

Budget Adjustment Instructions

A **permanent** budget increase or decrease of a departmental budget is called a Budget Adjustment. **Budget Officers are not authorized to over-expend any of their general ledger accounts so budget adjustments are seldom permitted to cover budget shortfalls.** Careful planning and monitoring are necessary to ensure adequate budget dollars are allocated and posted to each departmental general ledger account before any expenditure of funds to avoid any budget shortfall. Should a Budget Officer need additional funds, there is a process outlined below to accommodate or cover a budget shortfall, IF there are funds available.

- Step 1:** The departmental Budget Officer should first try to cover the shortfall within their own departmental budget. If this is not possible, the Budget Officer should go to Step 2.
- Step 2:** The Budget Officer should contact their Budget Area Officer (supervisor) to explain the situation and try to obtain funds to cover the shortfall. Any budget shortfall should be covered within their Budget Area, if at all possible, via a Budget Transfer. If the Budget Area Officer cannot cover the shortfall within their area, then he/she should contact their Vice President over the area and try to cover the shortfall within their VP area.
- Step 3:** If the VP cannot cover the funds within their area, then the VP will need to submit a proposal to the President's Cabinet for approval. If additional funds are approved by the President's Cabinet, the VP will communicate that information to their Budget Area Officer. Then a Budget Transfer will need to be submitted to the Director of Budget Operations (Susan Pedersen) along with the source of funds so that a Budget Transfer or Budget Adjustment can be made. The source of funds may be from budget savings, the Contingency account, donation, or other source.
- Step 4:** Director of Budget Operations will process the Budget Adjustment or Budget Transfer and a confirmation email will be sent to all persons authorizing the transaction to give notification that the transaction has been posted.