

Sam Houston State University
A Member of The Texas State University System

Finance & Operations Policy FO-05
Budget Procedures & Guidelines

The budget is structured to insure compliance with state law and all regulations of the Board of Regents, Texas State University System, and Sam Houston State University (SHSU). The budgeting process is designed to allow the setting of budgets which will enhance the achievement of goals. Operations of all activities will be within the appropriate budget categories. The budget allocation categories are as follows:

1. Administrative and Exempt Salaries -- Salaries of SHSU unclassified, non-faculty personnel. (420)
2. Faculty Salaries -- Salaries paid to those holding SHSU faculty appointments for activities for which faculty workload credit is normally given. (420)
3. Classified Wages -- Wages of SHSU classified personnel. (422)
4. Hourly Wages -- Hourly wages of SHSU hourly personnel and students. (423)
5. Maintenance and Operation -- All allowable expense (such as supplies and expendable equipment, purchased services, postage, freight and customs, communications, duplicating services, travel, and capital outlay). (424)

Budget Guidelines:

- A. Responsibility of Account Manager: The responsibility of the manager of an account is a serious obligation. The account manager is personally accountable for the expenditures within an account. The account manager is not authorized to expend beyond the approved budget limits of any item within the account.

The following is a direct quotation from Article V of Senate Bill 113 of the 69th Legislature, Regular Sessions:

Section 25. EXCESS OBLIGATIONS PROHIBITED.

No department or agency specified in this Act shall incur an obligation in excess of the amounts appropriated to it for the respective objects or purposes named unless the State Purchasing and General Services Commission has determined that a proposed installment purchase arrangement is cost effective and has so certified in response to an agency request except for obligations incurred for the purchase or lease of automated information system equipment; however, only if such department or agency has filed with the Automated Information Systems Council (AISAC) a long-range automated information system plan and such plan has been approved by AISAC. In the event this provision is violated, the State Auditor shall certify the fact and the amount of over-obligation to the Comptroller, and the Comptroller shall deduct an amount or amounts equivalent to such over obligation from the salary or other compensation due the responsible disbursing or requisitioning officer or employee, and apply on the payment of the obligation. This provision is specified pursuant to Section 10, Article XVI, of the Constitution of Texas.

- B. Purchases of Supplies and Equipment: Under state regulations, a purchase order must be used for any item bought by the University. A purchase order is issued by the Purchasing Department after receiving a purchase requisition from the account manager.
- C. Period of Funding: The funds made available in the FY 20XX budget are for the period of September 1, 20XX through August 31, 20XX, and may not be used for any other period.
- D. Funds Available: The funds in this account are to cover the expenditures for the entire year. By acceptance of the role, the account manager has the responsibility for planning the expenditures to

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carry out the operations for the complete the current fiscal year, and stay within the budget limits of the account.

- E. All appointments are subject to provisions of the "SHSU Pay Plan", and the personnel policies and procedures of SHSU.
- F. Financial transactions must be made in accordance with the procedures defined in the SHSU Administrative Policies and Procedures manual.
- G. Budget adjustments to an account are to be requested by the account manager through the appropriate administrative division and the Vice President for Finance and Operations by the use of the "Change of Budget Request" form. Budget changes require Regental approval.
- H. Payroll action (i.e., any change to an individual's employee status) is initiated by a "Personnel Action Form."
- I. Transfers within an account, from one expense category to another, are restricted as follows:
 - 1. Administrative and Exempt Salaries -- (transferable to 3,4,5).
 - 2. Faculty Salaries -- (nontransferable)
 - 3. Classified Wages -- (transferable to 1, 4,5).
 - 4. Hourly Wages -- (transferable to 1, 3, 5).
 - 5. Maintenance and Operations -- (transferable to 1, 3, 4).
- J. Transfers may be made between accounts in the same fund group (e.g., Resident Instruction) by means of an approved Change of Budget request. Transfers may not be made between Education and General accounts and the Auxiliary Enterprises, Pledged Properties, and Designated accounts.
- K. "Salary savings" are those budgeted salary funds for a specific month which are not used when the month's payroll is drawn. Salary savings may be realized in an individual account by (1) holding open an unfilled position, or (2) transfer, termination, death, retirement, or suspension of an employee. Salary savings may be utilized by the account manager with approval of the appropriate Vice President.
- L. The payment of accrued vacation associated with any termination in a departmental account will be paid from the funds of the department that has an employee termination.
- M. The payment of overlap (maximum of two weeks) for a new employee replacing a terminating employee will be considered on an individual basis upon appropriate recommendations through appropriate administrative channels. Funds for the payment of overlap will be made available from the operation and maintenance budget of the department requesting the overlap.
- N. The employees named by line item in this budget represent the University's planned staffing. These appointments do not constitute employment contracts.

Approved by: President's Cabinet, June 1999

Reviewed by: R. Dean Lewis-Vice President for Finance & Operations – 11-01-08

Next review: 2/1/10