

intercollegiate athletics, excluding Fund 10000 state appropriations, is authorized as outlined in Board Policy 4.5 and as further defined in the USG Business Procedures Manual. In no instance may Education & General fund resources be used to support athletic scholarships. The use and amount of Education & General fund resources applied to the support of auxiliary enterprise operations shall be included in the five-year plan. (BoR Minutes, October 2013)

Accounting records for auxiliary enterprises will be maintained on the full accrual basis. Therefore, funded depreciation will be required for all auxiliary enterprise service equipment, buildings, infrastructure and facilities, and other improvements. The reserve for depreciation will be used for repair and replacement of auxiliary assets according to guidelines provided in Section 7.0, Capitalization, of the Business Procedures Manual (/business_procedures_manual/). The funds collected will be left with the institutions. (BoR Minutes, February 2007)

7.2.3 Operating Budgets

(Last Modified on August 11, 2009)

Each USG institution shall prepare an operating budget for educational and general activities and an operating budget for auxiliary enterprises of the institution for the fiscal year within the limit of funds allocated plus estimated internal income of the institution. Operating budgets of separately incorporated athletic organizations are specifically excluded from this process, although the transfer of student fees to those separately incorporated organizations must be reflected as a single item in the budget submitted to the Chancellor (BoR Minutes, 1946-47, pp. 214-15).

7.2.4 Budget Amendments

(Last Modified on August 11, 2009)

Institutions are authorized to amend their annual operating budgets without prior approval of the Board of Regents except for any amendment that exceeds \$1,000,000 and involves state general fund appropriations, auxiliary enterprise funds or student activity funds shall

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be submitted to the Board of Regents for approval. Prior Board of Regents approval shall not be required for any budget amendment involving special purpose state funds, non-state funds, or internal revenue sources.

Institutions shall be required to report quarterly on all budget amendments to the USG chief fiscal officer under procedures developed by his/her staff. The Chancellor or the USG chief fiscal officer reserves the right to require prior approval of the budget amendments at any USG institution that he/she determines has failed to manage its budget within available resources or in a manner consistent with Board of Regents goals and priorities. Under these circumstances, the Chancellor or the USG chief fiscal officer may request the institution to develop a remediation plan to assure more appropriate decisions on future budget changes (BoR Minutes, 1951-52, pp. 365-66; June, 1999, p. 17).

7.2.5 Liability for Expenditure of Budgets

(Last Modified on August 11, 2009)

Bonds of public officials authorizing expenditures for any purpose whatsoever that are in excess of budget amounts approved by the Board shall be liable for such unauthorized expenditures.

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