



# Abraham Baldwin Agricultural College

## Fiscal Affairs Policies and Procedures Manual

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200	<b>BUDGETS</b>
201	<b>POLICY</b>
201.01	<b><u>GENERAL</u></b>

The Vice President for Fiscal Affairs has primary responsibility for providing assistance to the President in the preparation and control of College budgets. There is a division of authority and responsibility incorporated into the University System of Georgia policies and procedures concerning the administration of financial resources. The chief executive officer (President) of the College "shall be the executive head of the institution and of all its departments, and shall exercise such supervision and direction as well as promote the efficient operation of the institution" (BR Policy 204). Sole authority and responsibility for the management of financial resources reside with the Vice Chancellor for Fiscal Affairs and Treasurer of the Board of Regents. The chief business officer of an institution (Vice President for Fiscal Affairs of Abraham Baldwin Agricultural College), in all financial matters, acts as an agent of the Treasurer of the Board of Regents within authority specifically delegated by the Treasurer: "...The Vice Chancellor for Fiscal Affairs and Treasurer are authorized, with the approval of the Chancellor, to delegate to the chief business officer of any institution the authority to execute any and all documents which may be necessary, required or desirable in order to provide proper fiscal management of funds given to the institution or to the Board of Regents for the benefit of the institution concerned" (BR Policy 104).

The relationship between the President and the Vice President for Fiscal Affairs (acting as an agent of the Treasurer of the University System of Georgia) in all matters of budget preparation, expenditures and financial management is based on fiduciary principles. The President reports regularly to the Board of Regents, through the Chancellor, on the operation of those aspects of the institution under his control. The Vice President for Fiscal Affairs, through audits, reports and the PeopleSoft financial accounting and reporting system (directly accessible by the Office of the Treasurer of the Board of Regents) is constantly monitored for compliance with Board of Regents policies and procedures and fiscal accountability.

The Board shall make the allocation of funds to several institutions at the April meeting or the next regular meeting following the approval of the Appropriations Act or as soon thereafter as may be practicable in each year and shall approve the budgets of the institutions and of the office of the Board of Regents at the regular June meeting in each year, or as soon thereafter as may be practicable. (Bylaws, Article VIII)

The Board of Regents shall be the only medium through which all formal requests shall be made for appropriations from the General Assembly and the Governor of the State of Georgia. (BR Policy No. 701)

For a more detailed overview of the budget process, refer to Section 8 of the Board of Regents Business Procedures Manual.



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201.02

### PREPARATION AND APPROVAL

The Board of Regents Policy Manual, Section 702 sets forth basic budget policies as follows:

"Financial and budgetary procedure for the University System shall divide financing, accounting, and operation of fiscal affairs into two parts: first, educational and general facilities, 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 items; and, second, auxiliary enterprises, such as dining halls, dormitories, and other related items.

"Educational and General: 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 consider any loss that may occur in its operation.

"Auxiliary Enterprises: The second division--auxiliary enterprises--shall be placed on a self-supporting basis, and the State will not make an appropriation to finance its operation. Funds collected from these enterprises will be used to provide the best possible services that can be provided for the amount charged without subsidy or support from the funds of the institutions for maintenance and utility services. Accounting records for auxiliary enterprises will be maintained on the full accrual basis of accounting, therefore, funded depreciation will be required for all auxiliary enterprise service equipment, buildings, infrastructure and facilities, and other improvements. The reserve for depreciation will be used for repair and replacement of auxiliary assets according to guidelines provided in Section 15 of the Board of Regents Business Procedures Manual. The funds collected will be left with the institution.

"Operating Budgets: Each institution of the System shall prepare an operating budget for educational and general activities and an operating budget for auxiliary enterprises operations of the institution for the fiscal year within the limit of funds allocated plus estimated internal income of the institution. (BR Policy 702.04)

Bonds of public officials authorizing expenditures for any purpose whatsoever that are in excess of budget amounts approved by the Board shall be liable for such unauthorized expenditures. (BR Policy 702.04)



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### 201.03 PLANNING, DEVELOPMENT AND ADMINISTRATION OF BUDGETS

The President has sole authority and responsibility for planning, development, and approval of the College budget for transmittal to the Chancellor and Board of Regents, subsequent amendments to that budget, and assurance of the integrity of the administration of the budget to effect the mission of the College. He exercises this authority and responsibility by assignment of certain duties and responsibilities to the Vice President for Fiscal Affairs.

The College prepares an appropriately detailed annual budget. The two principal categories of budgeting are for Personal Services (salaries, benefits, including student and graduate assistant wages) and Non-Personal Services (travel, operating expenses, and equipment). Each subcategory is further divided into individual line items such as supplies and materials, repairs and maintenance, printing, subscriptions, computer charges, telecommunications, etc.

Each institution submits their original budget for approval by the Board of Regents. The original budget and subsequent amendments serve as the basis upon which institutional financial performance is assessed each year through regular reports to the Board (Section 8.5; Board of Regents Business Procedures Manual).

### 201.04 CONTROL AND AMENDMENT

Budgetary control is the responsibility of the President, assisted by the Vice President for Fiscal Affairs. Revisions in the budget are made through budget amendments that follow a prescribed approval process.

According to University System policy, directives and procedures, the institution maintains a centralized system of budget control, and renders monthly interim budget statements to department heads.

### 202 PROCEDURES

#### 202.01 LEGISLATIVE REQUEST

The budget process in the University System of Georgia begins with a legislative request made by the Board of Regents for its institutions. Therefore, before the legislative request by the Board, the Chancellor transmits to the President of each institution instructions for the preparation of budgets.

The President, with the assistance of the Vice Presidents, gathers information, including projected enrollment, new program funding requests, and other such information, to assist in the preparation of the College's request for funds. The President presents this information to the Chancellor.

#### 202.02 COLLEGE'S BUDGET PREPARATION

Budget hearings are held in the Spring of each year by the President, the Vice



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President for Fiscal Affairs, Assistant Vice President for Fiscal Affairs, Vice President for Academic Affairs, Vice President for External Affairs, and the Director of Budgets. Departmental Budget Managers present their needs and requests for operating funds for the upcoming fiscal year.

Upon receipt of the allocation from the Board of Regents, the President, through the vice President for Fiscal Affairs and the Budget Manager, distributes Personal Service Worksheets to the Departmental Budget Managers. Instructions are given regarding the total percentage of funds available for awarding as salary or wage increases. The Departmental Budget Managers recommend increases, which are then reviewed by the Vice Presidents and President. Final approval for all increases resides with the President.

Based on these modified and/or approved requests, the staff of the Vice President for Fiscal Affairs prepares a budget plan for the operation of the College from July 1 through June 30 of the succeeding fiscal year. When completed and published, it is forwarded to the Board of Regents over the signature of the President and, once approved, becomes the official budget for the College.

The Budget Division of the Office for Fiscal Affairs publishes copies of the official budget and distributes copies to each appropriate Administrative Head for all budgets and accounts within his or her area of responsibility. The Director of Budgets ensures that budget data are keyed into the PeopleSoft financial, budgeting, and human resources systems and any other College subsystems.



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### 202.0201 Student Activities Budgets

To provide for funds for certain educational, cultural, recreational, or social purposes for the benefit of the College's students, Abraham Baldwin Agricultural College will, after approval by the Board of Regents, charge mandatory Student Activity Fees. The College will recommend to the Board of Regents the amount of such fees to be charged to the students. When approved by the Board of Regents, such fees are mandatory and all fees collected are subject to the control and audit of the Board of Regents and the provisions of this Manual.

The President and the Vice President for Fiscal Affairs will annually review the budgets for the proposed use of Student Activity Fees and the President will certify to the Board of Regents that the proposed expenditures for such fees are for educational, cultural, recreational or social purposes for the benefit of the students.

All Student Activity Fees collected by the College will be budgeted and administered in accordance with the administrative procedures of this Manual. In addition, the advice and counsel of an advisory committee, (Student Budget Committee) appointed by the President and composed of at least fifty (50) percent students, will be considered in the preparation of budgets and in the use of these funds (BR Policy 704.021).

All payments from Student Activity Fee funds will be made by the Vice President for Fiscal Affairs upon receipt of a properly approved invoice, contract or other such payment document.

### 202.03 BUDGET MAINTENANCE

The Office of the Vice President for Fiscal Affairs will provide monthly Appropriations Ledger History Reports and Budget Progress Reports to each budgetary administrative unit and, through the Director of Budgets and other appropriate staff, will assist Departments, Divisions, and other Units, in interpreting and maintaining each budget account throughout the fiscal year.

### 202.04 BUDGET AMENDMENTS

To amend any part of a Department's/Unit's budget during the fiscal year, a Department/Unit Head or other official responsible for a budgetary unit must prepare and submit to the appropriate Dean, Director or other Administrative Head, a Budget Amendment Request (Letter or Memo). As a minimum this request should include the following for each account for which an amendment is requested:

Account Number,

Description,

Amount for each account being amended, and



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Brief justification for the change requested.

Upon written approval of the appropriate Department Head, Dean, and/or Vice President the request is routed through channels to the President. When approved by the President (or his Designee), the Vice President for Fiscal Affairs forwards the request to the Budget Manager, who will review for accuracy of such concerns as account detail, improper cross-funding, policy compliance, and then enter the amendment into the Budget and Accounting Systems.

Quarterly amendments are submitted to the Board of Regents by the Director of Budgets via online spreadsheets. For a detailed overview of this process refer to Section 8.6 of the Board of Regents Business Procedures Manual.