



**BOISE STATE UNIVERSITY**

University Policy 6330

## Budget Deficit Resolution

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### **Effective Date**

January 2016

### **Responsible Party**

Vice President and Chief Financial Officer, (208) 426-1200  
Office of Budget and Planning, (208) 426-1273

### **Scope and Audience**

This policy applies to all appropriated department IDs/accounts and affects all Boise State University faculty and staff who have financial responsibility and manage one or more budgets.

### **Additional Authority**

- State Board of Education Policy, Section V.C.
  - Idaho Code Titles 67, Chapter 35
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### **1. Policy Purpose**

To manage temporary budget deficits and describe the type of corrective action financial administrators may take to resolve deficits.

### **2. Policy Statement**

All funds must be spent in accordance with University policy. Authority to spend funds brings with it the responsibility of effective fiscal management. All units should meet operating needs within their available budget. Expenditures should be monitored to ensure budgets do not incur deficits. Budget deficits which do occur should be corrected monthly and must be cleared by the close of the fiscal year.

### 3. Definitions

#### 3.1 Unit

A college, department, program, or any other operating unit which is governed by the policies of the University.

#### 3.2 Budget Deficit

The amount by which actual expenditures within a department ID/budget roll-up account (e.g. Regular Salary or Other Expense) exceed the appropriated budget in the department ID/budget roll-up account.

#### 3.3 Budget Transfer

Transfer of budget between budget rollup accounts in one or more department IDs. A transfer reduces budget in one department ID/account and increases another.

#### 3.4 Department ID

A ten digit code that specifies a department funding source as either appropriated, local or restricted. Examples: 904A100001, 904L101001.

#### 3.5 Budget Roll-up Account

High level account codes that are used for budget amounts only.

Example: 411000 – Irregular Salary, Budget Only

#### 3.6 Account Code

Six digit code that specifies revenue, expense, fund balance, asset, liability or surplus. Examples: 502000 – Postal and Mail Services, 412501 – Summer Salary.

### 4. Responsibilities and Procedures

#### 4.1 Resolution

- a. Budget deficits may be resolved by either a Budget Transfer between Department IDs/Budget Roll-up Accounts, if allowable, or by transferring expenditures between Department IDs/Accounts, if allowable.

- b. If budget deficits are not cleared by fiscal year end, the Office of Budget and Planning will transfer budget from the relevant Dean's office or Vice President's office to cover the deficit. If there is no budget available from the appropriate Dean's or Vice President's office, budget for the upcoming fiscal year will be reduced by the amount of the deficit.
  
  - c. Under special circumstances approved by the Associate Vice President, Budget and Planning, deficits may be carried forward if an authorized deficit resolution plan is put in place and the unit stays in compliance with the plan.
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## Revision History