

3356-3-11 Operating budget approval and modification.

- (A) Policy statement. The board of trustees will approve a balanced operating budget for each fiscal year prior to the beginning of that fiscal year (July first) and subsequent modification(s) to the overall spending level.
- (B) Purpose. Establish a policy to approve and modify the university's operating budget.
- (C) Scope.
 - (1) The annual operating budget shall be a balanced budget with projected expenses aligned with anticipated revenue and shall be consistent with the strategic goals of the university.
 - (2) All ~~expenditures~~ expenses in the university's general and auxiliary funds must be budgeted each fiscal year ~~prior to being spent~~.
 - (3) The operating budget may be revised at the discretion of the board of trustees.
- (D) Definitions.
 - (1) "Auxiliary funds" – funds for enterprises that exist to furnish goods or services to students, faculty, ~~or~~ staff, visitors, or incidentally to the general public. Auxiliary enterprises charge fees directly related to the cost of the goods or services (e.g., Kilcawley center, housing, and parking).
 - (2) "Budget modifications" – increases or decreases to the overall level of the operating budget.
 - (3) "Designated funds" – unrestricted funds internally transferred by the board from an operating budget for a specific purpose and available for expenditure in the current ~~budget~~ fiscal year and/or ~~succeeding budget~~ in subsequent fiscal years.
 - (4) "General funds" – current unrestricted funds primarily sourced from student tuition and fees and state of Ohio operating appropriations ~~and expended for~~. General funds support costs of

instruction, student services, institutional support, plant maintenance and operations, financial aid, etc.

- (5) “Operating budget” – general and auxiliary funds representing the operating activities of the university for a given fiscal year. Excluded from the operating budget are designated funds, plant and capital funds, restricted funds, endowments and funds functioning as endowments.

(E) Procedures.

(1) Budget approval.

- (a) The administration will present the annual operating budget for board approval ~~at the June meeting~~ prior to the fiscal year ~~beginning~~ that begins on July first.
- (b) When sufficient financial resources exist, the annual operating budget will include a transfer to the general fund operating reserve of at least five per cent of the increase in the general fund portion of the operating budget over the previous year. The board of trustees may approve a deviation from the transfer of five per cent of the increase in the general fund portion of the operating budget.

- (2) Budget modifications. “Revenue changes” – budget modifications of five per cent or more that relate to changes in enrollment, levels of ~~support~~ funding from the state of Ohio and/or any other revenue source ~~must~~ shall be approved by the board.