$ -	\$ 3,000	\$ 500	
43510 Professional Services	\$ 996,000	\$ 166,000	\$ 151,442	\$ 14,558	\$ 252	\$ 42	\$ 29,479	\$ (29,437)	\$ 12,000	\$ 2,000	\$ 1,430
44630 File Retention		\$ -		\$ -	\$ 4,824	\$ 804	\$ 188	\$ 616	\$ -	\$ -	
44560 Outside services-oth	\$ 9,996	\$ 1,666	\$ 1,197	\$ 469	\$ 2,340	\$ 390		\$ 390	\$ -	\$ -	
44580 Delivery Services	\$ 2,496	\$ 416	\$ 783	\$ (367)	\$ 288	\$ 48		\$ 48	\$ -	\$ -	
44550 Other Outside Services	\$ 12,492	\$ 2,082	\$ 1,980	\$ 102	\$ 7,452	\$ 1,242	\$ 14,035	\$ (12,793)	\$ -	\$ -	
47080 Pcard Clearing Defaul	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
47240 In House Computer Ser	\$ -	\$ -	\$ 2,724	\$ (2,724)	\$ -	\$ -		\$ -	\$ -	\$ -	
47250 In House Printing Ser	\$ 396	\$ 66		\$ 66	\$ -	\$ -		\$ -	\$ -	\$ -	
	\$ 5,869,711	\$ 978,285	\$ 510,278	\$ 468,007	\$ 473,257	\$ 78,876	\$ 41,947	\$ 36,929	\$ 343,259	\$ 57,210	\$ 18,365
				\$ 543,781							

How to write a RFP for major IT projects

- The greater the detail, the less the chance of misunderstandings
- Everything listed earlier will be needed
- State Bar of Nevada's RFP

Other Considerations

- Personnel Considerations
- Future Horizons
- Unexpected Expenses

Summary

- Define your priorities and prepare for the unexpected
- Let us know what you think!
- Know how to figure out what you have