Financial Planning and Budgets – Overview, Roles and Responsibilities

Financial Planning & Budgets provides basic information and guidance to all departments/schools and offices of the University concerning the establishment, revision, reporting, administration, and control of budgets as directed by the Chancellor, Board of Governors, State Budget Director, and North Carolina General Statutes.

Financial Planning & Budgets coordinates the preparation of the biennial budget request and administers those budgets when approved. The office also administers budgets for auxiliary operations, the Chancellor’s allocation of unrestricted gifts and investment income, student fees and overhead receipts. The office prepares financial projections for the issuance of bonds, auxiliary operations, and student fees.

The budgetary administration of state and trust funds are administered under state budget policy through the Office of Budget and Management. The nature of each fund type determines whether formal budgetary controls are required. Ultimate responsibility for accountability, administration and control of all budgets has been delegated by the Chancellor to the Vice Chancellor for Finance and Administration.

The budgetary administration and special policy considerations of Contract and Grant Accounting, Facilities/Capital Improvements, and Foundation Finance are covered in other areas of the Policies and Procedures Manual.

Budgeting Overview

General Statement
Institutional budgeting is the process whereby the plans of an institution are translated into an itemized, authorized and systematic plan of operation expressed in dollars. This plan serves as a control mechanism to match anticipated and actual revenue and expenditures.

Continuous program planning is necessary in order to appropriately administer each program or function (cost center) within the financial resources available and/or budgeted to administer the funds under their supervision in such a manner as to keep expenditures within the budget established for their operation.

An essential element of budgeting is the establishment of effective budget control. Without adequate controls, the utility of a budget is substantially reduced. It is necessary for department heads to plan departmental programs and control the funds in such a manner as to be sure that current budgets at all times represent their financial plans for the various programs. Expenditures should be anticipated and curtailed where appropriate. Program goals in most cases can be met by realignment of budgets provided adequate planning has been done and adequate controls maintained. Realignment of budgets is essential for all funds when under-realization of revenue is anticipated.

Position control is a process for tracking and maintaining EHRA and SHRA personnel actions and budgets for State funds. To be in compliance with state rules and regulations, the Financial
Planning and Budget Office must have the ability to report personnel budgets to the UNC System Office and the Office of State Budget and Management (OSBM) and requires permanent funding be provided for all permanent positions on state funds.

Dual employment is a situation where a State employee performs services for a State agency other than his or her parent agency with specific approvals. This helps track workload, compensation, and retirement participation among certain State employees. More information is in the dual employment policy and procedure.

**Standardized Chart of Accounts**
The University budget and accounting policies provide for the budgeting and accounting of expenditures, receipts, and fund balances by use of a standardized Chart of Accounts.

The standardized Chart of Accounts is utilized for all fund groups in the state budget codes, institutional trust funds, endowments, and agency funds.