



UNIVERSITY OF HOUSTON SYSTEM  
UNIVERSITY OF HOUSTON

RENU KHATOR  
Chancellor, UH System  
President, University of Houston

TO: Component University Presidents  
Vice Chancellors  
Deans  
Directors  
College/Division Administrators

FROM: Dr. Renu Khator

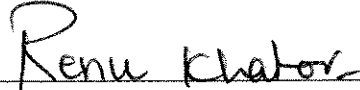
DATE: March 25, 2008

SUBJECT: Rescission of University of Houston System Policy

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During a recent review of the System Administrative Memoranda, it was determined that SAM 03.C.04 - Revenue Budget Revisions; Use of Unallocated Funds is outdated and no longer necessary. SAM 03.C.04 duplicates the information contained in SAM 03.C.01 – The Planning and Budgeting Process, which provides the System’s guidelines for the revision of revenue budgets and the use of unallocated funds.

Therefore, effective today, I am rescinding SAM 03.C.04. Please remove this document from your policy manual.

  
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UNIVERSITY OF HOUSTON SYSTEM  
ADMINISTRATIVE MEMORANDUM

**SECTION: Fiscal Affairs**

**NUMBER: 03.C.04**

**AREA: Planning and Budgeting**

**SUBJECT: Revenue Budget Revisions; Use of Unallocated Funds**

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1. PURPOSE

- 1.1. The University of Houston System Board of Regents adopts an annual operating budget for each fiscal year. The approved budget includes revenues from tuition and fees, state appropriations, contracts and grants, and other current funds. Some revenues can be forecast with a high degree of accuracy while others are dependent upon conditions which develop as the year progresses. Changing conditions may require a revision in budgeted revenues (and their associated expenditure budgets) following Board approval of the operating budget. Such changes are approved through the presentation of the bi-monthly Revenue, Expenditure, and Budget Report included in each Board agenda.
- 1.2. Approved annual operating budgets may also include unallocated funds within the expenditure budgets. As such funds are allocated, Board approval is obtained through the presentation of the bi-monthly Revenue, Expenditure, and Budget Report included in each Board agenda.
- 1.3. This administrative memorandum sets forth guidelines for the budgeting of revised revenues and for the allocation and expenditure of unallocated funds.

2. GUIDELINES - REVENUE BUDGET REVISIONS

- 2.1. Revenue budget revisions will result from one of the following changes:
  - a. The carryforward of funds budgeted in the prior year to cover encumbrances made in the prior year - such funds will generally be expended in the first several months of the new fiscal year;
  - b. Carryforward (either positive or negative) of funds budgeted within departmental accounts in the prior fiscal year but not involved with encumbrances;
  - c. Revisions of current year income (either positive or negative) due to enrollment changes, appropriation adjustments, etc;

- d. Revisions (either positive or negative) of budgeted fund balances other than those involved with a) or b).
- 2.2. The carryforward of encumbered funds as outlined in a) above should be reported in the first bi-monthly Revenue, Expenditure, and Budget Report following the approval of the annual operating budget.
- 2.3. During the development of the annual operating budget, the best possible estimates of revenues from the sources outlined in b), c), and d) above should be included as a part of the board approved budget. As budget revisions in these sources are made due to changing conditions, they should be included in the bi-monthly Revenue, Expenditure, and Budget Report. At the time of such inclusion, precise reasons for the changes in the revenue budget should be included (e.g. enrollment or appropriation changes) in the explanation section along with a description of how and why the additional revenues will be expended.

3. GUIDELINES - UNALLOCATED FUNDS

- 3.1. As unallocated funds included in a Board approved annual operating budget are transferred to expenditure accounts, the planned use of such funds should be fully explained in the first bi-monthly Revenue, Expenditure, and Budget Report which follows the transfer. This guideline applies to all unallocated funds within a budget even though the account may not be titled "unallocated."

4. REVIEW AND RESPONSIBILITIES

Responsible Party: Vice Chancellor for Administration and Finance

Review: Odd numbered years on or before December 1

5. APPROVAL

Approved: Alexander Schilt  
Chancellor

Date: January 27, 1994

6. INDEXING TERMS

Revenue  
Budget  
Budget Revisions