# BUDGET POLICIES AND PROCEDURES
**(Current restricted and unrestricted funds)**

## Current Unrestricted Funds

## The Budget Process

The operating budget of the University of Arkansas at Pine Bluff summarizes the financial plans of the institution. The budget is based upon projected revenues from various sources, inclusive of the funds received from State Appropriations and Student Tuition and Fees. Auxiliary budget also includes projected game receipts and private funds. Auxiliary includes Athletics, Housing and Food Service. The budget of the institution serves as a mechanism to match anticipated and actual revenues and expenditures.

The University's budget is prepared annually covering a fiscal period from July 1st of the previous year to June 30th of the concurrent year, and is named according to the calendar year in which it ends. Approval for the operating budget is obtained prior to the start of the fiscal year from the University Of Arkansas Board Of Trustees.

Guidelines are prepared by the Budget Office based on projected revenue and expenses and given to the Budget Committee. The Budget Committee is comprised of various faculty and staff and they are responsible for making budget recommendations to the Chancellor.

Departmental budget officers are given guidelines and instructions correlating with directives from the State of Arkansas forecast. Departmental request for annual operating budgets are submitted to their respective Vice Chancellor for approval and then forwarded to the Chancellor. The Chancellor then sets up budget hearing with Vice Chancellor to discuss the request and either approves or disapproves based on projected revenue and budget priority items.

The proposed operating budget is submitted to the President of the University of Arkansas System for review and scheduling of budget hearing. Upon completion of budget hearing with the President the budget is then sent to the Board of Trustees for review and approval. The approved budget is entered into the general ledger and distributed to the appropriate Budget Officers.

# BUDGET MANAGEMENT

The University's fiscal policy requires that funds are available before approval can be granted for any expenditure. Approved budgets establish the expenditure control limits for each functional category and the use of institutional funds are in place at the beginning of the fiscal year. Departments in E & G (Education and General) must have their budget officer's approval on all expenditure requests. Athletics expenditure request must have the Athletic Director approval and the Chancellor. The Division of Finance and Administration monitors and approved expenditure to insure that over-expenditures and over-runs of the budget do not occur.

On July 1 each department's approved operating budget is established in the general ledger with a unique account number identifying the functional category wherein it falls, i.e., instruction, research, public service, academic support, student services, institutional support, operations and maintenance, auxiliary and scholarships and awards. Approved allocations are budgeted by the following categories:

**Budget Categories and Object Codes**

| | |
|---|---|
| Salaries | 5-01 |
| Fringes Benefits | 5-02 |
| Travel | 5-10 |
| Services | 5-20 |
| Supplies | 5-30 |
| Scholarships & Fellowships | 5-55 |
| Capitalized Expenses | 5-62 |

**SALARIES:** The University adheres to state rules and regulations regarding salary distributions to all personnel and budgets for such are consistent with salary rules and regulations. **Non-classified salaries** are budgeted and paid at a level not to exceed line item maximum. **Classified salaries** are budgeted and paid at a rate consistent with grade level for the position held.

**FRINGE BENEFITS:** Are budgeted at the anticipated cost of Social Security (FICA), Group Health Insurance, Life Insurance, Workmen's Compensation, Teacher Retirement, TIAA, Faculty/Staff Tuition Waivers, and Unemployment Compensations. The current rate for these benefits is 25% on full-time salaries.

**OPERATIONS AND MAINTENANCE:** Budgets for operations and maintenance include travel, services including rental, leases, printing, telephones and postage, professional and contractual, supplies, and equipment. Requests for expenditures are fund checked in the Vice Chancellor for Finance and Administration Office and forwarded to Purchasing Office.

**SCHOLARSHIPS AND FELLOWSHIPS:** Approved institutional scholarships and fellowships budgets are established in the general ledger at the beginning of the fiscal year. Once established the approved budgets are submitted to the Office of Student Financial Services.

## BUDGET REVISIONS

During the fiscal year, budget officers may submit requests for revisions to the department's operating budget to effect transfer of budget amounts between objects and departments.

Requests for revisions to department's operating budgets will be processed with proper documentation and authorization as provided on a budget amendment form. Before revisions will be made to any line item the following criteria must be met:

1. Funds are available in the budgeted line item requested for the transfer.
2. Debits and credits must equal.
3. Accounts numbers are correctly listed on the request form.
4. Approval from various campus administrators.
5. Incomplete, inaccurate and unapproved requests forms will be returned to the originating office for corrections.

Upon receipt of a properly executed budget amendment request form the following actions will be taken:

1. Verification that funds are available for transfer.
2. Approved requests will be processed through a budget entry adjustment.
3. Posting of the budget revisions to the general ledger will be done by the Controller's Office accounting staff.
4. The budget revision is electronically filed with budget entry number and date.
5. The monthly " Budget Reports" prepared by the Controller's Office accounting staff will reflect the revisions made to the department's operating budget.

**Budget amendment forms can be found on the UAPB website under the link faculty/staff/administrative forms/ Budget Office.**

### BUDGET AMENDMENT FORM PROCESS

1. Enter the name of the department requesting the revision on the top of the form in the space provided.
2. Enter the eighteen (18) digit account number (with proper object code) effecting the transfer.
3. If available enter the "Current Budget" for the line identified in item #2 above.
4. Under the budget revision, increase/ (decrease) column, enter the amount requested for change. **Note: Salary cannot be increased by reducing maintenance and operations budget.**

Note: It is not necessary to complete every line item on the budget revision form, only those items effecting the requested change.

5. List the reason for the revision in the space as provided on the form.
6. Obtain signatures from authorizing officials in the order listed on the form.
7. Completed budget revision form is then forwarded to the Office of the Vice Chancellor for Finance and Administration for approval and processing.

**CURRENT RESTRICTED FUNDS (Sponsored Programs)**

Budget for restricted programs are established in the general ledger with fund numbers identified by the funding source: Fund #2XX Federal, Fund #4XX State, and Fund #5XX Private. Budget categories and object codes are defined by the funding agency in the award notification and/or the approved budget submitted by the Principle Investigator (PI) or Project Director.

Revisions to Current Restricted budgets are governed by the following guidelines:

1. Written authorization from the funding agency approving budget revisions.
2. Special grant terms and conditions that allow for budget revisions.

Grant accounting staff reviews the request for budget revisions to insure compliance with the terms of the grant guidelines.

The steps to process the budget revision are the same for the grants as for current unrestricted budget revisions.