

Policy Number: 3-401	Policy Name: Legislative Budget Request and Detailed State Operating Budget Request
Policy Revision Dates: 7/92	Page 1

D. BUDGETS

3-401 Legislative Budget Request and Detailed State Operating Budget Request

- A. Each university will prepare a legislative budget request for Board review and approval before submission to the Governor and Legislature. The universities will develop these requests in accordance with guidelines developed cooperatively by the Central Office and the universities, and submit them on a schedule adopted by the Board.
- B. Following legislative appropriation and in support of the all-funds budget approved by the Board, each university will prepare a detailed state operating budget, and make a copy available to the Central Office for informational purposes.

Policy Number: 3-402	Policy Name: Detailed Local Fund Operating Budget
Policy Revision Dates: 7/92, 10/83, 7/83	Page 1

3-402 Detailed Local Fund Operating Budget

In support of the all-funds budget approved by the Board, each university will prepare a detailed local fund operating budget, and make a copy available to the Central Office for informational purposes.

Policy Number: 3-403	Policy Name: All-Funds Operating Budget
Policy Revision Dates: 7/92, 10/83	Page 1

3-403 All-Funds Operating Budget

No later than September 1st of each year, each university will submit to the central office an all-funds budget allocation for consideration by the Board. These allocations should include estimated expenditures from the state general fund, unrestricted local funds, and restricted gifts, grants and contracts, and outline the estimated expenditures within at least the following programs:

Instruction	Student Services
Research	Institutional Support
Public Service	Scholarships/Fellowships
Academic Support	Auxiliary Enterprises

Each program allocation will:

- A. Include a narrative that demonstrates linkage to the Board-approved strategic plan;
- B. Identify all major program changes, whether funded from new revenues or from a reallocation of existing revenue; and
- C. Include aggregate estimates of tuition and fee revenues, indirect cost recoveries, investment income, auxiliary enterprises and gifts, grants and contracts, and any other revenues or income.

Policy Number: 3-404	Policy Name: Reports Included in the All-Fund Operating Budget
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3-404 Reports Included in the All-Funds Operating Budget

Each all-funds budget proposal will include the following reports:

- A. The June 30th balance in all funds;
- B. Actual interest rates and actual interest income during the prior July 1 - June 30 period, and an income projection for the next 12 month period.
- C. Actual indirect cost recoveries received during the prior July 1 - June 30 period, and an income projection from this source for the next 12 month period; and
- D. Actual income from gifts, grants and contracts during the prior July 1 - June 30 period, presented by program category and funding source, and income projections from these funding sources for the next 12 month period.

Policy Number: 3-405	Policy Name: Expenditure Authority Transfers Between Programs
Policy Revision Dates: 7/92, 10/88	Page 1

3-405 Expenditure Authority Transfers Between Programs

The president of each university, or designee, is authorized to transfer expenditure authority between programs within the state operating budget; unrestricted local funds budget; and restricted gifts, grants and contracts budget, without prior Board approval, subject to the following limitations.

- A. State operating budget, individual transfers of more than \$1.0 million require Board approval.
- B. Unrestricted local funds, transfers to fund a new activity that costs more than \$250,000 require Board approval.
- C. Restricted gifts, grants and contracts, transfers to accommodate changes in priority or volume of business in previously approved activities are subject to the provisions of Section 3-203 of this manual.
- D. Transfers to the plant fund are subject to the provisions of Section 3-409 of this manual.
- E. Increases in aggregate expenditure authority by program shall be reported consistent with Section 3-407 of this manual.

Policy Number: 3-406	Policy Name: Contingency Funds
Policy Revision Dates: 7/92	Page 1

3-406 Contingency Funds

A university president may establish a contingency fund within the all-funds budget to cover emergencies and other unforeseen items necessary for the continued operation of the institution.

Policy Number: 3-407	Policy Name: Budget Updates
Policy Revision Dates: 7/92	Page 1

3-407 Budget Updates

No later than the Resources Committee meetings of the Board in November and March, or as close thereto as possible, each university shall provide the Central Office with an all-funds budget update. These updates should reflect any changes in revenue and expenditures and projected balance for the fiscal year.

Policy Number: 3-408	Policy Name: Account Deficits
Policy Revision Dates: 7/92	Page 1

3-408 Account Deficits

If a university incurs or projects a year end deficit of \$100,000 or more in any account, it will submit a management plan to eliminate the deficit for Resources Committee review. A financial update of the management plan will be provided to the Resources Committee with the November and March budget updates.

Policy Number: 3-409	Policy Name: Planning for Plant Fund Budgets
Policy Revision Dates: 7/92	Page 1

3-409 Planning for Plant Fund Budgets

- A. The following policies in this section are for budget planning purposes. Once a project is ready to go to bid, a university will comply with the provisions of Chapter VII of the Policy Manual.
- B. Each university will prepare a master list of all estimated revenues to be placed in the plant fund for the next fiscal year. This list should include appropriations, grants, transfers and other revenues.
- C. Each university will prepare a master list of all plant fund projects, estimated allocations and expenditures for each project for the fiscal year. All projects of \$250,000 or more will be listed individually but smaller projects may be aggregated to avoid undue detail.

Policy Number: 3-410	Policy Name: Annual Financial Reports
Policy Revision Dates: 7/92	Page 1

3-410 Annual Financial Reports

Each November, or as close thereto as possible, each university will provide the Resources Committee of the Board with the following reports for review.

- A. The university's audited annual financial report.
- B. A financial ratio analysis prepared from the audited financial reports in a form developed cooperatively by the Central Office and the universities. This analysis should address a ten-year record, including the current year, with data for the nine prior years drawn from the audited annual financial reports.

Policy Number: 3-411	Policy Name: Annual Report on Debt Capacity
Policy Revision Dates: 4/2009, 7/92	Page 1

3-411 Annual Report on Debt Capacity

- A. Prior to the Board's meeting in September, each university shall provide the Board with an annual report on its debt capacity. The annual report on debt capacity will be submitted with the annual capital improvement plan (see Chapter VII).
- B. In addition to information related to direct debt issued by each university and used to calculate the debt ratio, the report on debt capacity shall also include information on capital leases, third-party financing, component unit debt, and any other capital related debt.

Policy Number: 3-412	Policy Name: Administration of Technology and Research Initiative Fund
Policy Revision Dates: 3/01	Page 1

3-412 Administration of Technology and Research Initiative Fund

A. Authority

As authorized by Proposition 301 approved by the voters in November 2000, the Board shall establish and administer a technology and research initiative fund (TRIF), beginning July 1, 2001. The TRIF will consist of sales tax revenues generated through Proposition 301 and other private or public sources of funding which are received by the Board for purposes which are consistent with the proposed uses described herein.

B. Funding Criteria

The TRIF will be used to support projects and initiatives that meet one or more of the following criteria:

1. Promote university research, development and technology transfer related to the knowledge based global economy;
2. Expand access to baccalaureate or post-baccalaureate education for time-bound and place-bound students;
3. Implement final recommendations from the Governor's Task Force on Higher Education and/or the Arizona Partnership for the New Economy.
4. Develop programs that will prepare students to contribute in high technology industries located in Arizona.

C. Calendar and Guidelines

The Board shall establish an annual calendar for the allocation of Proposition 301 funding, including guidelines for the submission and evaluation of proposals, and final decisions by the Board. The calendar will incorporate a process to receive and consider input from the Arizona Partnership for the New Economy (APNE) or a successor agency as may be designated by the Governor.

D. Formats for Submission of Proposals

Policy Number: 3-412	Policy Name: Administration of Technology and Research Initiative Fund
Policy Revision Dates: 3/01	Page 2

Funding requests shall be submitted by the university Presidents, or prepared by the Central Office on behalf of the Board, in a format to be approved by the Executive Director, to include the following elements:

1. A description of the proposed need, purpose and goals for each proposed project or activity, an explanation as to the ways in which the project promotes the purposes of the legislation, and/or an explanation of the relationship of the proposed project or activity to the foundation or clusters which are part of the state's overall economic development program;
2. The requested duration of the proposed project or activity;
3. Proposed detailed performance measures, desired outcomes, and proposed methodology for evaluating progress in attaining the desired outcomes; and
4. A detailed budget for each proposed project or activity, including the identification of funds which are intended to be either continuing, multi-year, or one time only.

E. Special Factors

The Board shall take into account several additional factors in determining its allocations from this fund:

1. Priority shall be given to proposals that involve collaboration between and among the universities and/or collaboration with private industry or public sector agencies.
2. The Board may authorize awards for an annual or multi-year basis, but in no event will the Board make an award on a multi-year basis without incorporating specific requirements regarding periodic review and assessment or progress in implementing the proposed project or activity and in attaining the desired outcomes.
3. Funding may be used to pay salaries only for persons directly involved in projects or activities funded under this program that would otherwise not be funded through general fund appropriations.

Policy Number: 3-412	Policy Name: Administration of Technology and Research Initiative Fund
Policy Revision Dates: 3/01	Page 3

4. The Board may allocate up to 20% of annual funding for capital projects relating to new economy initiatives, including the payment of debt service; capital projects must be clearly identified with each university's submission of proposals.

5. The Board will honor the legislative intent as described in Proposition 301 that a portion of the revenues in the fund shall be allocated on an annual basis to pay Certificates of Participation costs for lease-purchase of buildings and associated infrastructure at ASU East and West campuses.