



11.2 Original Budget

Policy Statement

Pursuant to the policies of the University System of Georgia, the University of Georgia shall prepare an operating budget for educational and general activities and an operating budget for auxiliary enterprises for the institution for each fiscal year within the limit of funds allocated plus estimated internal income of the institution.

The University budget comprises all funds received including, but not limited to, state appropriations, tuition, revenues generated from mandatory and elective fees, federal, state and local grant and contract revenues, revenues from the sales of services, scholarship income, gifts and donations and the income generated, and any other such sources as are used to provide for instruction, research, and public service and the general and educational activities and functions in support of the goals, objectives, and mission of the university.

Reason for policy

The University of Georgia budget is designed as a comprehensive fiscal plan for implementing its mission as a land-grant and sea-grant University with statewide commitments and responsibilities, as the state's oldest, most comprehensive, and most diversified institution of higher education. Our motto, "to teach, to serve, and to inquire into the nature of things," reflects the University's integral and unique role in the conservation and enhancement of the state's and Nation's intellectual, cultural, and environmental heritage. The implied values of the budget as a comprehensive fiscal plan for the institution include accountability, efficiency and efficacy.

The Director of the Budget Division is responsible to the Vice President for Finance and Administration for the development and maintenance of the University of Georgia budget and for processing amendments thereto; and for ensuring proper budgeting, fiscal control, propriety, and legality in approving all University obligations for materials, services and payroll. The Director is responsible for developing procedures to carry out the above responsibilities, and is also responsible to the Vice President for Finance and Administration for the implementation of procedures necessary to properly control the encumbrance and expenditure of both payroll and non-payroll funds.

The President of the University is held responsible by the Board of Regents of the University System for planning and administering all programs and related budgets for the University. Administrative and planning responsibility for budgetary units within the University of Georgia is delegated by the President to the Vice Presidents and by the Vice Presidents to the deans and directors.

The Vice President for Finance and Administration is directly responsible to the President for administration of University budgetary policy, for establishing budgetary procedures, and for maintaining fiscal control of budgeted funds.

After University budgets have been approved by the proper authorities, the responsibility for control of and the authorization for expending budgeted funds are assigned by the President to each budgetary unit head.

The University of Georgia budget expresses in terms of dollars the funded programs and plans of the University for the fiscal year and the estimated income by sources necessary to finance those programs and plans. Budgetary approval by the Board of Regents of the University System of Georgia and by the University administration

constitutes authorization to expend the funds as budgeted and to collect the anticipated income. The approved budget is the primary instrument of fiscal control and must contain all income and expenditures of the University.

University income or program support comes from State appropriations and internal income such as student fees, endowment income, gifts and grants, sales and services, and sponsored operations. Each year the State of Georgia Legislature appropriates funds to the Board of Regents for support of all institutions in the University System of Georgia. State funds for institutional support are in turn allocated by the Board to each institution in the University System.

By legislative definition, no part of the State appropriation, nor any funds realized from the Federal Government, or from donations, gifts, earnings, fees, rents, sales or other sources of income shall be available for use or expenditure until made available by written order of the State of Georgia Budget Authorities.

Board of Regents policy states that "all expenditures of institutions must be approved by the Board before they are made." This statement has been interpreted to require budgetary approval by the Board of Regents before the University may incur obligations or make expenditures against any budgeted item.

Procedures

Specific procedures are provided in the subtopics within the Operating Budget section of this website.

Additional contacts

Policy Contact: University Budget Office

Phone Number: 706-542-2802

Email: budgets@uga.edu

Policy definitions

The following policy statements are taken from the Policy Manual of the Board of Regents of the University System of Georgia:

CLASSIFICATION AND USE OF BUDGETED FUNDS

Classification of Funds: Financial and budgetary procedures for the University System shall divide financing, accounting and operation of fiscal affairs into two parts: first, educational and general activities, such as cost of instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships and fellowships, and such income as student fees, Federal grants, endowment income, vocational funds, income from sales, gifts, rentals, and other related income; and second auxiliary enterprises, such as dining halls, dormitories, and other related items.

Under this arrangement, the first division – educational and general facilities – will be financed with income derived under this division and with funds provided by the state. Any savings made in operation of this division shall be expended only at the direction of the Board. The Board shall also give due consideration to any loss that may occur in its operation.

Use of Funds: No official of the Board of Regents nor any official of the institutions of the University System is authorized to expend any funds on hand which may have accrued from balances from previous periods or from income for any subsequent period unless the expenditures have been approved by the Board.

Any expansion in operation that would necessitate an increase in the approved budget shall be submitted to the Board for approval before any obligation is incurred.

OPERATING FUNDS BUDGETARY CYCLES

Preliminary Budget Request Cycle: This cycle consists of estimating income and expenditures for the next fiscal year based upon estimated student enrollment and credit hours for which students will be enrolled and upon the

estimated needs of activities of the University. The estimates and requests are classified as to the increased needs during the next year to continue the existing level of support, needs to strengthen or expand existing programs, and needs to establish new programs. This budget provides the basis for the Board of Regents' requests for State support for the next fiscal year.

Final Budget Request Cycle: The final budget request phase consists of computation of the actual proposed budget on a detailed basis for the next fiscal year. This budget is made after the State appropriation to the University System has been made and after the Board of Regents has made its allocation to institutions within the System. The final budget request, once approved, will constitute the University's operating budget for the coming fiscal year.

Amended Budget Cycle: As conditions change, periodic revisions to the budget are required. Any change in the budget of the University must be made by amendment. The amendment process follows the approval procedure for the original budget and no expenditure may be made on the basis of an amendment request until the amendment receives final approval.

PLANT FUNDS BUDGETING

Funding for the purchase or construction of new plant assets or for major modifications of existing plant assets may be provided from Plant Funds. Examples of projects that would be classified under Plant Funds may include: purchase of land; purchase of an existing building; construction of a new building; construction of a major addition to an existing building; major renovation of an existing building; improvements to fixed assets other than buildings; equipment which will be installed in conjunction with the construction or renovation of fixed assets; and all purchases of equipment for Auxiliary Enterprise units.

Plant fund project costs are provided from the following:

Direction Allocations: The Board of Regents may allocate funds to the University for specific projects requested by the President of the University.

Georgia State Financing and Investment Commission: The State agency finances major new construction throughout the University System. State appropriated funds to the Board of Regents are committed as long-range lease rental payments to the Authority, which permits the Authority to sell bonds to generate construction money. Projects selected for construction through the Authority by the Board of Regents must be requested by the President of the University.

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Associate Vice President for Finance Division

Policy Owner: University Budget Office

Policy Contact: Ken McCollum

Phone Number: 706-542-2802

Record Retention

Citation or Reference: Annual Budget Records

Number: 0472-03-004

This series documents the annual institutional budget provided for inclusion in its Annual Adopted Operating Budget book. This series includes: operating budget expense by categories and functions report; estimated gifts, grants, contracts and clearing account summary report; student fee income and application of funds report; statewide public service source and application of funds; other reports specified by the Chancellor's Office; and institutional budget preparation instructions.

Retention: Annual operating budget: PERMANENT; All other records: 7 years.

FAQs

There are no FAQs associated with this policy.

Related information

[BOR Business Procedure Manual 8.5: Original Budget](#)

[BOR Policy Manual 7.2: USG Budget](#)

Policy Dates

Effective Date:

Date Last Updated: 12/14/2016

Date of Last Review:

Date of Approval:

Previous Version of Policy: