

Memo to: All UH-Downtown/PS Holders UH-Downtown/PS 05.B.01
Issue No. 3
From: Juan Sanchez Muñoz, President Effective date: 03/19/2018
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Subject: Budget Maintenance and Transfer Policy

1. PURPOSE

This PS states the policy and procedures relating to the responsibilities of the cost center managers in the area of budget maintenance, including the execution of budget transfers.

2. DEFINITIONS

There are no definitions associated with this policy.

3. POLICY

3.1 General. The University of Houston System Board of Regents approves the annual operating budget of each component. Once the budget is approved and becomes operational, it is the responsibility of each cost center manager to effectively monitor their unit's budget to ensure that the funds are expended in a manner consistent with the intent of the Board.

3.1.1 Designation of the cost center manager. The cost center manager is indicated on the university's 1074 reports. Only by changing the cost center manager can the responsibility be transferred. The cost center manager may delegate the task of monitoring and maintaining the cost center, but the responsibility for all activity within that cost center remains with the cost center manager.

3.1.2 Responsibilities of the cost center manager. The cost center manager, in maintaining the department's budget, is responsible for the following:

1. Verifying that the base budget, as indicated on the September financial reports, is consistent with the final version of the budget that emerged from the budget development process
2. Reviewing all budget entries relating to expenditures that carried forward from the previous fiscal year to verify accuracy
3. Ensuring that revenue generation, when applicable, is monitored so that any shortfall or surplus can be identified and adjusted for at the earliest possible opportunity

4. Monitoring actual expenditures and encumbrances in both the financial and payroll systems to ensure that they are in line with the approved expenditure budget
5. Initiating, securing approval for, and routing through the Budget Office any transfers necessary to keep the budget in order

3.2 Budget Transfers

3.2.1 Budget Transfers. Budget transfers of any kind, whether originating in the Budget Office or in a department, will only be processed upon submission of properly completed and approved Budget Transfer with appropriate back-up (examples: ePAR, ePRF and email request) . The following information must appear on the Budget Transfer:

1. Date;
2. Cost Center(s) and budget nodes(s) involved in the transfer. All transfers must be balanced, two-sided entries;
3. Amount;
4. Description/Justification of the transfer;
5. Approval of the cost center manager and/or Department Business Administrator (DBA) a signature, email, or electronic approval is acceptable.

3.2.2 Position Number. The Position Number is a mechanism for identifying and tracking employees in the payroll system. Benefits-eligible employees (a.k.a. line-item employees) have, within each cost center, unique Position Numbers. Non-benefits eligible employees, including part-time, college work-study, non-college work-study, and temporary workers have position numbers which allow multiple employees within the position. These are often referred to as "lump sum positions".

3.2.3 Intra-Cost Center Transfers. The cost center manager/Department Business Administrator has the authority to transfer funds within a cost center. Intra-cost center transfers are allowable between the lump sum Salary and Wage positions, the Maintenance and Operations budget node, and the Equipment budget node only. Any transfer involving funds budgeted in the line-item positions within the Salary and Wage budget node will be subject to the restrictions outlined in section 3.2.5.

3.2.4 Inter-Cost Center Transfers. To affect a budget transfer between cost centers, the budget transfer must have the approval of the cost center manager/Department Business Administrator from whom the funds are being transferred. As with the

intra-cost center transfers, the cost center manager may transfer funds only between the lump sum Salary and Wage positions, the Maintenance and Operations budget node, and the Equipment budget node. Any transfer involving funds budgeted in the line-item positions within the Salary and Wage budget node will be subject to the restrictions outlined in section 3.2.5.

3.2.5 Vacant Positions. Funds budgeted in the line-item positions within the Salary and Wage budget node may be used only as outlined in the original budget. Lapsed salary dollars resulting from vacant positions will be transferred each month into holding cost centers and considered "unallocated funds". These transfers will be initiated by the Budget Office.

Exceptions to the vacant position/lapse salary policy are as follows:

1. Funds originating from faculty positions held vacant in the Fall and/or Spring will partially be transferred to the adjunct cost center to cover the increased cost due to the vacancy. The remaining budget will be lapsed.
2. A vacant position is deemed to be critical, whereupon all or part of the lapsed salary funds will be held in the cost center to cover the cost of temporary personnel pending the hiring of a permanent employee. Such determinations will be made by the Division Business Administrator under whom the position resides.
3. The area in which a position resides has engaged in significant reorganization. In such a case, with the approval of the appropriate Division Business Administrator, the funds associated with the vacant position may be redirected toward the creation of a new position or the augmentation of existing positions.

3.3 Responsibilities of the Budget Office. The Budget Office is responsible for reviewing, approving, and processing all budget transfers . In reviewing transfers, Budget Office personnel will verify the following:

3.3.1 The funds, as indicated are available for transfer;

3.3.2 The transfer adheres to generally accepted fund accounting principles; and

3.3.3 All of the required approvals have been secured.

If all is in order with the budget transfer , the reviewer will input it into the appropriate financial system and upload all supporting documentation, The budget transfers created within the Budget Office and transfers created by other departments will be submitted for approval and posted. It shall be the responsibility of the Budget Office to track all transfers in the financial system, ensuring that the entries have been processed correctly.

4. PROCEDURES

There are no procedures associated with this policy.

5. EXHIBITS

There are no exhibits associated with this policy.

6. REVIEW PROCESS

Responsible Party (Reviewer): Executive Director, Budget, Procurement & Contracts

Review: Every three years on or before June 1st.

Signed original on file in Employment Services and Operations.

7. POLICY HISTORY

Issue #1: 09/30/94

8. REFERENCES

[UH System Administrative Memorandum 03.C.01](#)

[UH System Administrative Memorandum 03.C.02](#)