

Negative Budget Policy

Per Operating Policy 62.39, all FOPs must have a budget established prior to the payment of any expense or the encumbrance of any commitment. System controls will not allow the over commitment of a budget with the exception of payroll expenses. Payroll expenses will be paid from a FOP without rejection due to a lack of budget. Insufficient budget conditions that arise will result in notifications and possibly further action taken by Budget staff:

Departmental Resources:

Departments are asked to review the following reports on monthly basis to assist with budget management.

- Public Folders>Budget>Budget Financial Reports>Budget Financial Edits> EDT_BAVL_067 Negative Account Type (60's & 70's) - Displays the entire budget for the FOPs where a negative budget situation exists in account types 60 (salary) and 70 (operating).
- Public Folders>Budget>Budget Financial Reports>Budget Financial Edits> FI203 Negative Budgets by College/Area - Lists negative budgets for each pool for funds that are FOAP budget controlled. Lists negative budgets for the sum of the pools for funds that are FOP budget controlled.
- Public Folders>Budget>Budget Financial Reports>Budget Financial Edits>Report FI201 Negative Report with Fiscal Period Trend - Lists budgets where the sum of the pools is negative regardless of budget control.

Email Notifications:

Monthly notification will be emailed to the Dean/VP business manager.

- Report FI203 Negative Budgets by College/Area
 - Lists negative budget for each pool for funds that are FOAP budget controlled.
 - Lists negative budgets for the sum of the pools for funds that are FOP budget controlled.
- Report FI201 Negative Report with Fiscal Period Trend.
 - Lists budget for each period where the sum of the pools is negative regardless of budget control.

Budget Procedure:

- Correction of the insufficient fund condition by the department must occur within the month of notification.
- There are several methods available to correct overcommitted budgets. Labor redistributions, future forms, cost transfers and additional funding are a few options. Please contact the Budget Office if you need assistance determining which action to take.
- Negative budgets not corrected in the month of the notification will be cleared by the Budget Office from the default FOP provided upon establishment of the FOP or other funds available to the financial manager.

Negative Budget Policy

- In the event of a deficit position remaining on August 31, corrections need to be made within 5 days so they are reflected prior to fiscal yearend close.
- Exceptions to this policy must be approved by the CFO/VPAF and forwarded to the Managing Director of Budget & Resource Planning & Management.
- The grant TEMP funds in class 18T are monitored by Accounting Services and should be cleared by November 30th unless a prior arrangement has been made. For questions concerning these deficits contact the grant specialist in Accounting Services
<http://www.depts.ttu.edu/accountingservices/contactus/grantspecialist.php>.
- Instances where Budget is unable to locate additional funding available to the financial manager, the deficit will be referred to the Dean/AVP.