

System-wide Policy: FI0110 - Budgets	
Version: 2	Effective Date: 06/10/2024

SECTION 1. Policy Statement

I. The University Budget

- A. Budgeting enables the University to allocate resources according to established plans and priorities and is a means of controlling expenses based on anticipated funding.
- B. The University develops budgets for three types of funds: Current Unrestricted Funds, Current Restricted Funds, and Capital Funds.
- C. The University must develop budgets for each major fund group to:
 1. Ensure that authorized spending levels and anticipated financial commitments are within available resources;
 2. Implement Board of Trustees bylaws and actions related to budgets; and
 3. Comply with legal, regulatory, and contractual requirements governing the proper use, budgetary control and financial reporting of University funds.

II. Budgeting Specific Fund Types

- A. Budgeting Current Unrestricted Funds
 1. Current Unrestricted Funds support basic operations of the core mission of the University. The budget for these funds is the approved formal plan for financing the University's academic and support programs for the fiscal year beginning July 1 and ending June 30 of each year.
 2. Current Unrestricted Fund budgets are subject to state of Tennessee policies and procedures that govern appropriations requests, reporting requirements, state budget hearings, and appropriations legislation. Policies and procedures for Current Unrestricted Fund budgets can be found in FI0112 - Budgeting Current Unrestricted Funds.
 - B. Budgeting Current Restricted Funds
 1. Current Restricted Funds include revenues from grants, contracts, gifts, and endowments that are restricted by donors and external sponsors. They are typically unavailable to fund general operations. Most gifts, endowments, grants, and contracts have beginning and ending dates that do not correspond to the University's fiscal year.
 2. While projected revenues and expenses for current restricted funds are provided as an information item in the University's annual operating budget, official budgets exist only for sponsored grants and contracts and are managed at the project level.
 3. Policies and procedures for managing these are located in FI0205 - Sponsored Projects.
 - C. Budgeting Capital Funds
 1. Capital Funds are nonrecurring funds that support the development and maintenance of university facilities. They include Capital Outlay and Capital Maintenance.
 2. The University develops a formal approved annual plan for these funds, but budgets are developed and managed at the project level.
 3. Policies and procedures for managing Capital Funds can be found in FI0620—Capital projects; Real Estate Transactions (including Leases of Real Property); TSSBA Debt.
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SECTION 2. Reason for the Policy

This policy establishes the University’s position related to budgeting and budgetary control.

SECTION 3. Scope and Application

This policy applies to all University employees who have responsibility for budgets.

SECTION 4. Procedures

The University has not issued systemwide procedures for this policy.

SECTION 5. Definitions

N/A

SECTION 6. Penalties/Disciplinary Action for Non-Compliance

Violations of this policy could result in progressive disciplinary action, up to and including termination.

SECTION 7. Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Blake Reagan	865-974-3971	breagan@tennessee.edu

SECTION 8. Policy History

[OGC will update]

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SECTION 9. Related Policies/Guidance Documents

FI0112 - Budgeting Current Unrestricted Funds

FI0205 - Sponsored Projects

FI0620 – Capital projects; Real Estate Transactions (including Leases of Real Property); TSSBA Debt
