



RUTGERS POLICY

Section: 40.1.2

Section Title: Budget Management

Policy Name: Unrestricted Operating Budget Fund Sources (Formerly State Accounts)

Formerly Book: 6.1.14

Approval Authority: Senior Vice President for Finance and Administration

Responsible Executive: Assistant Vice President for Budget & Administration

Responsible Office: University Budgeting

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Errors or Changes? Contact: obrs@rci.rutgers.edu

1. **Policy Statement**
All Unrestricted Operating Budget Fund Sources must be adequately controlled to ensure approved staffing and financial resources are used properly and do not exceed the budgeted financial and staffing resources allocated within an area of responsibility.
2. **Reason for Policy**
To ensure that budgeted financial and staffing resources are not exceeded and are used properly.
3. **Who Should Read This Policy**
All University employees that have authority over Unrestricted Operating Budget Fund Sources
4. **Related documents**
Budget Policies and Procedures Manual for Unrestricted Operating Budget Fund Sources
5. **Contact**
Budget Manager within the Division of University Accounting
6. **The Policy**

40.1.2 UNRESTRICTED OPERATING BUDGET FUND SOURCES

A. Responsibility

The Office of Budget Management within the Division of University Accounting is responsible for the establishment of control guidelines relative to the university's Unrestricted Operating Budget. The Office of Budget Management also

implements and enforces university policies/procedures and provides direction and assistance to university units with regard to the university's Unrestricted Operating Budgeted fund sources. The formal policy and procedure manual can be found at <http://ua.rutgers.edu/budget/>.

The President, Chancellors, Vice Presidents, Deans, Directors and Department Heads have responsibility for the proper monitoring and spending of Unrestricted Operating Budgeted fund sources apportioned to their particular budget responsibilities. Departments also have responsibility for spending within established budgetary limits.

B. Policy

The following policies apply to Unrestricted Operating Budget Fund Sources:

1. Limitations on Expenditures and Budgeted Full Time Equivalent (FTE) Positions

Designed to provide for the most effective and efficient use of scarce state and other unrestricted resources, the university's unrestricted operating budget policies and procedures allow units to have maximum flexibility in making judgments regarding the best use of the resources that have been allocated to them, and that advance the overall academic goals of the university. Within the basic requirement that units not exceed the budgeted dollars or full-time equivalent (FTE) positions allocated to them, the policies delegate authority and responsibility for budget decisions largely to campus, college and department levels.

Each area of responsibility may not exceed total Unrestricted operating budgeted resources (dollars or budgeted FTE positions) allocated to the unit. Budgeted FTE positions are those positions that have been authorized by the State of New Jersey and carry a full state funded fringe benefit package. A full time position carries a weight of 1.00 in the budget system.

These budget policies apply to expenditures made from all fund sources (formerly known as state accounts) in the General University (GU) and Agricultural Experiment Station (AES) budgets (2-0,2-1,2-2,2-3,2-4,2-7xxx). This unrestricted budget consists of funds provided by the state appropriation, tuition and fee income, summer session revenues, off campus revenues, facilities and administrative cost recoveries, and several other minor sources.

Each fiscal year, departments receive budget allotments from the Office of Budget & Resource Studies for the operation of their respective offices/programs via the annual Working Budget process. This process is managed in the Hyperion Planning-system. These budget allotments represent apportionments for the current fiscal year. These funds should be allocated to the appropriate expense natural accounts according to a planned expenditure pattern for the individual department. Under normal circumstances, deficits in one natural account can be covered with unexpended funds in other natural accounts. Once the working budgets from the Hyperion Planning system are loaded into the university's general ledger, budget adjustments can be processed for any significant transfers between expense classifications or for permanent changes in spending patterns. All budget adjustments can be processed online. Budget adjustment forms can be found in the RIAS forms repository at <http://rias.rutgers.edu/forms.htm>.

Units will be permitted to carry over salary savings and/or non-salary balances with the permission of the senior officer. Before permission is granted, however, the senior officer will review with the Executive Vice President for Academic Affairs summary plans for the use of carryover funds in units reporting to the senior officer.

Certain types of transactions are not permitted to be charged to unrestricted operating budget fund sources due to state and university restrictions placed on such funds. Examples of these types of transactions include:

- a. purchase of alcohol
- b. student aid, except in accounts where a student aid budget has been specifically authorized by the university's central administration.
- c. the bulk transfer of funds to a fund source outside of the Unrestricted Operating Budget are limited to the units total summer/winter/off campus profits, and facilities and administrative cost returns. The transfer of specific expenditures incurred may be processed with appropriate supporting documentation and authorization.

Any deficits generated in unrestricted operating budget fund sources during the year must be covered by departmental units prior to the end of the fiscal year. All areas of primary responsibility must be within their budgeted resources at the end of the fiscal year.

C. Procedures

The following control procedures are to be followed with regard to unrestricted operating budget fund sources:

1. Departmental units must process all expenditures in accordance with the procedures outlined in Policy Section 40.2.3. Departmental units must establish proper approval processes within their organizational structures to allow for the proper spending of Unrestricted Operating Budget funds.
2. RIAS Discoverer/Viewer reports (see Policy Section 40.2.2) are updated daily and are available to authorized users within departments in monitoring unrestricted operating budgets
3. The Employee Status Report is available in RIAS Discoverer/Viewer and should be utilized to monitor budgeted versus actual FTE in Unrestricted Operating Budgeted fund sources
4. The Office of Budget Management provides periodic forecasts of total Unrestricted Operating Budget revenues and expenditures to senior financial management.

D. Questions

Questions regarding Unrestricted Operating budget policies and procedures or report formats and contents should be directed to the Office of Budget Management in the Division of University Accounting.