

CU-Boulder Budget Office Policy and Procedure

Title: General Fund Budget Deficit Policy for Fund 10, Unrestricted State Appropriations

Date: November 11, 2005

Original: July 19, 2005

Revised: x

Approved By: Erika Smith,
Budget Director

1 Purpose

The Administrative Policy Statement (APS) entitled “Fiscal Management Roles and Responsibilities” dated 11/01/99 establishes roles and responsibilities for all levels of management. The goal of the APS is to ensure that all University resources are used appropriately and that all operational units (as defined in the APS) are managed effectively. Sound fiscal management allows the University to develop and execute strategic and tactical plans to carry out its mission and achieve its objectives. The APS can be viewed at <http://www.cusys.edu/policies/Fiscal/fiscalmanage.html>.

This document establishes the Boulder Campus policies and procedures for monitoring and eliminating budget deficits in the General Fund (Fund 10).

2 Overview

Organizational Units are commonly referred to as departments, and may also be centers, institutes, or other entities with the following characteristics:

- Organizational permanency
- Programmatic autonomy
- An annual operating budget that is fiscally independent of other units

Organizational Units are normally headed by managers holding one of the following official titles:

- Director (professional exempt or faculty)
- Chair
- Dean or higher officer title (e.g., Associate Vice Chancellor, Vice Chancellor, Provost, etc.)

Organizational Units are provided continuing and/or temporary (one-time funding) budget authority to carry out their role and mission. Cash transfers to or from other funds are limited as provided by the UCB Cash Transfer Table (<http://abs.colorado.edu/>, click on T and then Transfer Table for CU-Boulder).

3 Policy

Organizational Unit Managers shall manage their General Fund activities and expenditures so as to not generate General Fund FOPPS budget deficits. A budget deficit is defined as actual expenses plus encumbrances less ID revenue which exceeds the total budget for the FOPPS resulting in a negative (credit) total available balance on the Summary of Budget, Revenue, Expense, and Transfers statement.

4 Procedure

All Budget Deficits

1. The Budget Office will send a monthly report from December through June to all Organizational Unit Managers identifying all General Fund FOPPS with a budget deficit. Organizational Unit Managers must eliminate these budget deficits.
2. Possible corrective actions for eliminating the budget deficit include, but are not limited to:
 - transferring budget authority from another appropriate General Fund FOPPS with budget balance available to the General Fund FOPPS with the budget deficit,
 - transferring expenditures from the General Fund FOPPS to another FOPPS that can legitimately accept the charges, (expense transfers should be done only if the transaction is related to the FOPPS to which it is being transferred), and/or
 - transferring funds in from an appropriate Renewal and Replacement Fund 72 FOPPS with sufficient cash available.
3. Organizational Unit Managers should consult with their Dean's office and/or Vice Chancellor's office if assistance is needed to identify a viable budget deficit resolution plan.

Budget Deficits Greater Than \$25,000

1. The Budget Office will run a report of General Fund FOPPS that have budget deficits of \$25,000 or greater for two consecutive quarters. This report will be sent to the Organizational Unit Manager and his/her Dean and Vice Chancellor for the fiscal year quarters ending in December, March, and June.
2. For each FOPPS on the report, the Organizational Unit Manager will provide his/her Vice Chancellor and Dean (if applicable) with a written explanation identifying:
 - how the budget deficit occurred, and
 - the plan and time frame for resolving the budget deficit.

Written budget deficit resolution plans shall be submitted as follows.

- End of February for the December report
- End of May for the March report

- End of August for the June report
3. The Vice Chancellor's office will work with the Organizational Unit Manager to either accept or modify the budget deficit resolution plan. The budget deficit resolution plan must be signed by the unit head and Dean (if applicable), and approved and signed by the Vice Chancellor with a copy provided to the Budget Director.
 4. Any FOPPS with an approved budget deficit resolution plan, and with the budget still in deficit, will be flagged on the next quarterly report to indicate an approved budget deficit resolution plan is in place. Each December these flags will be removed. If the FOPPS appears again on the next report, a new budget deficit resolution plan must be provided.
 5. The Dean's office, Vice Chancellor's office, and Budget Office will monitor the organizational unit for compliance with the budget deficit resolution plan and determine an appropriate course of action for non-compliance with this policy and procedure.