Policy

Re: Budget

Policy

The Finance Department shall maintain appropriate systems and be responsible for all University budgets. The annual operating budget for the University shall be approved by the Board of Trustees. The budget shall appropriately relate to the University strategic plan. There shall be appropriate long-term budgets that reflect the University strategic plan.

Background

University core operations are reflected in the unrestricted annual operating budget. Restricted budgets are developed at the project, department, or program level. Restricted budgets are dependent on funds. Unrestricted and restricted budgets are approved through Finance.
Standard

Finance: Budget  Effective Date: August 13, 2010
Previous Date:  May 1, 2010

Re:  Budget Authority

Standard

The operating budget for the University is approved annually by the Board of Trustees (BOT). Budget administration is delegated to the President. The President is authorized to adjust the annual budget as necessary to maintain budget balance. The President is authorized to increase or decrease revenue items and expenditure items in order to respond to the operating needs. Only the BOT, or designated committee/authority, may approve operating budget deficits.

Background

In order to maintain quality assurance on financial operations, the BOT must approve the operating budget annually. The Board has delegated the administrative responsibility to the President. The President has delegated the authority to the Chief Financial Officer (CFO). The CFO may delegate limited authorities to directors, administrators, and other budget managers.

Restricted funds are budgeted by the appropriate principal investigators, managers, directors, or other personnel. The CFO oversees all budgets, restricted and unrestricted. The CFO would normally delegate operating budget authority to the principal investigator on restricted grants, or to the department and program directors on unrestricted and other funds.

Procedure

1. Budget authorities are approved by the CFO.

Responsibilities

1. The BOT is responsible for the University budget.
2. The BOT delegates authority to the President. The President delegates budget administration to the CFO.
3. Project and department management are responsible for local area budgets.

References

Board of Trustees
Re:  General Guidelines

Standard

The Chief Financial Officer (CFO) is responsible for developing and administering the University budgets. Budgeting shall involve faculty participation. The University’s annual operating budget shall support the University’s strategic plan, academic plans, and other identified priorities. The budget shall be balanced. The process shall reflect the governance of the University. For those situations where approved by the Board of Trustees (BOT), or designee, transfers from prior year net assets may be transacted to balance the annual budget.

Background

The University promotes participation by stakeholders in the budget process. Reflecting the current governance structure, faculty and staff should have appropriate input. The budgets shall be balanced. Transfers from net assets may be approved by the BOT.

There are unrestricted and restricted budgets. The University core operating budget is unrestricted. This budget should involve appropriate personnel representing the University community. There is a process of review and approval that includes employees, departments, programs, administrators, faculty, and the BOT.

Restricted budgets are approved by the funding agencies, or designated departments or individuals. Budget development for restricted funds is the responsibility of the principle investigator, program director, or administrator. All external funded budgets are reviewed by Office of Sponsored Programs (OSP) and approved by Finance.

Procedure

1.  Budgets are developed by the appropriate budget managers. Principle investigators develop budgets for OSP. Departments and programs develop budget requests for all unrestricted budget funds. Restricted budgets are developed by the designated directors, managers, or administrators.
2.  Budgets are approved by Finance.
3.  There are internal budget procedures that are determined at the major unit level, such as the college or division level.
4.  Budget responsibilities within a major unit rest with the appropriate University administrator.
5.  Program budgets are approved at the program level and by Finance.
6.  Sponsored project budgets are generally coordinated and reviewed by OSP.
7. There is decentralized authority over budgets within the parameters of the budget. Object code transfers, expenditure decisions within programs, reallocations, are normally the responsibility of the director or administrator, within the rules and regulations of the funding source.

**Responsibilities**

1. The BOT approves the University annual operating budget.
2. The President is responsible for operating results.
3. The CFO is responsible for administration of all budgets.
4. The CFO approves all budgets, restricted and unrestricted.
5. The OSP approves all sponsored project budgets.
6. The principle investigators are responsible for their programs and projects.
7. The senior administrators are responsible for budgets within their areas of responsibilities. The senior administrators are responsible for the budgets of personnel that report within their areas of responsibilities.

**References**

College of Science and Health
School of Nursing
Administration
Internal Audit
Research Administration
Re: **Budget Process**

**Standard**

The budget process shall involve appropriate participation by faculty and staff. The budget process shall be open for review, comments, and recommendations. There shall be an appropriate system of approvals.

**Background**

Budgeting is a responsibility for all managers, directors, and administrators. Budgeting should involve appropriately impacted persons, such as faculty and staff. Budget responsibilities are delegated to the program and unit level as determined by the appropriate senior administrator. Budget processes within a major unit, are the responsibility of the administrator for the unit. The University approaches unit budgets as a whole. Therefore, the administrators have authority to reallocate funds within their areas of responsibilities. The Chief Financial Officer (CFO) oversees all budgets. The CFO ensures the integrity of the total University budget, which includes all budgets. The CFO shall implement appropriate necessary steps to protect the University.

**Procedure**

1. The budget should be viewed as a system, with consideration to the interrelationships and interdependencies among and between units.
2. The University budget should support the academic plan.
3. Revenue projections are to be conservative. Revenue projections are developed by the operating units. Revenue projections are approved by Finance.
4. Academic units should generate minimum proportional revenue.
5. The budget assumptions should be clearly stated.
6. Responsibility centers will be held accountable for revenues and expenses.
7. Five-year operating budgets are prepared annually by Finance.
8. Monthly budget reports shall be developed and distributed to appropriate managers.
9. Budget proposals and decisions are communicated at each level.
10. The Budget and Finance Committee of the Academic Senate/(and/or) University shall review and make recommendations to the President on the proposed budgets.
11. The President shall approve the proposed budget and submit the proposed budget to the Finance Committee of the Board of Trustees (BOT).
12. The BOT approves the budget.
13. The President implements the approved budget.
14. Finance shall facilitate the budget process at the University level.
Responsibilities

1. The BOT, or designee, approves the annual operating budget.
2. The President delegates the administration of the budget to the CFO.
3. The President is authorized to make operating budget adjustments as necessary to balance or best address the annual budget.
4. Finance approves all budgets, restricted and unrestricted.
5. The deans are responsible for budgets and the budget process within their respective colleges.
6. Principle investigators are responsible for the grant program budgets.
7. Administrators are authorized to make changes within their division budgets.
8. The Academic Senate/ University Stakeholders, through its Budget Committee, is responsible for oversight of the budget process and budget results.
9. The Finance Committee of the Board is responsible for approval and oversight.

References

Board of Trustees
Office of the President
Standard

Finance: Budget

Effective Date: August 13, 2010
Previous Date: May 1, 2010

Re: Budget Timeline

Standard

The annual operating budget shall be developed and approved timely.

Background

The unrestricted annual operating budget begins July 1 and ends on June 30. The unrestricted annual operating budget shall be approved by the Board of Trustees (BOT) prior to the commencement of the fiscal year. The process shall include faculty and staff participation, appropriate stakeholder participation, reviews by appropriate faculty groups, approval by administration, approval by the President to the Finance Committee of the Board, and Board approval.

Procedure (Target dates subject to change)

1. Informal reviews by college units and administrative departments.
2. Preliminary worksheets prepared by Finance (October).
3. Requests and reviews by college and administrative units (November).
4. Revenue projections prepared by Finance, in coordination with colleges, research, advancement, and other appropriate units (December).
5. Discussions and reviews with Budget and Finance Committee of the Academic Senate/University (January).
6. Process and negotiations with University administration (February).
7. Finance prepares preliminary budget worksheets (March).
8. Process and negotiations at the college and administrative unit levels (March).
9. Reviews and discussions with Budget and Finance Committee of the Academic Senate/University (April).
11. Proposal by University administration (May).
12. Reviews and recommendations by Budget and Finance Committee of the Academic Senate (May).
13. Approval by the President (May).
15. Approval by the BOT (or designee) (June).
16. Annual timelines with specific dates will be developed by Finance with participation of senior leadership and the budget committee.

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Responsibilities

1. The BOT approves the annual operating budget.
2. The President recommends the budget to the Finance Committee of the BOT.
3. The Finance Committee of the BOT approves the budget for ratification by the BOT.
4. Finance facilitates the budget development process.
5. The colleges and administrative units are responsible for the intra-unit development and administration of the budget.

References

Board of Trustees
Academic Senate
Standard

Finance: Budget Effective Date: August 13, 2010
Previous Date: May 1, 2010

Re: Institutional Projects, Grants, Title III, Title V, Other

Standard

The University shall develop and administer institutional program and grant budgets through a university involved process. The budget process shall appropriately allocate funds to support the University priorities. There shall be appropriate checks and balances to safeguard the funds. The budget program shall comply with regulations.

Background

Title III, Title V, and others are external grant funded programs in support of institutional infrastructure and institutional improvement. These programs are to support institutional needs and the process of request and allocation shall be an open process. The standard shall apply to similar funds, such as telemedicine, current and future.

Procedure

1. The Office of the President shall oversee, direct or delegate the administration of the program.
2. Research, such as the Office of Sponsored Programs (OSP), research administration, or other, shall review and monitor budgets as necessary.
3. Research, or designee such as OSP, shall review and monitor restricted fund budgets.
4. The budgets shall be coordinated through Finance.
5. The budgets shall be integrated with the University budget process.
6. The budgets shall be approved by the Office of the President.
7. The budgets shall be reviewed by the Finance Committee of the Academic Senate.

Responsibilities

1. The Office of the President is responsible for the administration of the program.
2. The Office of the President may delegate the authority.
3. Finance is responsible for approval and oversight of the budget.

References

Office of the President
Academic Senate

04-05-01