



POLICY TITLE:

University Budget

APPLIES TO:

All Divisions and Departments

ADMINISTRATIVE AUTHORITY:

Division of Finance and Administration

Chief Financial Officer (CFO)

APPROVED BY:

Kentucky State University Board of Regents

EFFECTIVE DATE:

August 8, 2025

NEXT REVIEW DATE:

August 8, 2028

POLICY STATEMENT:

The University Budget represents a financial plan for each fiscal year (July 1 through June 30). This policy governs the development, approval, management, and oversight of the budget to ensure fiscal responsibility, proper stewardship of funds, and alignment with KSU's strategic objectives.

Funds are allocated to organizational units to provide for the operation of institutional programs and services. Organizational units are required to expend funds in the best interest of KSU by utilizing the principles of financial stewardship.

DEFINITIONS:**Budget Office**

The central KSU office responsible for coordinating the budget planning, allocation, and monitoring process.

Fiscal Year

KSU's financial year, which runs from July 1 through June 30.

Organizational Unit

A division, department, or other distinct unit within KSU with an allocated budget.

Principles of Financial Stewardship

Principles of Financial Stewardship include:

- Demonstrating accountability for the use of resources by ensuring transparency and adhering to KSU policies and procedures.
- Managing resources for the benefit of KSU and its stakeholders.
- Maximizing benefits derived from resources while minimizing waste and misuse.
- Ensuring long-term viability and responsible use of resources for future generations.
- Adhering to moral principles and maintaining integrity in all financial dealings.
- Developing clear financial goals and strategies to achieve them.
- Monitoring financial activities to ensure they align with plans.
- Expending funds in accordance with any related agreements (e.g., grant agreements, contractual agreements).

PROCESS:**Budget Development and Approval**

Each organizational unit must submit a budget proposal that is aligned with KSU's strategic objectives, the unit's needs, and available resources. The Budget Office consolidates proposals into a preliminary, balanced budget for review by the President and Chief Financial Officer. Upon approval, the budget is presented to the Board of Regents for approval prior to the beginning of the next fiscal year.

Budget Implementation and Management

Following the Board's approval of the budget, the Budget Office loads the budget into KSU's financial record system and communicates this information to organizational units within five (5) working days.

Throughout the fiscal year, budget reviews must be conducted to assess the need for any significant adjustments to the budget, based on actual performance and updated forecasts. Adjustments to the current year's budget must be processed in a timely manner so that the budget always represents a current estimate of revenues and a realistic plan for expenditure.

If total revenue or expenses deviate by five percent (5%) or more from the Board-approved budget, the Budget Office will recommend an adjusted budget to the President and Chief Financial Officer. Upon review and finalization, the President and Chief Financial Officer shall request approval from the Board of Regents. Following approval, updates to organizational budgets are made within KSU's financial record system and communicated to the KSU community within five (5) working days.

The Budget Office must monitor the budget-versus-actual results on a monthly basis to ensure revenues and expenses are within the approved budget. Variances between the budgeted and actual results are analyzed to understand the causes and to inform future budgeting processes. Significant variances shall be investigated. Corrective action will be taken against employees who cause significant variances without a justifiable reason, in accordance with KSU's Corrective Action Policy.

All budgets must be maintained in a balanced manner throughout the fiscal year. Budget adjustments may take the form of revised organizational unit budgets or transfers between units (reallocation of funds). Such adjustments require approval by the organizational unit's authority, the area Vice President, the Chief Financial Officer, and/or the President, as appropriate.

Responsibilities

The Budget Office is responsible for:

- Coordinating the budget planning and allocation process.
- Loading approved budgets into the financial system.
- Monitoring unrestricted and auxiliary funds and identifying units with budget challenges.
- Working with units to resolve deficit spending issues.
- Preparing regular budget-to-actual reports for management.

Organizational units are responsible for:

- Developing annual fiscal year operating budget requests according to the Budget Office's schedule and guidelines.
- Ensuring unit stakeholders are aware of the sources and uses of funds at their disposal.
- Routinely reviewing and reporting on financial activity within the unit to ensure correctness of transactions.
- Promptly addressing any potential deficits.

REFERENCES AND RELATED MATERIALS:

- *The Gold Book* (KSU Bylaws)
- KSU Corrective Action Policy

CONTACTS:

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HISTORY:

Revision Type	Date of Issuance/Revision	Drafter(s)/Editor(s)
Issued (New Policy)	June 2025	Ann Jarvis, Melissa Hicks, and Zach Atwell
