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**LAMAR UNIVERSITY**  
**MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES**

**SECTION: Budget & Financial Planning**  
**AREA: Budget**

**MAPP 03.01.01**

<b>Budget Principles and Objectives</b>
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**I. POLICY**

- A. The principles that guide budget creation at Lamar University (LU) are grounded in State of Texas law and the rules and regulations of the Texas State University System (TSUS). In adhering to these principles, the University seeks to achieve the objectives of resource management and reporting, planning, and innovation.

**II. PURPOSE AND SCOPE**

- A. This policy falls under the authority of applicable federal, state, and TSUS laws, statutes, rules, and regulations, including, but not limited to, the TSUS Rules and Regulations, Chapter II, Subparagraph 4.3 and Chapter III, Subparagraph 6.7, and the Texas Education Code, Chapters 51, 95, and 96.

**III. DEFINITIONS**

- A. **Annual Operating Budget (AOB or “budget”).** The Annual Operating Budget is the authority through which the University receives and expends monies during its fiscal year (September 1 – August 31). The budget lists all income itemized by source, with all expenditures itemized by fund, project, or department. Each fiscal year’s final, approved AOB is filed with the TSUS as a public document. Upon TSUS Board of Regents’ approval of a budget, all subsequent expenditures must conform to the budget. Changes in a current operating budget and all transfers of funds between appropriated items are subject to Board approval.
- B. **Budget Development Cycle.** Each year, LU follows a systematic process for developing an Annual Operating Budget for the upcoming fiscal year (September 1 – August 31). This budget development cycle typically extends from January to August of the year before a new fiscal year begins. During this cycle, University personnel discuss, develop, and refine a proposed operating budget. In August of each year, LU’s President submits the proposed budget to the TSUS Board of Regents. Once approved by the Board, the budget becomes operational.
- C. **Fiscal Year (FY).** From the Texas Higher Education Coordinating Board: “The period of time beginning September 1 and ending on the following August 31, both dates inclusive, which coincides with the State of Texas’ fiscal year. It is sometimes called academic year.” A given budget is known by the year in which that fiscal year ends; for example, the September 1, 2021-August 31, 2022 budget is known as the FY22 budget.

- D. **Legislative Appropriations Request (LAR).** The University's biennial budget request to the State of Texas Legislative Budget Board (LBB) and the Governor's Office, Budget Division. Each biennium, all state agencies, including LU, submit a Legislative Appropriations Request. The LAR serves as a bridge between LU's Strategic Plan and the General Appropriations Act (GAA), expressing the University's priorities in fiscal form. The LAR has two components, the baseline or base level request and requests for consideration of exceptional items, which are desired services in addition to the baseline request.

#### IV. BUDGET PRINCIPLES

- A. Lamar University bases its budget in unbiased forecasts of enrollment, revenue, and expenditures, full disclosure, balance, and compatibility with funding. LU's budget is guided by principles of compliance with State of Texas law and TSUS rules and regulations; budgeting practices grounded in ethics, transparency, accuracy, and accountability; optimal yet prudent use of the financial resources entrusted to the institution; and effective communication regarding the budget to all University stakeholders.

#### V. BUDGET OBJECTIVES

- A. In adhering to its budgeting principles, LU seeks to achieve three objectives: resource management and reporting, planning, and innovation.
1. **Resource Management and Reporting.** To achieve this objective, the University engages in several budget-related activities:
    - Develops budgets that control funding for administrative, faculty, and staff salaries and wages as well as University maintenance and operations, including major capital, renovation, and construction projects.
    - Prepares the Annual Operating Budget for review and approval by the LU President and the TSUS Board of Regents.
    - Prepares the biennial Legislative Appropriations Request and all supporting documents and requests for the legislative session.
    - Implements and maintains the University's Annual Operating Budget and evaluates budget adjustments throughout the year.
  2. **Planning.** Proper resource management and reporting requires careful budget planning. To achieve this objective, the University seeks to
    - Increase knowledge among departments/units about the budget process, with special emphasis on identifying reliable budget data so that resources may be allocated strategically.
    - Develop financial forecast models enabling budget decision-makers to compare and analyze multiple scenarios with variable assumptions.

3. **Innovation.** LU advocates prudent budget management; however, the University also strives to improve budget practices in areas that include, but are not limited to, the following:

- Standardize data collection used in tuition modeling and reporting requirements.
- Continuously improve budget cycle methodologies and modules to maximize resource availability.
- Minimize the use of external databases/spreadsheets in analyzing data.
- Participate in and support the development of non-financial data warehouse information to assist academic units in decision-making.

## VI. REFERENCES

- A. State of Texas, Legislative Appropriation Request: Detailed Instructions for Agencies, June 2016
- B. Texas Education Code, Chapters 51, 95, and 96
- C. Texas Higher Education Coordinating Board, Glossary of Terms, 2017
- D. TSUS Rules and Regulations, Chapter II, Subparagraph 4.3 and Chapter III, Subparagraph 6.7

## VII. REVIEW AND RESPONSIBILITY

Responsible Party: Chief Financial Officer

Review: Every three years on or before September 1

## VIII. APPROVAL

Jamie Larson	08/31/2022
Chief Financial Officer	Date
Dr. Jaime R. Taylor	09/16/2022
President	Date

### REVISION LOG

Revision Number	Date	Description of Changes
1	06/23/2022	Version completed.
	09/16/2022	Version approved by President.