

CHHS Budget Philosophy

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Purpose

To establish a framework for the College of Health and Human Services at UNC Charlotte regarding budget preparation with the long-term goal of sustainability at the College level. To clarify the financial responsibility of the College and its units as fiduciaries of State resources, student tuition and fee funds, and restricted gifts.

Assumptions

- A budget is a plan for spending.
- The budget year/fiscal year runs July 1 – June 30. This is the period the State uses for accounting and financial statement purposes. We have to close out spending each year by June 30 and open a new set of accounting records to begin a new year in July.
- Final budget to be confirmed by the Budget Office and Academic Affairs between October and February. Confirmation occurs because budget sources may change from year to year (due to enrollment, senior leadership decision making, etc.).
- We allow budget owners to spend in line with their approved projections prior to the final confirmed budget from Academic Affairs.
- Funds at the University belong to the Chancellor. Fund distribution from the Chancellor flows to the Division of Academic Affairs, then the College, then the units.
- Budgets must be balanced. This means budgets do not exceed approved spending, and spending must be in line with approved budget amounts.
- Generally, when an expense is allowable under multiple fund types, we will utilize the most restricted fund first. For example, if a purchase is allowable from State funds or graduate tuition increment funds, we will spend from the graduate tuition increment funds first, as those may only be used to support the graduate program that generated the revenue, while the State funds can be used for a variety of operational needs for any program.
- As a guideline, 80% of budget should be allocated (spent + planned spending) by March 1st
- 15% carryforward of fee funds (E&T and Majors Fees) is permitted, but should not become a regular practice.
- State funds must be spent within the fiscal year. Any remaining balance is not carried forward into the next year.

Glossary

- *Budget owners*: Unit leader responsible for making budgeting and spending decisions. Within CHHS, budget owners include the Dean, the Senior Associate Dean, the Associate Dean, the Executive Director for Academic Technology, the research academy directors (at the Dean's Office level), and the four academic unit leaders. There may also be budget owners for different programs, such as the graduate program director level.
- *Carryforward*: Fee funds that can carry forward from one budget/fiscal year to the next.
- *Fiduciary*: Person or entity with legal or ethical responsibility to manage money or other assets for someone else.
- *Restricted gifts*: Donations/gifts from external parties designated for a particular purpose.
- *State resources*: State appropriations, lapse salary/flex funds, summer school receipts

- *Student tuition and fee funds:* Budget sources generated by school based tuition increments (SBTI – assessed to graduate students in programs with SBTI), majors fees (assessed to undergraduate students), Education and Technology (E&T) fees (charged to all students)

Philosophy

- The College of Health and Human Services (the College) will evaluate all requests thoughtfully to determine if use of financial resources is in the best interest of the College's students, faculty, and staff and if the proposed expense aligns with the College's and/or unit's mission.
- Communication among the College's senior leadership team will be open and transparent. This means the Dean and the Business Officer will share as much budgetary and financial information as possible that is appropriate with the leadership team. The leadership team should strive for transparency among units with the understanding that each unit has different needs, and therefore, budgets will look different for each unit.
- The Dean is responsible for oversight of all our shared financial resources. The Dean will determine the distribution of fee funds and lapse salary (if available) and how much school based tuition increment (SBTI) the units will manage, where appropriate.
- Budget owners have authority over the budget distributed to their unit funds. Funds will be used only for their intended purposes in line with all State and University policies and guidelines.
- It is not acceptable to overspend. Plan for unexpected or unknown costs with the knowledge that the majority of funds cannot carry over into the next fiscal year. If there are no unexpected costs to cover during the year, funds can either be spent on other needs or revert to the Dean's Office if they remain unplanned. If a shortage is expected, budget cuts must be implemented accordingly.

Strategy

- Each summer all budget owners complete the budget projections exercise detailing estimated expenses for the next fiscal year. Budget owners should establish priorities and discuss those with the Dean. Spending priorities should clearly link to missional activities that are part of strategic plans at the unit level. The projections remain requests until the Dean has approved. The Business Office assists with the budget projections exercise by providing historical data, estimates, etc.
- Part of the budget projections exercise includes having unanticipated cut plans in place. In other words, complete the exercise using information known at the time but think through and document alternatives in the event of budget cuts.
- Once budget projections are finalized and approved by the Dean and budget owners know their total budget, budget owners have the authority to make net-zero budget adjustments throughout the year within their individual budgets. Net-zero adjustments would be shifting expenses between categories in your budget without adding additional cost to the entire budget. For example, if a student employee works fewer hours than planned, the remaining funds no longer needed for student salary could be put toward office supplies or professional development.
- Final spending plans must be submitted to the Business Office by April 30th (or the last weekday prior to April 30th if it falls on a weekend) each year. This allows for final purchasing and processing to occur in a timely manner and meet all University year-end cut off dates.
- Explore opportunities for increasing revenue sources.

Appendices

- Budget Planning at the College Level
- Fund Types and General Use Guidelines