

Budget Oversight Policy Components

URPC Discussion: February 9, 2018

CSU Policy Objective

“It is the policy of the CSU that the campus chief financial officer ensure budget reviews occur during the fiscal year that compare budgeted and actual revenues and expenditures and take action to resolve any discrepancies.”

<https://csyou.calstate.edu/Policies/icsuam/Pages/2002-00.aspx>

CSU Policy Statement

- “Each campus must establish written policies and procedures that specify the minimum level and frequency of reviews to monitor budget performance.”
- Reviews to compare budget to actuals must:
 - Be documented
 - Documentation should include details on:
 - Research being conducted
 - A resolution plan
 - Expected and final completion dates
 - Occur at least twice per year
 - Include actions taken to resolve discrepancies

Policy and Procedures

- Policy – developed by URPC, information item to Senate, approved by the President
- Procedures – developed by the Budget Office in consultation with Budget and Finance Group (campus budget experts), URPC, and Cabinet

Frequency

System Policy

- At least twice per year

Policy Subgroup Responses (6)

- All quarterly

Proposed HSU Policy

- Quarterly

Impacted Funds

System Policy

- Doesn't specify

Policy Subgroup Responses (6)

- Operating Fund, separate process for self-supports, auxiliaries
- All funds, including auxiliaries

Proposed HSU Policy

- All budgeted funds, including auxiliaries

Minimum Level of Review

System Policy

- Doesn't specify what level, just that one is needed

Policy Subgroup Responses (6)

- College/Major Budget Unit (MBU), Division
- Department, College/MBU, Division

Proposed HSU Policy (adopted from LA)

- All University departments are required to perform financial reviews and provide budget and actual forecasts
- The Budget Office performs analysis of the submissions at an MBU level and prepares a written analysis of the MBU's overall financial condition, including areas of concerns and action/discussion items – analysis provided to respective VPs, AVPs, Deans, Directors, and budget analysts
- Quarterly meetings are held with each MBU
- For areas of concern, MBU prepares written details regarding research to be conducted, a resolution plan, and expected and final completion dates
- Budget Office prepares summarized written report to President, Cabinet, and URPC
- Summarized MBU, Division, University level reports published in OpenBook

Action Taken to Address Areas of Concern

System Policy

- Documentation should include details on:
 - Research being conducted
 - A resolution plan
 - Expected and final completion dates

Policy Subgroup Responses (6)

- Specifics not identified yet
- Resolution plans submitted to the CFO and divisional VP

Proposed HSU Policy (adopted from LA)

- If there is a financial concern that the MBU cannot resolve internally within the MBU, a formalized one-time funding request must be made to the divisional level.
- If the concern (e.g. budget shortfall) cannot be addressed within the division, a formalized request must go to the URPC for one-time funding consideration. The URPC will make a recommendation to the President, who will then approve the funding request or provide an alternate course of action.

Documentation/Transparency

System Policy

- Documentation retained in accordance with records retention policies

Policy Subgroup Responses (6)

- Documentation retained in campus budgeting system
- Maintain electronic records and email correspondence

Proposed HSU Policy

- *See level of review slide for documentation content*
- Detailed documentation will be uploaded and retained in Questica
- Summarized documentation will be provided to President, Cabinet, and URPC and published on the Budget website
- Quarterly projections published in OpenBook