

**Board of Governors
Budget Workshop
April 21, 2005**

Presentation Outline

I. Functional Policies and Procedures

A. Legislative Budget Request

1. Universities Operating Budgets (Attachment A)
2. Overview of Legislative Budget Request Process (Attachment B)
3. Calendars of Process (Attachments C, *Operating*, and D, *Fixed Capital Outlay*)
4. Board of Governors Policy Guidelines
5. Instructions to institutions
6. Receipt of institutional requested budget issues and projects
7. Board of Governors approval of Legislative Budget Request
8. Submission of Legislative Budget Request to Governor and Legislature

B. General Appropriations Act (GAA)

1. Governor's recommended budget
2. House and Senate proposed GAA
3. Conference GAA (Attachment E)
4. Governor's veto message

C. Disbursement of Appropriated Funds

1. Governor's Office releases funds
 - a. General revenue operating funds are released quarterly
 - b. Lottery operating funds are released monthly
 - c. Fixed capital outlay funds are released 20% in the first quarter of the fiscal year with remaining funds released based on the project's progress
2. Department of Education disburses funds to the institutions
 - a. General revenue operating funds are released twice a month
 - b. Lottery operating funds are released monthly
 - c. Fixed capital outlay funds are disbursed based on university cash disbursement requests as the project's progress

D. Institutional Budgets

1. Operating budgets approved by boards of trustees and submitted to the Division of Colleges and Universities mid-August (Attachment F)
2. Staff reviews operating budgets for compliance with the General Appropriations Act, in addition to looking at historical trends.
3. Board of Governors approves institutional operating budgets
4. Fixed Capital Outlay project encumbrance authorizations (Attachment G)

E. Institutional Financial Statements

1. Institutional statements submitted on September 15 to the Department of Education, which in turn submits to the Department of Financial Services and State Auditor General (Attachment H)
2. Department of Education staff does a basic level of review for accuracy and integrity, then prepares a combined SUS statement for submission to Division of Bond Finance (Attachment I)

F. SUS Expenditure Analysis

1. Institutional expenditure analysis is submitted to the Department of Education at the end of September (Attachment J). The analysis is an accounting of prior year expenditures by educational activity (instruction by level, advising, university support, etc.
2. DOE staff compile a system summary. Each university's submission is reviewed for technical correctness.

G. Audits

1. Institutional Audits are conducted by the Office of the Auditor General. Financial audits are conducted every year, usually being completed in February or March. Operational audits are conducted every other year. (Attachments K and L)
2. Other audits

II. Board of Governors Budget Guidelines for 2006-07

A. Guidelines (Attachment M)

B. Forms to be included in Budget Instructions:

Attachment N – Operating Budget Form Ia-Id

Attachment O – Other requested information for operating budget requests

Attachment P – Project Explanation BOR Strategic Plan Linkage - CIP 3B

Attachment Q - Other requested information for fixed capital outlay requests