Budget Administration

Policy 512

1 Introduction

1.1 The primary responsibility of the Budget Office is to allocate and monitor all budgeted funds appropriated by the North Carolina General Assembly as directed by the Board of Governors of the University of North Carolina System.

2 Scope

2.1 This applies to all departments at Appalachian State University that receive funds allocated by the University of North Carolina General Administration.

3 Definitions

3.1 Base Budget

The Base Budget allocated to the University at the beginning of each fiscal year is generally the same as the previous fiscal year's final allocation, except for non-recurring funds specified by the Board of Governors, or increases/reductions made by the Office of State Budget and Management under mandates by the NC General Assembly. A Base Budget is established for each division (headed by Chancellor and Vice Chancellors) within the University and is deemed effective as soon as the Certified Budget is adopted by the NC General Assembly and signed by the Governor. The ideal date is July 1 of each fiscal year, with North Carolina fiscal year being July 1 through June 30 of the following year. The Base Budget contains only continuing allocations and all non-recurring (one time) allocations are dropped at the beginning of the fiscal year.

4 Policy and Procedure Statements

4.1 Budget Administration

4.1.1 State Appropriations

4.1.1.1 The University receives State appropriations for operations and support on a year to year basis. The primary factor in determining the appropriated support received is the enrollment level approved by the Board of Governors of The University of North Carolina and the North Carolina General Assembly. Allocations to the University are received in the form of a "Certified Budget" (also called the Continuation Budget) and an "Expansion Budget". Both budgets are originally prepared by the University Budget Office. The Continuation Budget is submitted to the General Administration of The University of North Carolina and to the Office of State Budget and Management for their verification, approval and submittal to the North Carolina General Assembly. Upon approval of the General Assembly, Appalachian State University receives the approved Continuation Budget, known at this point as the "Certified Budget". Expansion Budget monies are approved by the Board of Governors upon the General Administration's recommendations based on the total student credit hours to be administered as dictated by the UNC Funding Model and certified by the NC General Assembly for The University of North Carolina.

4.2 Flexibility Budgeting

4.2.1 In the 1991 session of the General Assembly, legislation was enacted to allow the Board of Governors of The University of North Carolina to designate specific constituent institutions in which additional management authority and discretion would be delegated. These institutions are referred to as Special Responsibility Constituent Institutions (SRCI). Appalachian State University was designated an SRCI on April 9, 1992.

4.2.2 The SRCI designation is not permanent, and can be lost if management staffing standards, internal controls and safeguards are not met; if there are significant audit exceptions or findings; or if the mandated reversion is not met. Flexibility legislation was set to end June 30, 1994, because of a sunset clause. The 1993 General Assembly in the regular and reconvened sessions voted to continue Flexibility Budgeting.
4.2.3 Beyond the University's control, deterioration in the general economic condition of the state could cause the Office of State Budget and Management to intercede and impose its authority to negate the flexibility until the situation has improved.

4.3 Major Provisions of the Flexibility Legislation (N.C. General Statute 116-30.1, et seq.)

1. The Board of Governors, acting on recommendations made by the President after consultation with the State Auditor, may designate one or more special responsibility constituent institutions (N.C.G.S. 116-30.1).
2. All General Fund appropriations made by the General Assembly for the continuation budget of a special responsibility constituent institution shall be made in a single sum for each budget code (Appalachian State University has only one budget code, 16080, for these purposes) (N.C.G.S. 116-30.2).
3. Funds appropriated may be expended in the manner deemed appropriate by the Chancellor to maintain and advance programs and services of the institution; consistent with the directives and policies of the Board of Governors (N.C.G.S. 116-30.2).
4. The University may carry forward into the next fiscal year unexpended balances of general fund appropriations. Such amounts cannot exceed 2.5% of the general fund appropriations and may be expended for one-time costs that do not impose additional financial obligations on the State (i.e. equipment, travel, capital projects such as roofing projects) (N.C.G.S. 116-30-30.3).
5. Positions may be established or abolished, acting in accordance with State Personnel policies and procedures with respect to SHRA employees and in accordance with Board of Governors policies and procedures with respect to EHRA employees (N.C.G.S. 116-30.4).
6. The Board of Governors shall require each special responsibility constituent institution to include in its institutional assessment plan those assessment measures that are determined to be standard measures of student learning and development in general undergraduate education (N.C.G.S. 116-30.5).
7. The current benchmark established by the Board of Governors for Appalachian State University purchases that are required to be bid through the State Purchasing Office is $150,000 (N.C.G.S. 116-31.10). The special responsibility constituent institution may enter into contracts for items currently under contract at the State level, should the price be less locally.

4.3.1 For a more in depth analysis of Flexibility Budgeting, please see the white paper on Budget Flexibility filed in the Budget Office.

4.4 Current Year vs. Permanent Budget Adjustment/Budget Revision

4.4.1 Budget adjustments or budget revisions are identified as one of the following types:

1. Current Year Transfer: Affects the budget for the current year only; is not reflected as a component of the Base Budget in the following year.
2. Permanent Transfer: Changes the budget for the current year and is reflected as a component of the Base Budget in the following year; becomes a permanent component in the next biennial Continuation Budget

4.5 Allocations

4.5.1 Departmental Budgets - The "Certified Budget" is the Base Budget. The Chancellor and Vice Chancellors may adjust the Base Budgets as they deem necessary for their respective areas of responsibility. The Certified Budget is submitted to, and approved biennially by the General Administration of the University of North Carolina System, the Office of State Budget and Management (which reports directly to the Governor), and the North Carolina General Assembly. Additional increases/reductions to the Certified Budget (mandated by the NC General Assembly) are passed along to each division by the University Budget Office at the direction of the Chancellor and Vice Chancellors. The Chancellor and Vice Chancellors then allocate the increases/reductions to the Base Budgets of their respective areas of responsibility. When the increases and reductions have been determined, the individual responsible for each division's budget must submit the budget allocation form to the Budget Office. The form is an Excel spreadsheet disbursed by the University Budget Office to the Chancellor and Vice Chancellor's designated financial person which contains the budgets by both individual accounts and by budget pool. A copy of the Budget Allocation Form can be obtained by contacting the University Budget Office.

4.5.2 The budgeted amounts are verified and entered (WFUPLOADED) into Banner Finance System by the University Budget Office. Budget pools are listed as follows:

1. 719000 Contracted Services
2. 720000 Supplies and Materials
3. 731000 Travel
4. 732000 Communications
5. 733000 Utilities
6. 734000 Current Services
7. 740000 Fixed Charges
8. 750000 Capital Outlay
9. 756000 Library Books
10. 785000 Other Expenses

4.5.3 The Banner Self-Service module, various E-Print reports and the Campus Budgets Dashboard can be accessed to view the budget pool(s) and the individual line-items applicable to that budget pool.

4.6 Budget Establishment

4.6.1 Procedure Description - All programs and departments receiving any type of financial support at University must have a budget established at July 1 to begin the fiscal year (or as soon after July 1 as possible). If a base budget has not been established, contact the Vice Chancellor for your area or the Chancellor.

4.6.2 Procedure - Even though departments/programs will differ from area to area, the following general steps are required for State Fund budget establishment or for adjustment to a base budget:

1. Base budgets are automatically allocated on or after July 1 with the effective date of July 1 to begin the fiscal year. The procedure occurs when the NC General Assembly approves the new annual budgets. Approved increases/reductions are allocated to the Chancellor and each Vice Chancellor from the University Budget Office under the direction of the Chancellor and Vice Chancellors. Budget Allocation Forms accompany allocations. Revisions must be reflected on the Budget Allocation Form.

2. The Chancellor and each Vice Chancellor may distribute increases/reductions to program areas or deans who further allocate funds within their areas of responsibility.

3. Budgeted funds must remain in the specific 61XXXX account from which it is allocated. This statement is true of every account except 720000 through 785000 budget pools (excluding pools 733000 and 756000). Amounts may be budgeted as necessary for 720000, 731000, 732000, 734000, 740000, 750000 and 785000 as long as they do not exceed the total 720000 through 785000 amount allocated by the appropriate Vice Chancellor or the Chancellor.

4.6.3 If additional funds are required in any of the 61XXXX accounts or a transfer is required from a 61XXXX into a 720000 through 785000 accounts (including 733000 and 756000), a Request for Budget Revision Form must be completed. A hard copy of the Request for Budget Revision Form can be obtained by contacting the university Budget Office or accessing it through ASU Electronic Forms - Vice Chancellor for Business Affairs.

4.6.4 Additional Funding - If the Chancellor, any vice chancellor or dean decides to transfer budgeted funding from their area to any of their reporting areas (as long as funds remain in the exact, same program (i.e. 101 to 101 or 152 to 152) they make the change by one of the following methods: (1) email to the university Budget Office (Betsy Payne paynebp@appstate.edu) in memorandum format, (2) use the Budget Adjustment Form or (3) a form of their own design. A copy of the Budget Adjustment Form can be obtained by contacting the university Budget Office or on-line at ASU Electronic Forms - Vice Chancellor for Business Affairs.

4.6.5 For Institutional Trust Funds - Institutional Trust Fund areas will be notified by email memorandum in the spring of each fiscal year of a due date to complete a Budget Allocation Excel spreadsheet. Explicit written instructions will accompany the budget memorandum. The spreadsheet (with expenditure/revenue totals listed in a separate email memorandum) will be returned to the university Budget Office when completed. The budgets will be processed (WFUPLOADED) and posted into the accounting records on the Banner Finance System when the new fiscal year begins (shortly after July 1) of the new fiscal year.

4.7 Budget Adjustments/Revisions

4.7.1 Budget Adjustments (Transfers within 720000 through 785000 pools)

4.7.1.1 Adjustments to Departmental Budgets - Any changes to an individual department's budget in the 720000 through 785000 pools (with the exception of the 733000 and 756000 pools), after the base budget is recorded in the Banner Finance accounting records must be processed through the Banner Self-Service Budget Transfer module. Submission must be made by the responsible individual who has been granted fund-based security clearance through the University Controller's Office. All
requests must be submitted in even dollar amounts. Budget adjustments required between departments (in the 720000 through 785000 budget pools, with the exception of the 733000 and 756000 pools) within the same program (i.e., 101, 102, 103, 110, 142, 151, 152, 160 or 170) can only be made by representatives of the Chancellor, Vice Chancellors, Deans, or University Budget Office.

4.7.2.2 The following regulations are mandatory when requesting flexibility budget revisions:

1. Information Processing System (SIPS) in Raleigh. The Budget Office will enter this flexibility revision into the State Budget Revision System via telnet through the State Chancellor of the requesting area, the form will be forwarded to the Budget Office for approval and entry into the Banner Finance applicable to a position); and 5) the required approved signatures for applicable area. When approved by the appropriate Vice Career Banding Salary Administration

2. Your Budget Revisions-Flexibility

4.7.2.1 All requests for flexibility budget revision, as defined below, must be submitted in even dollar amounts on the Request for Budget Revisions Form developed and available through the University Budget Office or access ASU Electronic Forms located under Vice Chancellor for Business Affairs. The electronic form can be completed, printed, and then sent to the Chancellor or appropriate Vice Chancellor for approval. The revision may be submitted for the current fiscal year only or for both current year and permanent revision. The form is self-explanatory and requires all appropriate blanks to be completed. The justification of request must include: 1) a complete explanation of the desired revision as it relates to the enhancement of the mission of the University; 2) specific assessment measures to be employed; 3) impact of action on future budgets; 4) position number, title, Career Banding Salary Administration, full-time equivalency (FTE), dollar amount of position originally budgeted (if revision applicable to a position); and 5) the required approved signatures for applicable area. When approved by the appropriate Vice Chancellor of the requesting area, the form will be forwarded to the Budget Office for approval and entry into the Banner Finance System. The Budget Office will enter this flexibility revision into the State Budget Revision System via telnet through the State Information Processing System (SIPS) in Raleigh.

4.7.2.2 The following regulations are mandatory when requesting flexibility budget revisions:

1. Funds budgeted to any 61XXXX account class (labor/personnel compensation) can be transferred between any 61XXXX minor account class or to/from any of the aforementioned budget pools via Flexibility Budget Revision. For example: (a) Funds budgeted to 614110 (Non-Student Temporary Wage) can be transferred to budget pool 719000 (Contracted Services) or account 614510 (Student Temporary Wage) funds can be transferred to 720000 budget pool (Supplies and Materials); (b) Funds budgeted to 750000 pool (Capital Outlay) may be transferred to budget pool 719000.

2. Funds may be transferred between programs, with the exception of the following programs: 102 (Summer Term Instruction) and 103 (Non-Credit Extension Instruction). An example of an allowable transfer would be program 101 funds for instructional departments may be transferred to the Dean's office(s) funds found in program 152.

3. Revisions involving accounts 6111X0, 6121X0 or 6131X0 must include position number, title Career Banding Salary
4.7.2.3 These changes may be either for current fiscal year only (temporary revision) or a permanent revision (becomes a component of the Continuation Budget; these revisions are processed upon request.

4.7.3 Receipt-Support within State Appropriated Funds-Budget Revisions

4.7.3.1 Departments which are supported by State Appropriation that gain any portion of receipt-support must submit a Request for Budget Revision to utilize the excess receipts. The revision must be submitted in even dollar amounts on the request for Budget Revision Form developed by the Budget Office. The request should be completed to show whether the revision is for the current year (temporary) or permanent (receipts will be collected indefinitely). The form must include: the required approval signatures, a complete justification of the desired revision, how the receipts were acquired, and exactly how the funds are to be expended if the revision is approved. If establishment of a receipt-supported position is requested, the following information is required: position number, title, career banded classification, full time equivalency (FTE), and annual salary of the position.

When approved by the Chancellor/Vice Chancellor of requesting area, the form will be forwarded to the University Budget Office. The University Budget Office will submit the budget revision to the Office of State Budget and Management in Raleigh for approval. The revision will be entered into the State Budget Revision System via telnet through the State Information Processing System (SIPS) in Raleigh. If approval is granted by The Office of State Budget and Management, the University Budget Office will process the entry into the Banner Finance System.

4.7.3.2 Example: (a) A seminar that will be attended by paying participants with monies deposited to a revenue account (revenue accounts begin with either five-zero (50xxxx) or eight-zero (80xxxx)).

4.7.3.3 Prepare a Request for Budget Revision Form to increase the appropriate revenue account (50xxxx) budget and increase the appropriate expenditure account/budget pool (example: 734000 to cover the expense of printing materials for seminar).

4.7.3.4 Example: (b) Collections for copier charges

4.7.3.5 Prepare a Request for Budget Revision Form to increase the revenue account (50XXXX) budget and increase the appropriate expenditure account/budget pool (example: 720000 to cover expense of supplies for copier).

4.7.3.6 The following regulations are mandatory when requesting budget revisions involving receipts for approval by the Office of State Budget and Management in Raleigh:

1. Sufficient receipts to cover the amount of the requested increase must be deposited to the proper revenue account within the requesting department's fund.
2. Budget revisions must be submitted on the Request for Budget Revision Form with the appropriate approval signature(s). The Budget Revision form can be accessed on the web under Electronic forms.
3. In January of each year, all departments are notified of the date for final budget revisions to be submitted for the current fiscal year.

4.7.3.7 The revision may be either for current fiscal year only (temporary) or permanent (becomes a component of the Continuation Budget); these revisions are processed upon request.

4.8 Budget Revisions - Approval

4.8.1 Procedure Description - All programs and departments supported by appropriated State funds requiring budget adjustments as described in Policy Statements area: Budget Adjustment/Revisions; specifically, Budget Revisions-Flexibility, and Receipt-Support within State Appropriated Funds-Budget Revisions, must complete and submit the Request for Budget Revision Form.

4.8.2 Procedure - When budget revisions of any type are required, these general steps are to be followed: Obtain Request for Budget Revision Form from the University Budget Office or access ASU Electronic Forms on the Web. Complete a Request for Budget Revision Form.

4.8.3 Department Name and Phone Number: Department issuing request and telephone number of requestor.

4.8.4 Prepared By and Date: Person preparing request and the current date.
4.8.5 Building Name and Room Number: Requesting program area/department's building name and room number.

4.8.6 Department Index and Account Numbers: 1XXXXX-XXXXXX Complete Index number(s) (which is the same as the Fund number) and account/budget pool number(s).

4.8.7 Or: + or -: Plus (+) is equal to an increase in an expenditure and revenue budget and minus (-) is equal to a decrease in an expenditure and revenue budget.

4.8.8 Current Fiscal Year Amount: Even-dollar budget amount for entry to be recorded in current fiscal year only.

4.8.9 Permanent Revision Amount: Even-dollar budget amount for entry to be recorded in all succeeding fiscal years.

4.8.10 Revision can be submitted for both current year and permanently with dollar amount exactly the same for both or can be different amounts. (i.e., a new position established at January 1 of current fiscal year would require a six month's salary amount and permanent would require the full 12 month's salary amount required.)

4.8.11 Justification for Request: A complete explanation including a description of how the mission of the University will be enhanced by the requested budget action, specific assessment measures to be employed, and the impact of this action on future budgets. Transfers involving accounts 6111XX, 6121XX and 6131XX must include the position number, title, career banded classification, FTE, and dollar amount.

4.8.12 Approval Section**: Signatures with the date of signature of the following: Department Head, Dean, and the Vice Chancellor. The Vice Chancellor's Office will submit to the University Budget Office if approved, and the Budget Director will verify completeness, sign the form and process it for entry into the Banner Finance System.

4.9 Online Budget Transfers

4.9.1 Online Budget Transfers

4.9.1.1 The Banner Self-Service module allows authorized personnel to enter even-dollar budget transfers within a specific fund from the 720000 thru the 785000 budget pools (with the exception of budget pools 733000 and 756000). The transfers are posted online within approximately one and one-half minutes. This process now occurs without prior approval of the University Budget Office. However, a positive available fund balance must be present within the budget pool that the transfer is coming from, and previously stated rules must be followed.

4.9.1.2 You must have access to Banner Finance-Self Service, E-Print, and Campus Budgets Dashboard to view the reports and process on-line budget transfers. Instructions to access or delete a user on Campus Budgets Dashboard, E-Print reports and Banner Finance-Self Service are found in the Banner Finance Training Manual. If you do not have access to these modules, then the requesting employee's supervisor should complete the online form found in ASU Electronic Forms at the following website: http://forms.appstate.edu. When you reach this website, you will select the following: (1) Information Technology Services; (2) Request Banner Account Options; (3) login using your ASU Novell ID and password; (4) continue to next screen; (5) complete the required fields marked with an asterisk (*); (6) scroll down to “Banner Financial For Dept. Users”; (7) check Financial Banner Self Service and E-Print; (8) list the funds you will require access to or a description of your request; and (9) scroll to the bottom of the form and select “Submit”.

4.9.1.3 If the person authorized to process budget entries for a department changes, the administratively responsible department head must follow the aforementioned process to delete a user on Campus Budgets Dashboard, E-Print reports and Banner Finance-Self Service. This action should occur as soon as possible.

4.9.2 To Begin the Banner Self-Service Online Budget Transfer procedure

4.9.2.1 You must access the internet (the Explorer browser is preferred, but Mozilla may also be used). Access the ASU Homepage as follows: http://www.appstate.edu, next click on My ASU (located at the bottom of the screen), click Administrative Resources, click APPLEAP Administrative Systems Project, click System Access, click Finance Homepage and Log into Banner Finance-Self Service. After signing on to Banner Finance-Self Service click Finance option, you may then continue with the online budget transfer process.

4.9.2.2 Instructions for use of the Banner Finance-Self Service Online Budget Transfer module are provided online (option listed on the Banner Homepage) or may be obtained in a Banner Finance User Training Manual (hard copy) from the University Budget Office. From the Banner Finance Homepage, access is gained to the following options: Reset Password, Log in to
Banner Finance Self-Service, Campus Budgets Dashboard, E-Print, Banner Finance Training Manual, Request New University Computer Account (or Access additional Computer Accounts), Registration for Banner Finance Training Classes, Banner Chart of Accounts, Closing Dates for the fiscal year, and University Controller’s Office Departmental Fund Activity Reconciliation Form. Banner Finance Training is conducted once per month by the University Budget Office, Special Funds Accounting Office, Purchasing Office, and the Business Systems Office.

4.9.3 Monthly Reconciliation

4.9.3.1 Those responsible for managing all fund types of University resources (department heads or their designees, principle investigators, etc.) must complete the following activities each month:

1. Review monthly financial reports in detail;
2. Complete the University Controller’s Office Reconciliation Form – Departmental Monthly Activity and print a copy (this form found at http://www.appleap.appstate.edu/finance_over.html);
3. Sign the copy;
4. Obtain the supervisor’s approving signature; and
5. Retain a file with the approved monthly reconciliation(s) for the current year and previous year in the event the University or State Audito(s) need to review the fund’s financial transactions.

4.9.3.2 A listing of e-print reports to aid in reconciliation entitled, “E-print-The Right Report for the Job,” and Campus Budgets Dashboard Reports, entitled, “List of the New Reports,” can also be found at http://www.appleap.appstate.edu/finance_over.html. Access to Campus Budgets Dashboard is found at http://appleap.appstate.edu/finance_over.html.

5 Additional References

- Budget Adjustment Form and Request for Budget Revision Form
- ASU Electronic Forms
- Career Banding Salary Administration

6 Authority

7 Contact Information

ASU Business Affairs – 828-262-2030

8 Original Effective Date

9 Revision Dates

February, 2013