

Memo to: All UH-Downtown/PS Holders
From: Max Castillo, President
Subject: Budget Maintenance and Transfer Policy

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Issue No. 1
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1. PURPOSE

This PS states the policy and procedures relating to the responsibilities of the budget managers in the area of budget maintenance, including the execution of budget transfers.

2. POLICY/PROCEDURES

2.1 General. The University of Houston System Board of Regents approves the annual operating budget of each component. Once the budget is approved and becomes operational, it is the responsibility of each budget manager to effectively monitor their unit's budget to ensure that the funds are expended in a manner consistent with the intent of the Board.

2.1.1 Designation of the budget manager. The budget manager is the individual designated as the primary signature on the budget (account) as indicated by the university's chart of accounts (FBMR040). Only by changing the primary signature designation can the budget manager responsibility be transferred. The budget manager may delegate the task of monitoring and maintaining the budget, but the responsibility for all activity within that budget remains with the budget manager.

2.1.2 Responsibilities of the budget manager. The budget manager, in maintaining the department's budget, is responsible for the following:

1. Verifying that the base budget, as indicated on the September financial reports, is consistent with the final version of the budget that emerged from the budget development process; and
2. Reviewing all budget entries relating to expenditures that carried forward from the previous fiscal year to verify accuracy; and
3. Ensuring that revenue generation, when applicable, is monitored so that any shortfall or surplus can be identified and adjusted for at the earliest possible opportunity; and
4. Monitoring actual expenditures and encumbrances in both the financial and payroll systems to ensure that they are in line with the approved expenditure budget; and
5. Initiating, securing approval for, and routing through the Budget Office any transfers necessary to keep the budget in order.

2.2 Budget Transfers

2.2.1 Budget Transfers Requests (BTRs). Budget transfers of any kind, whether originating in the Budget Office or in a department, will only be processed upon submission of a properly completed and approved Budget Transfer Request (Exhibit A). The following information must appear on the BTR:

1. Date;
2. Account number(s) and subcode(s) involved in the transfer. All transfers must be balanced, two-sided entries;
3. Amount;
4. Description of the transfer;
5. Justification for the transfer, and
6. Signature of the account manager.

2.2.2 Position Control Number (PCN). The PCN is a mechanism for identifying and tracking employees in the payroll system. Benefits-eligible employees (a.k.a. line-item employees) have, within each account, unique PCNs ranging from 001 to 099. Non-benefits eligible employees, including part-time, college workstudy, non-college workstudy, registration workers and temporary workers have 9XX PCNs (917, 970, 980, etc.). These are often referred to as "900 pools".

2.2.3 Intra-account Transfers. The budget manager has the authority to transfer funds within an account. Intra-account transfers are allowable between the lump sum Salary and Wage pools (9XX PCNs), the Maintenance and Operations pool, and the Equipment pool only. Any transfer involving funds budgeted in the line-item positions within the Salary and Wage pool will be subject to the restrictions outlined in section 2.2.5.

2.2.4 Inter-account Transfers. To affect a budget transfer between accounts, the BTR must bear the signature of the budget manager from whom the funds are being transferred. As with the intra-account transfers, the budget manager may transfer funds only between the lump sum Salary and Wage pools (9XX PCNs), the Maintenance and Operations pools, and the Equipment pools. Any transfer involving funds budgeted in the line-item positions within the Salary and Wage pools will be subject to the restrictions outlined in section 2.2.5.

2.2.5 Vacant Positions. Funds budgeted in the line-item positions within the Salary and Wage pool may be used only as outlined in the original budget. Lapsed salary dollars resulting from vacant positions will be transferred each month into holding accounts and considered "unallocated funds". These transfers will be initiated by the Budget Office.

Exceptions to the vacant position/lapse salary policy are as follows:

1. Funds originating from faculty positions held vacant in the Fall and/or Spring will not be treated as lapsed funds but will be rolled forward and made available for Summer faculty salary expense;
2. A vacant position is deemed to be critical, whereupon all or part of the lapsed salary funds will be held in the account to cover the cost of temporary personnel pending the hiring of a permanent employee. Such determinations will be

made by the vice president under whom the position resides.

3. The area in which the position resides has engaged in significant reorganization. In such a case, with the approval of the appropriate vice president, the funds associated with the vacant position may be redirected toward the creation of a new position or the augmentation of existing positions.

2.3 Responsibilities of the Budget Office. The Budget Office is responsible for reviewing, approving, and processing all budget transfer requests. In reviewing transfers, Budget Office personnel will verify the following:

2.3.1 The funds, as indicated on the request form, are available for transfer, and

2.3.2 The transfer adheres to generally accepted fund accounting principles; and

2.3.3 All of the required approvals have been secured.

If all is in order with the Budget Transfer Request form, the reviewer will sign and date the request and input it into the appropriate financial system. A confirmation copy will be forwarded to the originating department, and the original will be retained by the Budget Office. It shall be the responsibility of the Budget Office to track all transfers in the financial system, ensuring that the entries have been processed correctly.

3. REVIEW AND RESPONSIBILITIES

Responsible Party (Reviewer): Budget Director

Review: Annually

Reprint of original policy statement. Signed original on file in the President's Office.