

The University of Tennessee at Chattanooga
Annual Operating Budget Preparation
FY 2014-15

This document describes the policies and procedures for preparing the annual unrestricted operating budget at The University of Tennessee at Chattanooga. The approved unrestricted operating budget is a comprehensive and coordinated financial plan that provides support for the educational and general operating programs and auxiliary services. The operating budget period at the University follows a fiscal year that extends from July 1, 2014 to June 30, 2015.

Please refer to the Budget Office website for supporting documents

<http://www.utc.edu/business-financial-affairs/budget-chatt.php>

BUDGET PHILOSOPHY

1. The primary and essential mission of the University is the education of its students. Included within this mission is our continued effort to enhance access and ensure student success by strengthening persistence to graduation.
2. General Institutional funds (State Appropriations and Student Fees) will be used to support the educational and general operations of the University.
3. Income producing units of the University will be encouraged to collect as much income as possible to support their direct costs of operation plus augment the general funds to support the basic operation of the University.
4. Expenditures, including requests for new funding, must be tied to the mission and purpose of University programs, as well as students and the quality of our education.

BUDGET POLICIES

1. Division Managers, (Chancellor, Provost, Executive Vice Chancellor for Finance and Operations, Vice Chancellor for Student Development, Vice Chancellor and Director of Athletics and the Associate Vice Chancellor for Communication and Marketing), are accountable for proposing, monitoring, and assessing annual financial strategies and action plans to reach program goals.
2. Open/unfilled positions generate salary savings. At the direction of the Chancellor, savings from unfilled positions will be retained within the division. The Chancellor has full discretion and authority to determine alternative financial models for the aggregation and use of salary savings. Salary Savings should be handled as follows:
 - a) Salary/wages must be spent for the intended salary/wage position.
 - b) In consultation with the appropriate division manager, the Executive Vice Chancellor for Finance and Operations may authorize the use of salary savings for permanent or temporary transfers to operating budgets or for transfers between one budgeted position to another.
3. Unrestricted expenditure budget carryovers should be administered in the following manner:
 - a) Total divisional expenditure budgets will be the responsibility of the division head, i.e., individual units within the division may have positive or negative balances, but the total division cannot exceed its budget.
 - b) Units/programs within divisions which are considered revenue producing units will be governed by the same fiscal policies relative to these accounts and will be included when computing carryover.

- c) Divisions that have budget surpluses, i.e., actual E account expenditures that are less than budgeted E account expenditures, will be allowed to carryover surpluses to the following fiscal year at the discretion of the Chancellor. The carryover will be reflected by an increase in their E account budgets by a like amount in the following fiscal year.
- d) Divisions which are conserving funds for major purchases (equipment, furniture, etc.) in future periods should document this plan in writing and these funds will be transferred to a renewal and replacement equipment fund for use by that division in future periods for those specific capital type purchases.
- e) At the Chancellor's direction, divisions that have budget deficits, i.e., actual E account expenditures are greater than budgeted E account expenditures, will have their E account budgets reduced by a like amount for the following fiscal year.

RESPONSIBILITIES

Chancellor

The Chancellor has the responsibility for leading the development of the University budget to be submitted to the UT Board of Trustees. The Chancellor's responsibilities and authorities are:

1. Developing parameters to guide budget preparation
2. Communicating budget parameters to appropriate individuals and organizations at the onset of the process
3. Making preliminary decisions relative to budget process and assumptions
4. Making final decisions relative to the contents of the budget
5. Communicating final budget decisions to appropriate individuals and organizations.

Division Manager

Division Manager's responsibilities and authorities are:

1. Develop programs and fiscal plans for their respective divisions
2. Further develop the plans and requests of areas within their divisions and consolidate all plans and budget requests into a single budget following the "instructions for preparation of the budget proposal" (see page 4).

Area Manager

The area manager is generally an individual who reports directly to the Division Manager. Their responsibilities and authorities are:

1. Develop programs and fiscal plans for their respective organizations; and
2. Consolidate all plans and budget requests into a single budget request following the "instructions for preparation of the budget proposal" (see page 4).

Organizational Manager

The Organization is a single budgetary unit. Organizational Managers are generally individuals who report directly to the Area Manager, including, academic department heads, directors/managers in their administrative areas, and in some cases supervisors who might report directly to area managers. Their responsibilities and authorities are:

1. Develop a program and fiscal plan for their respective units within budget parameters in cooperation with the area manager;
2. Present these plans/requests to the appropriate area manager for further development; and
3. Provide additional information as requested.

BUDGET SCHEDULE

Date	Time	Event	Location
February 14, 2014	8:00 am – 1:30 pm	Executive Team & Academic Deans Budget Planning Retreat	Foundation Room
February 19, 2014	8:30 - 9:30 am	Campus Budget Overview Session	Raccoon Mountain Room
February 20 - March 7, 2014	Anytime	Budget Office Meets Individually with Deans and Major Departments Heads	Determined by Deans and/or Department Heads
by March 28, 2014	Anytime	Vice Chancellors Host Division Town Hall Meetings with their Faculty/Staff/Students	Determined by Vice Chancellors
April 2, 2014	by 5:00 pm	Vice Chancellors Send Budget Requests to the Budget Office and Executive Team and Deans	N/A
by April 4, 2014	by 5:00 pm	Budget Office Totals Requests; Total Requests Sent to the Executive Team and Deans	N/A
April 11, 2014	8:30 - 11:15 am 1:30 - 5:00 pm	Vice Chancellors and Deans present budget priorities	Foundation Room
April 14, 2014	1:30 - 3:30 pm	Leadership Meeting - Chancellor Angle, Provost Ainsworth, Vice Chancellor Richard Brown, Chief of Staff Terry Denniston (make final recommendations & approve budget)	Chancellor's Conference Room
April 16, 2014	11:00 am – 1:30 pm	Leadership team presents budget to UPRAC	Heritage Room
April 21, 2014	1:00 - 2:00 pm	Town Hall Meeting - final budget presented to campus	UC Auditorium
May 27, 2014	1:00 PM	System to Campus Budget Meeting: Chancellor presents budget to President	Chancellor's Conference Room

INSTRUCTIONS FOR PREPARATION OF THE BUDGET REQUEST

Division Managers will prepare a single budget request package to include the following:

1. A cover memo addressed to the Chancellor should contain general comments pertaining to the budget request package as a whole as well as some indication of major priorities for meeting mission, goals, objectives and purposes of the program.
2. A summary of the requests for funding of positions not funded in the current budget; this includes unfunded vacant positions, frozen positions, and new positions. A thorough justification must be provided for each position.
3. A summary of any requested increase(s) or decrease(s) in the level of supplies and other non-personnel expenses. A narrative justification should be provided for changes of more than \$2,500 or 5 percent of the base budget. Requests for maintenance items should be itemized.
4. A summary of all income anticipated. If any fee or price changes are being requested, an analysis should be included.
5. Any additional comments that are desired to be brought to the attention of the Chancellor.

Supporting Documents/Links on the Budget Office Website

<http://www.utc.edu/business-financial-affairs/budget-chatt.php>

Budget Schedule FY 15

Capital Outlay and Facilities Program FY 15

Graphic Services Charges FY 15

Motor Pool Rates FY 15

Budget Overview Session FY 15 (presented to campus on February 19, 2014)

Diversity Statement FY 15

Telephone Rates FY 15

University Planning and Resources Advisory Council (UPRAC)

UT System Strategic Plan

Budget Planning Reports and Fiscal Policy

All managers may generate the following reports from IRIS to help in completing their budget request:

- Base Budget Detail ZFM_BCS029
- Budget with 4 Years Actuals ZFM_BCS083
- Annual Budget vs. Actuals ZFM_BCS001

When completing the requests, all managers must adhere to any guidelines outlined in this document, the budget memo and all University of Tennessee fiscal policies.

Salary Budget

Personnel who are responsible for salary budgets need to make appointments with the Budget Office in March to review current salary budget positions to ensure they are properly classified and to make sure all positions are fully funded for the upcoming fiscal year. An appointment can be made by calling 425-5350.

Guidelines for Salary Adjustment Requests

Salaries and wages recommended for personnel are subject at all times to the limitations of budget, state government and general University policies. Once known, those parameters will be communicated to the campus Division Managers. Requested salary and wage increases must generally be funded through Division funds. If University salary/wage merit and equity pools are available, the uses of these funds are subject to the approval of the Chancellor and the Executive Vice Chancellor for Finance and Operations, within guidelines articulated by the UT System.

Salary/Wage Increases After July 1

The UTC fiscal year starts on July 1. Certain salary/wage adjustments may occur subsequent to that date, including the following:

- Professional Increases
- Certified Professional Secretary (CPS) Certifications
- Earned College/University Degrees
- Other Professional Certifications (which may require a salary review)

As a part of the budget presentation, all units should discuss any expected salary adjustments that are anticipated to occur during the upcoming fiscal year. Funds will be set aside to cover these costs from a central budget, except for increases in the Academic Affairs division, which are funded by the Division.

Benefits Rate

The following benefit rates have been adopted by the University for FY 2015:

- New Full-time Employee 41%
- New Part-time Employee 21%
- Promotion of Existing Employee 21%
- Student Employee 8%

Questions

The Budget Office is available to assist with the preparation of budgets and to answer any questions. The office can be reached at 425-5350.