



# PA State System of Higher Education Board of Governors

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Effective: July 15, 1993

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## **Policy 1993-03-A: *Budgetary Reporting and Review***

**See Also:**  
Resolution 2023-02

**Adopted:** July 15, 1993  
**Amended:** July 12, 2018; July 20, 2023

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### **A. Statute**

In the area of budgetary reporting and review, Act 188 of 1982 states that the Board of Governors shall “coordinate, review, amend, and approve ... the annual operating budgets of the individual institutions, and the operating budget of the chancellor and the Board.” (§ 20-2006-A(7)).

### **B. Purpose**

As part of the Board of Governors fiduciary responsibilities, including but not limited to the short- and long-term financial health of the State System and the achievement of preserving the State System and its resources for future generations, the purpose of this policy is to ensure universities operate in a financially sustainable manner, achieving budgetary goals as will from time to time be set by the Chancellor. It is also pursuant to resolution 2023-02 exercising the fiduciary responsibilities of the Board of Governors (Board) for efficient, effective, and financially sustainable universities. In these regards, the policy conforms the practice of the Board with the intent of Act 188. Specifically, the policy provides for a yearly review and approval mechanism for the operating budgets of each university and the budget of the Office of the Chancellor and Board of Governors. This review will be an integral part of the Board’s review and adoption of the State System’s appropriation request for the ensuing fiscal year.

### **C. Procedure**

1. Each university and the Office of the Chancellor shall submit operating budgets (Educational and General budgets and Auxiliary budgets) and such supporting information as may be specified by the chancellor to the Division of Administration and Finance, Office of the Chancellor. The frequency of submission, timing, format, budgetary requirements inclusive of maintaining or achieving minimum primary reserves, and mode of reporting will be established by the chancellor and contained within the Comprehensive Planning Process and defined by associated instructions issued by the chancellor’s office.
2. Budgetary submissions shall include, at minimum, revenue, expenditure, and supporting data for the prior fiscal year, current fiscal year, and the request fiscal year.

3. The submission, to be forwarded to the chancellor's office, shall be shared in summary form with the Board.
4. The Board shall review and approve the annual operating budget submission of each university. The chancellor shall notify each president of the Board's action, including any amendments that are required to be implemented.
5. The approved budgetary submissions, including any amendments adopted by the Board, shall form the basis for the State System's appropriation request, which is submitted to the Executive Branch and General Assembly in accordance with the provisions of Act 188 and Article VI of the Administrative Code of 1929.