

STATE APPROPRIATIONS BUDGET GUIDELINES

During the spring of each year, the University of Florida receives the state appropriated budget (General Revenue, Lottery, and Student Fees) from the Legislature via the General Appropriations Act. The state allocation budget load into the University's financial system is completed in a two step process. The first step is to load the initial budget, which is based on the recurring base budget from the prior year's appropriation, into the University of Florida's financial system. The second step is to allocate new funding from the Legislature and load that information into the university's financial system.

During the year, the State of Florida Board of Governors may issue Budget Amendments that provide additional funding to the university, these funds could be either recurring or non-recurring. When this occurs, budget journals are processed by the UF Budget Office adding these funds to the university's financial system.

In order to complete the first step, the UF Budget Office calculates the amount of the initial budget to be allocated to the colleges or units (hereafter "units"). This amount is determined from (1) the prior year's Initial Budget Load through the Budget Preparation System (hereafter "BPS"), (2) the prior year's New Funding allocations, which are special commitments approved and prioritized by the President, Provost, and Senior Vice Presidents, (3) the prior year's special earmarked funding appropriated by the Legislature, and (4) adjustments for issues such as salary increases, change in insurance or retirement costs, and mid-year commitments made by the President and/or Provost on both a recurring and non-recurring basis. The total of these amounts comprise the initial

budget allocation that is received by the units and loaded into the BPS to be used for the Initial Load into the Commitment Control (KK) Ledger.

New state funding received during the current Legislative session are either “specials” that are earmarked appropriations or funds that can be allocated at the discretion of the President, Provost, and Senior Vice Presidents. With respect to the special appropriations, these funds are distributed to particular units for the purposes as required by law. All of these funds are loaded into the university’s financial system as part of the “New Funding” allocation and are not part of the Initial Load that occurs in June of each year. In addition, current year budget amounts that have not been expended or recorded as a commitment at June 30 of each year for E&G, IFAS, and HSC budget entities may be reallocated to the appropriate major budgetary unit as carryforward.

BUDGET APPROVAL DOCUMENTATION

Units receive the initial budget allocation from the UF Budget Office and should have the unit Dean or Vice President (hereafter “Administrator”) physically sign-off on this allocation and approve how these funds should be distributed to the departments under their control. This signed document should be maintained by the unit Budget Officer. Documentation of additional amounts received by the unit from the UF Budget Office should also be physically signed and filed to acknowledge receipt of the amounts.

The Administrator is wholly responsible for the overall unit budget. The Administrator may distribute the budget to the departments and should set the responsibility level for each of their direct reports to include authorization, access, monitoring and reporting. It is recommended that approval documentation for any changes to department budgets

implemented by the unit Budget Officer on behalf of the Administrator be maintained in the same manner as outlined above.

Once the initial budget allocation to departments has been determined and approved by the Administrator, this allocation is entered by each Administrator's designee into the online BPS, accessible through myUFL, by the budgetary account categories of Salary, OPS, Other Operating Expenses, Financial Aid, Library Resources, and Risk Management Insurance. After the initial budget load has taken place, any changes to a department's allocation is affected by completing a budget transfer within the university's financial system. When preparing budget transfers that affect a change to the overall budget allocation of a department, it is suggested that the approval for that transfer be notated within the budget header to include verbiage such as "approved by Administrator via email 9/22/07". It is also suggested that the unit Budget Officer maintain documentation of the Administrator's approval and the budget transfer. Notification should be sent to all parties involved.

SECURITY

The Administrator should approve the request for security roles only to those specific designees at appropriate levels and the unit Budget Officer should maintain documentation of that approval. Role-based security restricts access to resources to only those users who have been granted a particular security role. A security role is a set of rights associated with access to different functions in the system. The security roles associated with the Budget are:

UF ER FI Budget Prep. This role provides access to budget preparation content in Enterprise Reporting for colleges and departments. Folder access

includes: Financial Information, Budget, Delivered Salary Status Detail Cost Projection, and Budget Preparation. User must also have UF_ER_USER.

UF ER FI Budget. This role provides access to budget management content in Enterprise Reporting, including fee waiver financial management information, for colleges and departments. Folder access includes: Financial Information, Budget, and Delivered Salary Status Detail Cost Projection. User must also have UF_ER_USER.

UF ER FI Budget Oper. This role provides access to operating budget content in Enterprise Reporting for colleges and departments. Folder access includes: Financial Information, Budget, Delivered Salary Status Detail Cost Projection, and Operating Budget. User must also have UF_ER_USER which provides basic access to enterprise reporting.

UF_KK_Budget_Transfer. This role provides access to the Budget Transfer system within Commitment Control. This grants individuals the ability to transfer state appropriated funds within the APPROP Ledger Group within their unit.

UF_BP_Department. This role provides access to the Budget Preparation System. This grants individuals the ability to allocate the Initial Load Budget within their unit.

These security roles are reviewed and approved by the University Budget Director. It is suggested that the authorization of movement of the budget processed via budget transfer between departments within a unit should be limited to appropriate designees in the Administrator's Office. Budget transfers from one unit to another must be processed by either the University Budget Office or the Office of Business Affairs.

BUDGET MONITORING

Budget monitoring should be performed on an on-going basis. It is suggested that the Administrator require a monthly reconciliations of all balances at the categories Salary, OPS and Other Expenses for all departments/divisions. At a minimum, a quarterly review should be held between the Administrator and the unit Budget Officer to evaluate their unit's budget. Documentation regarding these reviews should be maintained by the unit Budget Officer.

PeopleSoft Enterprise Reporting New Departmental Reports provide *Departmental Summaries, Transaction Detail, Payroll Projections and Reports, Encumbrance Details and KK to GL Comparisons*. These reports are available to assist units and their departments in reconciling and managing their funds. The Financial Information Tool cubes are also available to assist units and their departments with overall monitoring of available balances. For colleges within the Health Science Center, the Hyperion Enterprise system is used for managing their funds, including faculty practice plans, UF Foundation and UF Research Foundation activity. HSC colleges should review the monthly *YTD Actual to Budget Report*, in combination with the *Summary Activity Statement*, and *Statement of Cash by Fund* and document or explain factors which contributed to negative expenditure variances or net losses on unrestricted funds.

Balances should be reviewed on a monthly basis to insure that no negative amounts are projected to occur at year-end. The available balance should consist of the amount of monies expended to date and the amount of money projected to be spent through year-end. Salary and OPS projections should be calculated using the Projected Payroll Cost

Distribution Report. The data from this report is obtained through entries in Job Data, Payroll Distributions, and the latest paycheck for Tax and Benefit information. It is very important that these systems be maintained to reflect the most accurate cost of Salary and OPS. Calculation of available balance should include all encumbrances or planned expenditures and any special current commitments that are tracked outside of the university's financial systems. Examples of additional commitments not captured by the above reports can include cost share, leave cash outs or start up funds that are anticipated. These special commitments should be maintained on a spreadsheet and should be documented with the Administrator's approval.

Anticipated deviations from the established budget require approval from the Administrator and should be obtained in writing before any additional encumbrances occur. This documentation should be maintained by the unit Budget Officer.

The Administrator must be notified (at a minimum quarterly) of all budget variances and deviations which result in a department or the unit being in a negative balance at year-end. The Administrator should physically sign off on the correspondence. This signature should be maintained by the unit Budget Officer. Corrective action should be taken immediately if any of the account categories will be negative by year end. Deviations should be explained and corrected or funded. Documentation of all correspondence with responsible parties as well as budget monitoring reports should be maintained by the unit Budget Officer to reflect budget monitoring activity.