

## **Budget Responsibility Policy**

The budget process at Clemson University results in an annual comprehensive plan of financial activity for the fiscal year. This process encompasses accurate planning, forecasting, and ultimately the responsible allocation of scarce financial resources. This process ultimately results in the establishments of authorized revenue and expenditures budgets.

The planning and administration of a budget is a shared responsibility across the University. This policy summarizes the responsibilities for budget development, budget maintenance, financial monitoring, and the responsibilities of operating within authorized budgets.

Budget Development – Deans and Division Heads have a responsibility to coordinate with business officers and department heads to develop a responsible, reasonable, and realistic annual budget for their division. Budget development coordination should include analysis of all resources available to the division, reasonably estimating resource targets for the fiscal year, and budgeting these resources to meet strategic goals.

Budget Maintenance – When changes occur after the annual budget has been approved, Deans and Division Heads have the responsibility to budget any revisions to budgeted revenues, expenditures, or allocated funds as soon as these changes are evident. The budget should accurately reflect anticipated financial activities for the fiscal year both on revenues and expenditures.

Budget Monitoring – Deans and Division Heads are expected to have a process in place to regularly review revenue and spending patterns to ensure that budgeted revenue is being realized and that spending is within budgetary authority. Budget versus Actual reports are available to all budget centers and their departments to monitor financial activities.

Budget Responsibility – With budgetary authority comes budgetary responsibility. When the budget planning and monitoring process indicates a shortfall in annual revenues estimates or spending patterns that may result in a deficit, Deans and Divisions Heads should immediately take responsible actions to prevent budget shortfalls. These actions may include reallocation of resources or containment of costs in order to meet expenditure budgets. Deans through the Provost and Division Heads are responsible for alerting the Budget Office of potential budget deficits or revenue shortfalls. This notification should be accompanied by proposed plans to address the associated financial challenges.

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