


<p>Name of Policy: <u>Budget control.</u></p> <p>Policy Number: 3364-40-01</p> <p>Approving Officer: President</p> <p>Responsible Agent: Associate Vice President of Budget and Planning</p> <p>Scope: all University of Toledo campuses</p>	 <p>Original Effective date: November 18, 2008</p>				
<table border="0"> <tr> <td><input type="checkbox"/> New policy proposal</td> <td><input checked="" type="checkbox"/> Minor/technical revision of existing policy</td> </tr> <tr> <td><input type="checkbox"/> Major revision of existing policy</td> <td><input type="checkbox"/> Reaffirmation of existing policy</td> </tr> </table>		<input type="checkbox"/> New policy proposal	<input checked="" type="checkbox"/> Minor/technical revision of existing policy	<input type="checkbox"/> Major revision of existing policy	<input type="checkbox"/> Reaffirmation of existing policy
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(A) Policy statement

The senior vice president of finance and administration is designated as the chief fiscal officer for the university. The senior vice president shall advise the president of the university of budget circumstances requiring action by the president and/or the board of trustees. The management of budget authority for each individual department is the responsibility of the appropriate administrative officer for such individual department. All expenditures of funds received by and deposited with the university shall be expended in accordance with applicable state and federal statutes, regulations, policy and specific directives of the board of trustees.

The board of trustees' approved current and unrestricted budgets authorizes the expenditure of university financial resources. Each unit administrator (vice president, department head, dean or director) with responsibility for a university account is expected to administer any account for which he/she is responsible within the authorized budget.

(B) Purpose of policy

To provide a procedure for instructing the university how to adopt and manage their respective budgets and the proper handling of all expenditures of funds received by and deposited with the university.

(C) Procedure

(1) Budget control

(a) Unit administrator responsibility and authority

(i) Unit administrators are responsible for managing all their assigned areas in a fiscally responsible manner.

(b) Interdepartmental sales expenditure and credit of accounts

- (i) Costs from departments that supply goods and services are to be distributed to departments that consume those goods and services.
- (ii) The charges imposed by departments supplying goods and services should be based upon the actual cost of supplying those goods and services.

(c) Graduate assistants

- (i) Approved and awarded by graduate school

The graduate school is responsible for all graduate assistant stipends and fee payments approved for funding by the graduate school. The graduate school will transfer budget authority from the graduate school's central budget for graduate assistants to individual departments that have incurred approved graduate assistant stipend and fee payment expenses. Such transfer shall be made as soon as practicable following the end of each academic semester.

(d) Periodic analysis of accounts

- (i) Controller conducts year-end analysis

The controller will conduct a year-end analysis and identify any actual budget deficit in the account categories for which unit administrators are responsible.

- (ii) Notice to vice presidents

As necessary, the controller will notify, in writing, each vice president of any actual or prospective deficits identified in the analysis. A copy of the notification from the controller to the vice president will be forwarded by the vice president to the unit administrator responsible for the account. A copy will be sent to the senior vice president of finance and administration by the controller.

- (iii) Vice presidents and unit administrators responsible for corrective action

The vice president is responsible for correcting the budget deficit following the receipt of the notification from the controller and is responsible for processing a budget transfer through the office of budget planning or outlining the corrective action to be taken.

(e) Authorization to incur temporary deficit

Extraordinary circumstances may occur which will require written pre-authorization of a temporary deficit. Such extraordinary circumstances require the

prior written approval of the appropriate vice president and the senior vice president of finance and administration. Extraordinary circumstances are limited to specific individual occurrences which are non-recurring.

(f) Carry-forward of deficit balances

If the balance of the accounts for which a unit is responsible is in a deficit at the official close of any fiscal year, then the budget authorization for the following fiscal year will be reduced by the amount of that deficit.

(2) Reconciling personnel budgets with position control roster

Each unit administrator is responsible for verifying the accuracy of the budgeted amounts in the personnel accounts and the fringe benefit accounts for all employees. That is, the contractual commitments of each unit must match the amount budgeted for the year in the appropriate account. Also, specific positions (not pooled) must be permanently budgeted.

(3) Salary increases for unclassified professional staff, classified staff, classified exempt staff and faculty ("permanent staff/faculty")

(a) Contractual employees and other non-bargaining unit employees

Salary increases which are recommended for approval require the approval of the appropriate vice president and the president. The monies needed for these salary increases must be approved by the board of trustees.

(b) Faculty bargaining unit members

Salary increases for nine or twelve month faculty members who are members of the AAUP/UT bargaining units are determined by the collective bargaining agreement.

(c) Classified employees

Salary increases for employees resulting from board of trustees approved anniversary increases (classified exempt) or collective bargaining agreements with the Communications Workers of America Union, Local 4530 (CWA) and/or the University of Toledo Police Patrolman's Association (UTPPA) are included in the current year base budget. Therefore, such scheduled increases do not require the approval of the department head or director, vice president, office of budget and planning, or president. Original base budgets for these employees' salaries are based upon a projection of annual costs that includes step and longevity increases.

(d) Salary increases resulting from reclassifications of classified employees are to be processed in accordance with established university procedures provided the department head or director initiating the reclassification request clearly identifies the source of funding for any salary increase. Requests for

reclassification which are not accompanied by the appropriate budget transfer to provide this funding will be returned to the initiator of that request.

- (4) Position authorizations for unclassified professional, classified, classified exempt, and faculty positions ("permanent base budget positions")
 - (a) Position control numbers (PCN)
 - (i) A position control number (PCN) will be assigned to all approved "permanent base budget positions."
 - (ii) The office of budget and planning will assign and maintain the position control numbers (PCN).
 - (b) Position authorization/position requests
 - (i) Permanent base budget positions

All permanent base budget positions funded by general funds, designated funds, and auxiliary funds and authorized by the board of trustees are identified in the approved budget for the year ending June 30. Departments are not permitted to change the total salary amount of authorized "permanent base budget positions" without the prior written authorization of the appropriate officers.
 - (ii) Permanent position adjustment within a departmental budget

The adjustment to the FTE within the existing base budget of a "permanent base budget position" requires prior written authorization by the appropriate vice president or his/her designee and the office of budget and planning. An example of an "adjustment to the FTE" would be to convert one full-time position into two half-time positions.
 - (iii) Permanent reallocation of positions

Proposals to permanently reallocate or redistribute funds among approved "permanent base budget positions" require the approval of the vice president or his/her designee and the office of budget and planning. Such reorganization proposals should be submitted to the appropriate vice president and the office of budget and planning in a completed comprehensive form, clearly identifying proposed increases and decreases by approved position.
 - (iv) Uncommitted expenditure authority resulting from vacant "permanent base budget positions" may be used to cover the responsibilities of the vacated position within the same departmental account through a one-time budget transfer from the annual temporary reserve to part-time casual positions on a temporary basis provided the

prior approval of the vice president or his/her designee and the office of budget and planning has been obtained. Transfer to a graduate assistant payroll account must be accompanied by a transfer of funds to fee pay - graduate assistants.

(v) Separation costs related to the resignation or retirement of "permanent staff/faculty" from an auxiliary unit must be covered by the unit in which this employee is budgeted. Either the position shall be held open for a sufficiently long period of time to recoup these separation costs or the unit must process a budget transfer identifying a source of funding to cover these separation payments.

(c) Personnel actions (appointment of individuals)

(i) The personnel action form appointing an individual to a "permanent base budget position" shall be authorized only if the required authorizations to fill the position have been provided in writing on the university position request form.

(ii) In the event the salary of the individual appointed is in excess of the salary level for the position contained in the approved budget for the year ending June 30, the unit administrator shall provide the vice president or his/her designee and the office of budget and planning with a permanent budget transfer which clearly identifies the source of the expenditure authority for the additional annualized salary and related fringe benefit expenses. When a classified position is filled by means of appointing an internal candidate the office of budget and planning will automatically transfer the excess salary and fringe benefits from the old to the new departmental budget as long as both positions are within the general fund and the transfer does not reduce the old position below minimum salary level.

(d) Required approvals for position requests/personnel actions

The charts on file in the office of the senior vice president of finance and administration identify the authorizations.

(e) Search and screen process authorizations (hiring)

Positions will be filled only when appropriate reviews of the search and screen process have been completed by the office of institutional diversity. These reviews will occur at three distinct points during the process, including:

(i) at the inception of the search and screen process

(ii) when applicant pools are scrutinized

(a) at the conclusion of the application period or when

(b) pools are compiled, and
before inviting finalists for interviews, and

(iii) before an offer of employment is extended to the selected candidate

The required authorizations will be provided on the appropriate forms that must be obtained from the office of institutional diversity.

(f) Limit on hours worked by part-time employees

Departments may employ part-time non-student personnel provided such employment does not exceed 1,000 hours per year for intermittent call-ins, part-time faculty, or doctoral graduate assistants and 240 hours per year for non-student part-time employees. Non-student part-time employees will be transferred to an appropriate account when they reach 240 hours. Employees shall be removed from payroll when the number of hours worked reaches 1,000 within a calendar year.

(5) Salary recapture process

(a) Use of salary recapture

The salary recapture process applies to all general fund accounts and is designed to provide funding for one-time adjustments or supplements to expenditure authority. Salary recapture funds may not be used to fund permanent base budget adjustments.

(b) The funds removed from a general fund account through the salary recapture process will be placed in an institutional account (annual temporary reserve) under the signatory control of the president.

(c) The position and the applicable base budget salary level from which the funding would be removed or reduced from underfilling a salary line may be transferred by means of a budget transfer from the unclassified professional staff, or nine or twelve month faculty account in which the excess salary occurs to a salary holding account if that excess salary is not immediately moved to another salary line. A unit administrator with a position with excess budgeted salary levels will be permitted to permanently reallocate the funding to other positions, or retain it for one-time use, by means of a budget transfer only with the written approval of the appropriate vice president or his/her designee following certification by the office of budget planning that such excess salary does exist as described in the position authorization section of this policy.

<p>Approved by:</p> <hr/> <p>Lloyd A. Jacobs, M.D. President</p> <hr/> <p>Date</p> <p><i>Review/Revision Completed by: Associate Vice President of Budget and Planning</i></p>	<p>Policies Superseded by This Policy:</p> <ul style="list-style-type: none">• <i>V_2_1 Budget Policy (former Main Campus policy effective date 2/10/99)</i> <p>Initial effective date: November 18, 2008 Review/Revision Date: Next review date: November 18, 2011</p>
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