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Procedure for: Academic Affairs
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I. Policy

The Academic Budget is designed to serve as a useful tool for planning, controlling, and evaluating uses of the university's monetary resources. All resources obtained by the university are vital to accomplishing the mission of Academic Affairs. It is imperative that the following policy and procedures are strictly adhered to ensure that Academic Affairs is in compliance with applicable federal, state, local, and university regulations.

All funds received for academics will be budgeted accordingly to the specific units. Each unit is responsible for the preparation, development, and maintenance of its individual budget. All budgets are detailed by line item to demonstrate the intended use of the funds. All budgets will be monitored by the Academic Affairs Budget Manager in cooperation with the Budget Office Director for the University.

The Academic Affairs budget is prepared using a combination of the Modified Zero-Based budgeting method and the Performance Based budgeting method. It is designed to identify and assess the vital needs of the Academic Affairs units in order to allocate the appropriate resources and to reward Academic units for the efficient and effective uses of those resources in accomplishing the University Mission.

A. Annual Budget Preparation

All Academic budgets are prepared on a fiscal cycle. Adjustments can be made every year. The fiscal year is from July 1 to June 30. Each academic unit prepares its own fiscal year budget by filling out an approved budget preparation document which is located in the Office of Academic Affairs. The individual unit will be responsible of obtaining the approved form. The unit is also responsible for providing supporting documentation of all requested budget amounts. This includes but is not limited to salaries, fringe benefits rates, supplies, travel, investments, etc. The individual unit must also submit with its budget its strategic goals and objectives which details

how the unit plans to achieve its goal with the budgeted dollars. The individual unit must complete the form and have it submitted to the Academic Affairs Budget Manager at a designated time. All units are encouraged to submit fiscal budgets prior to the deadline. All budgets must include the subsequent fiscal year and the prior fiscal year. The Annual Budget Calendar is updated every fiscal year to reflect any changes in scheduled dates and meetings.

B. Annual Budget Development Process

Once received by the Academic Affairs Budget Manager, each unit budget will be reviewed for accurate goals and objectives, supporting documentation for operating expenditures, and appropriateness. The reviewing process will include official budget hearings with the Senior Vice Chancellor where unit managers will have an opportunity to justify their budget request. If the unit manager does not attend the budget hearings, they cannot request another hearing. Once the budget is reviewed by the Academic Affairs Budget Manager and adjustments (if any) are made, the budget is submitted to the Senior Vice Chancellor to hold Budget Hearings. Once the hearings are completed, the budget will be reviewed by the Cabinet, and then it is consolidated with the total Campus Budget. It is then presented to USC Columbia President. Once approved, the budget is presented to the USC Columbia Board of Trustees for review and approval.

C. Annual Budget Implementation

Once all budget documents have been reviewed and approved, units are issued their fiscal year budgets. The budget is available for viewing on the IMS system the second month after the fiscal year close. During this time, unit managers can request changes to their budget. However unit managers can only request changes within their individual budgets. Any budget request from external sources must be approved by the Senior Vice Chancellor.

D. Annual Budget Reporting

Each academic unit will receive an annual budget report at the end of the fiscal year. The report will comprise of the each unit's budgetary performance and will be accompanied by notes. A comprehensive annual report for Academic Affairs will also be available to each unit.

A. Quarterly Budget Reports

The Budget Manager for Academic Affairs will submit quarterly reports to the Senior Vice Chancellor for Academic Affairs for the fiscal year. The report should list all the units that report to the Senior Vice Chancellor for Academic Affairs.

II. Budget Procedures

A. Annual Budget Procedure

1. Receive Fiscal Year Budget Template
 - a. The fiscal year template will be provided by the Budget Manager for Academic Affairs.
 - b. The document must be completely filled out prior to submission to office of Academic Affairs.
 - c. An updated electronic copy can be located on the P. Drive (P:\AcademicAffairs\Budget Manager\Budget Development)
2. Submit completed documents with supporting documentation to the office of Academic Affairs.
 - a. The documents must be submitted before the deadline.
3. Conduct budget hearings and revisions by Office of Academic Affairs.
4. Receive approved fiscal year budget.

III. Budget Transfers

Budget Transfers are used to cover unexpected expenses and/or make adjustments to budgets after the start of the fiscal year. Budget transfers are performed by the Budget Manager for Academic Affairs. Requests must be sent via email/and or interoffice mail to the Budget Manager. All budget transfers must be completed with an approved Budget Transfer Form. There must be sufficient funds available in a Fund Account before any transfer can be processed. All budget transfers should include whole dollar amounts not cents. All budgets are subject to line item adjustments if the expenditures exceed the budgeted amount.

- A. The department generates the original Budget Transfer with the Budget Transfer form. The form must approved by the Dean and/or the Department Chair and a copy must forwarded to the dean office. The original form is then sent to the Budget Manager for Academic Affairs.
- B. The Academic Affairs Budget Manager approves and processes the transfer and notifies the Department and/or Dean..

- C. The Academic Affairs Budget Manager notifies the Department and/or Dean's office when the transfer is posted to the Fund Account.

IV. Expense Transfers

Expense Transfers are used to move an expense that is charged to the incorrect department, account, object code or fund to its proper accounting field. No expenses transfer can be processed with payroll line item only operation line items. Expenses cannot be transferred between state funds and foundation funds. Expenses transfers are performed by the Budget Manager for Academic Affairs. Requests must be sent via email/and or interoffice mail to the Budget Manager. All expense transfers must be completed with an approved Expense Transfer Form. All expense transfers must include supporting documentation.

- A. The department generates the original Expense Transfer with the Expense Transfer form. The form must be approved by the Dean and/or the Department Chair and a copy must be forwarded to the dean's office. The form is then sent to the Budget Manager for Academic Affairs.
- B. The Academic Affairs Budget Manager approves and processes the transfer and notifies the Department and/or Dean.
- C. The Academic Affairs Budget Manager notifies the Department and/or Dean's office when the transfer is posted to the Fund Account.

V. Budget Forms

The following is a list of all the approved forms that are used in reference to the budget for Academic Affairs.

Department Budget Request & Justification
Budget Transfer Request
Expense Transfer Request

VI. Budget Calendar

The budget calendar is updated every fiscal year to account for changes in dates and times. The budget calendar is also used as a reference for anyone needed to inquire about a specific date or time that any budget materials is involved. The calendar also contains dates for budget report dates.

- A. Current Budget Calendar Link

VII. Budget Audit

The Budget Audit is a financial tool used to provide accountability, structure, and reliable information concerning the uses of resources within the Academic Affairs units. The Budget Audit assist Academic Affairs with reasonable assurance, that its policies and procedures are being carried out properly in regards to uses of university resources. The objective of the Budget Audit is to examine and evaluate the adequacy and effectiveness of the budget systems implemented by the individual units.

A. Budget Audit Plan

Activities or functions of the Academic Affairs units will be reviewed by the Budget Manager for Academic Affairs on a periodic basis. Frequency of audit will be influenced by the nature and inherent risk of the activity, changes in personnel, and volume of work, revised procedures, and prior audit findings.

1. An annual budget audit plan listing the activities and functions scheduled for review will be prepared by the Budget Manager for Academic Affairs and approved by the Senior Vice Chancellor.

B. Budget Audit Report

Each routinely scheduled budget audit will include some or all of the following elements of an audit:

1. Financial and Compliance - Determines (A) whether financial operations are properly conducted, (B) whether the unit has complied with applicable laws and regulations.
2. Economy and Efficiency - Determines whether the unit is managing or utilizing its resources (personnel, property, space, and so forth) in an economical and efficient manner and the causes of any inefficiencies or uneconomical practices, including inadequacies in the management information systems, administrative procedures, or organizational structure.
2. Program Results - Determines whether the desired results or benefits are being achieved, whether the objectives established by management are being met, and whether the unit has considered alternatives which might yield desired results at a lower cost.

C. Budget Audit Report Review

The scope of the audit will be set forth in the audit report. The responsible officials of activities being reviewed will have an opportunity to examine the budget audit reports in draft form and discuss all findings, conclusions, and recommendations with the Budget Manager for Academic Affairs. The audited activity will have 30 days to prepare a written response to the audit findings and forward it to the Budget Manager for Academic Affairs. Responses will be made a part of the audit report. Distribution of audit reports will be restricted to those individuals who need the information and to those organizationally responsible for the activity.

1. Management and Quality Assurance

The Budget Manager for Academic Affairs will comply with the Code of Ethics adopted by the Institute of Internal Auditors. The Budget Manager will be required to participate in continuing education programs and be abreast of the quality assurance standards of both the Institute of Internal Auditors and the American Institute of Certified Public Accountants. An external quality assurance review will be performed periodically at the discretion of the Senior Vice Chancellor and the Chancellor.