

BUDGETARY PROCESS

UA Cossatot will adhere to the budgetary submission process as prescribed by the University of Arkansas System in BOT Policy 370.1.

The responsibility of designing procedures at the campus level for the full implementation of such a budgetary process belongs to the college Chancellor and the Vice Chancellor for Business Services budget.

The Vice Chancellor for Finance shall provide summary financial updates in an appropriate format to UA Board of Trustees meetings and local Board of visitors meetings.

BUDGETING

I. Purpose

Budgeting is an essential control mechanism for the effective management of any organization. In view of this, it is the purpose of this policy to provide clear and specific responsibility for proper budget management and control for the University of Arkansas System (System) governed by the Board of Trustees of the University of Arkansas. All funds available to the University will be budgeted on a fiscal year basis.

II. Submission of Budget

- A. Campuses or units are to submit budgets to the President and Board of Trustees on an annual basis at a meeting designated by the Board prior to the start of each fiscal year.
- B. On a quarterly basis, campuses or units will prepare a report comparing actual amounts to the budget in a format specified by the Vice President for Finance for the System. The report will include an Executive Narrative explaining budget adjustments and significant variances between actual and budgeted amounts.
- C. The approval of a budget does not waive statutory, policy or other restrictions for expending funds.

III. Budget Controls

- A. Control amounts will be established in the accounting system for

campuses or units that will enable the Chief Financial Officer (CFO) to monitor compliance with authorized spending levels. Controls must include position control, which is a part of the personnel budget process. Control amounts must also be budgeted for transfers, both mandatory and non-mandatory, and the use of fund balances.

- B. Each CFO of the campus or unit shall develop appropriate internal controls and procedures and insure that established control limits are not exceeded without prior approval by the head of the campus or unit or his/her designee.

IV. Budget Revisions

- A. Upon approval of the annual budget by the Board of Trustees, these budgets become the basis of operations for each of the campuses or units.

As changes in the basic budget assumptions occur throughout the year (changes in enrollment, state forecasted general revenues, etc.), campuses or units may make budget adjustments to reflect those changes. However, any proposed material adjustment must be submitted to the President for review and approval. The materiality standards are as follows and represent cumulative adjustments during the fiscal year:

- 1. Revenues

- a. Tuition, Fees, State Revenues, Local Sales Tax: 10%
- b. All other revenues: 25%

- 2. Expenditures

- a. Compensation and Fringe Benefits: 5%
- b. All other expenditures: 10%

- B. All budget adjustments (deemed both material and non-material) to the line items enumerated in the quarterly financial reports to the Board of Trustees will be explained in an Executive Narrative.

HLC Criterion: 1A.3; 5A.5; 5C.2

Policy History:

November 2, 2020

November 3, 2014

July 7, 2014

January 1, 2011

July 30, 2001

BUDGETING PROCESS

Procedures:

1. UA Cossatot begins the budgeting process at least 6 months prior to the beginning of a new fiscal year. The Vice Chancellor for Finance will distribute ~~budget templates to various department supervisors in charge of unrestricted budgets for use in the budgetary requests for the upcoming year~~ a budget template and a bulleted strategic plan document Cost Center Managers of unrestricted budgets for use in the budgetary requests for the upcoming year. The strategic plan document will act as a guide to base spending decisions. All documents will be returned to the CFO.
2. A budget timeline is set by the Chancellor and the Chancellor's Cabinet for a series of Open Forum Budget Meetings to establish priorities based on the College's Strategic Plan and guidance from the UA System Board of Trustees. The CFO will be responsible for sending all employees email invitations to each of the budget planning meetings
3. Departments may request new personnel or raises for existing personnel, but the Chancellor must approve all requests of this nature before they are placed in the draft budget.
4. Proper classification of requested budget expenditures into the appropriate object code is the responsibility of the Department Supervisors. Budget categories will be provided with descriptions on the budgeting templates.
5. The Vice Chancellor for Finance along with advice from the Chancellor and Chancellor's Cabinet will estimate the revenues for the upcoming year.
6. ~~The Chancellor's Cabinet and various Department Supervisors will continue to meet to pare down the budget until revenues and expenditures are within livable means.~~

Employees will continue to be invited to attend and participate in open forum budget planning meetings to pare down the budget until revenues and expenditures are within livable means.

7. The Final Budget is then submitted to the UA System Board of Trustees for approval.
8. Once approved for the year, the CFO submits monthly budget updates to all department heads and meets monthly with the Chancellor to review any budget concerns and budget goals.
9. The CFO also updates and submits budgets to the Board of Visitors (BOV) for their review

at each BOV meeting.

Procedure History:

June 13, 2022
October 5, 2020
October 7, 2019
June 8, 2016
