

Policy 3-002: Administration of State Appropriated Funds

I. Purpose and Scope

The purpose of this policy is to establish requirements relating to the administration of state appropriated funds.

II. Definitions

For the purpose of this policy, these words and phrases have the following meanings:

- A. State Appropriated Funds - monies appropriated by the legislature to the University.
- B. University Work Program - process of transferring funds from the State to the University.
- C. Carryforwards - budgeted funds that are not expended during the fiscal year.

III. Rule

A. Budget Preparation

1. The president of the university will call upon departments and officers of the university annually for estimates of their financial needs during the ensuing fiscal year. On the basis of these estimates and other available information, the president will negotiate with the Commissioner of Higher Education, fellow USHE presidents, and the State Board of Regents in crafting a system-wide budget request, including institution-specific components, to State government.
2. The moneys allocated to the university by legislative appropriation will be budgeted by the university in accordance with legislative intent and a university work program or operating budget approved by the State Board of

Regents - which will be prepared to ensure, so far as feasible, that expenditures remain within the appropriations for the applicable period.

3. In preparing unit-level budget requests, operating units across campus will follow presidential directives and guidelines promulgated by the Office of Budget and Institutional Analysis.
4. After proposed budgets are approved by the cognizant vice president and the president, each college, department, or other operating unit will be notified before July 1st of the amount allocated for its use during the ensuing fiscal year.

B. Expenditures

1. Operating units will expend state appropriated funds in a manner consistent with applicable state law and legislative intent.
2. Expenditures of state appropriated funds by operating units are not to exceed available resources in the aggregate, including budgeted amounts and any available reserves, for any individual unit without the consent of the cognizant vice president.

C. Budget Approval

1. All budget transfers of state appropriated funds must be approved by the Office of Budget and Institutional Analysis.
2. Budget transfers involving non-appropriated funds should follow procedures established by the Office of Research Administration, auxiliary services, or other administrative units responsible for oversight of the particular funds involved and in ways consistent with procedures of the Office of Budget and Institutional Analysis.

D. Carryforwards

1. Funds remaining unspent at fiscal year end are available to build up a cash reserve to cover unanticipated needs, mitigate the effects of future budget cuts, or provide a reserve for future obligations that cannot typically be met during one budget cycle.
2. Carryforward balances should be kept within a reasonable range, as set forth by Board of Regents Policy R562, and not allowed to grow beyond the anticipated needs of the budgeted unit.

IV. Rules, Procedures, Guidelines, Forms and other Related Resources

- A. Rules *[reserved]*
- B. Procedures *[reserved]*
- C. Guidelines *[reserved]*
- D. Forms *[reserved]*
- E. Other related resource materials *[reserved]*

V. References

[State Board of Regents Policy R562](#), Non-Lapsing Balances

VI. Contacts

- A. Policy Owner - Associate Vice President for Budget and Planning
- B. Policy Officer - Senior Vice President for Academic Affairs

VII. History

Approved: Board of Trustees 01/12/2010

Revision 2: [Executive Summary](#)

[Revision 1:](#)

Approved by University Senate: 10/05/1981

Approved by Institutional Council: 10/12/1981