

BUDGET POLICY OVERSIGHT PROCEDURES California State University, Sacramento

The Budget Planning and Administration Office oversees the budget policy oversight procedures. All documents and reports, which address budget performance and concerns, will be retained electronically by the Budget Planning and Administration Office. Completed and signed documents will be forwarded to the Vice President and Chief Financial Officer for final review and record-keeping. A summary report will be prepared by the Budget Planning and Administration Office and the Administration and Business Affairs Office will post it to their website to promote financial transparency. See the Budget Oversight Policy Procedure for further information.

To ensure appropriate and corrective oversight in compliance with the campus' Budget Oversight Policy, this document sets forth the procedures to be used.

Funds to be reviewed:

- General Operating Fund (MDS01)
- Athletics IRA Trust Fund (TNR01)
- Lottery Funds (projections optional)

Contents to be reviewed:

For the General Operating and the Athletics' IRA Trust Funds, the Budget Planning and Administration Office will generate quarterly reports to compare budget to actual financial activities, budget revisions, projections, or year-end financials. The reviews should consider the following items/topics:

- Compensation actions, including baseline and one-time
- Vacant positions through your estimated salary expenses
- Open encumbrances
- Projected deficits at year-end
- Budget or expenditure transfers that will increase or decrease funds
- Anticipated or known future expenses
- Historical actuals
- Percentage of expenditures to budget as a guideline

Frequency, corrective action, and documentation of reviews:

The Budget Planning and Administration Office will prepare two to three quarterly reviews of funds and will provide initial projections for the General Operating and the Athletics IRA Trust funds to those divisions/units, which report to the President or the President's Office. These receiving divisions/units are to review and/or adjust the projections based on their current knowledge. The fourth quarter will be a summary of how those areas ended as of the fiscal year-end close.

For Lottery funds, a quarterly report providing the carry forward budget/encumbrances, current year revenue/budget, current year expenditures, and the total budget balance available will be sent to the affected divisions/units electronically. This will enable those

areas to compare their carry forward budget in relation to the maximum carry forward amount allowed so appropriate action can occur to reduce large balances. It will also allow them to add projections to determine their status. The Lottery information will be provided along with the General Operating Fund summaries and will require review by the divisions/units affected.

When a review reveals that a financial concern exists, such as a possible year-end deficit, the Senior Associate Vice President for Budget Planning and Administration will conduct a meeting with the division/unit representative to review the situation and identify a resolution. Afterwards, the division/unit head will prepare a written statement to identify the problem and a resolution for submission to the Budget Planning and Administration Office. As a general rule of thumb, the percentage of expenditures to available budget should be in line with the timeline of the review. For example, if the review is done at the 6 month mark, then expenditures should be approximately 50% of your budget. At the 9 month mark, expenditure should be approximately 75% of your budget. When factoring in your projections for the remaining months, your total expenditures should not exceed your total budget. Otherwise, it will place you in a deficit situation and will require a written resolution plan to address the deficit.

Once the reviews and written resolutions are complete, the division/unit head will certify/sign the review documents and forward them to the Budget Planning and Administration Office. The divisions or units are to attach their changes to the projections sheet along with their signed summary so a review can be done to ensure the sheets are in synch. The documents will be gathered by division and then electronically forwarded to the Vice President/Chief Financial Officer (VP/CFO) for Administration and Business Affairs for final review and approval. The President shall review and approve all divisional summary reports.

Once all financial reviews are completed and approved, the Budget Planning and Administration Office will provide a summarized spreadsheet of financial activity by division to the VP/CFO so the document can be posted on the [website](#) for transparency purposes.