



PRELIMINARY SURVEY VISIT

AREA X ADMINISTRATION

D. FINANCIAL MANAGEMENT

D.2. Guidelines in Budget Preparation

UNIVERSITY OPERATIONS MANUAL



FOR ADMINISTRATION AND FINANCE

Authors:


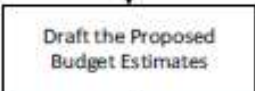
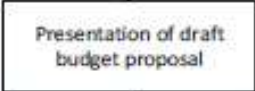

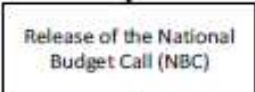

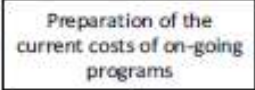

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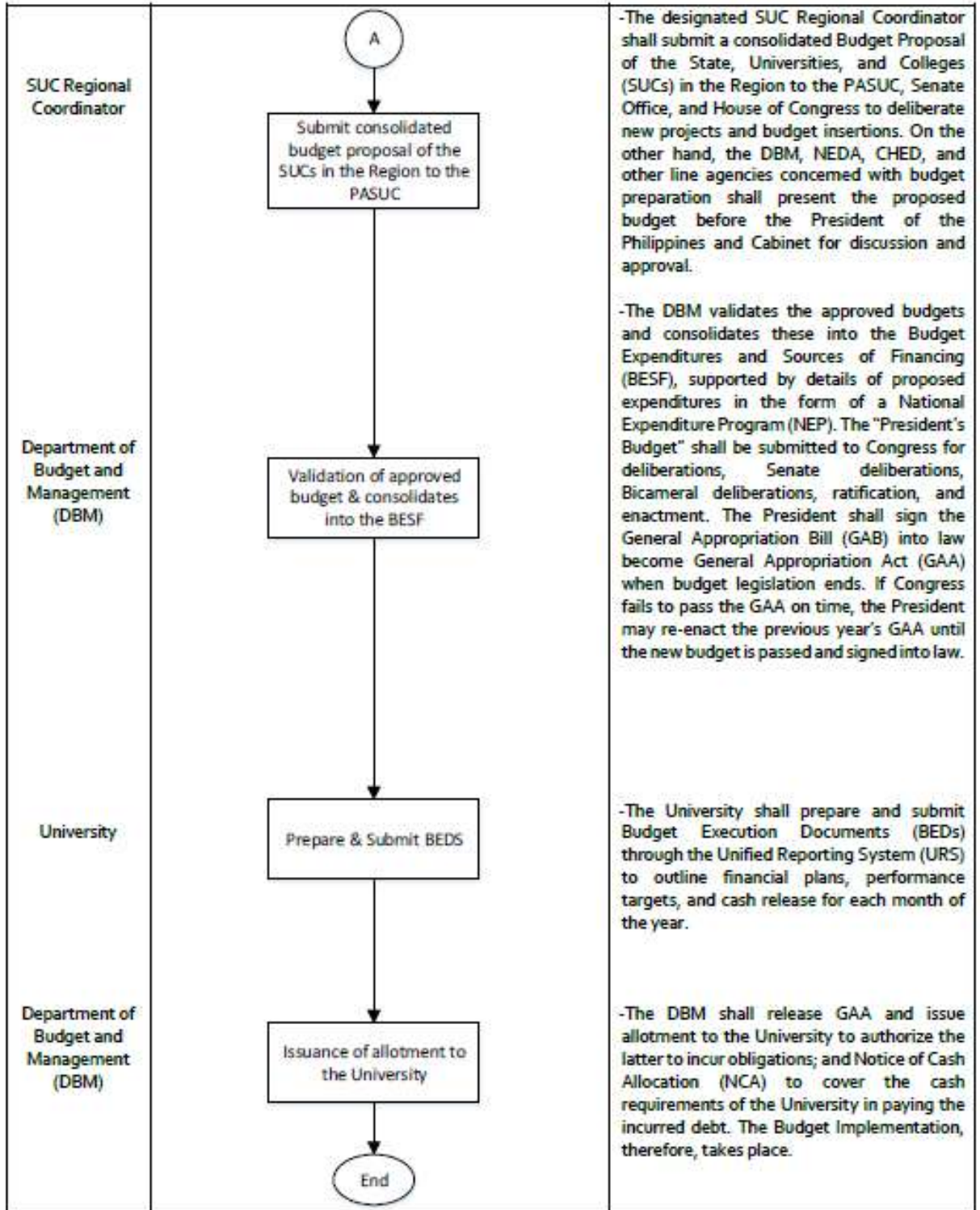
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d. Budget Preparation for General Fund (Fund 01)


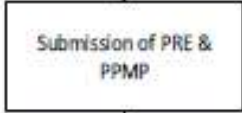
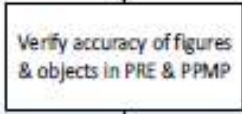
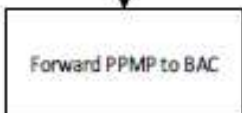
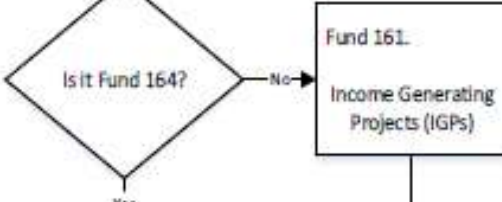

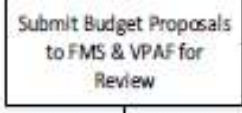
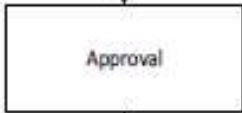
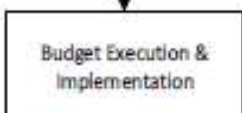

Person in-charge	Process Flow	Procedure Details
Budget Officer		<p>-The Budget Officer shall draft proposed budget estimates of programs, projects, and activities detailed by the object of expenditures based on the actual obligations incurred in the prior year. These are to prioritize necessary and vital programs, activities, and projects (PAPs) of the University in its regular/comprehensive or current costs of ongoing PAPs operation.</p>
Budget Unit		<p>-The Budget Office shall present the drafted budget proposal to the Financial Management Services (FMS) director and Vice President for Administration and Finance for the finalization of the Universities detailed budget estimates ranking of programs, activities, and projects (PAPs), agreement and endorsement;</p>
Budget Unit		<p>-The Department of Budget and Management (DBM) shall release the National Budget Call (NBC) to every agency, which will serve as a kick-off to the encoding of Budget Preparation and submission of actual obligations for the prior year;</p>
Department of Budget and Management (DBM)		<p>-The Budget Officer shall prepare the forward estimates or current costs of the ongoing programs, activities, and programs (PAPs) and submit these for the "Tier 1" stage of the two-Tier Budget Approach (2 TBA)</p>
Budget Officer		<p>-The Financial Management Services (FMS) and the President of the University shall present for a consultation with the Regional Development Councils (RDCs) to ensure that the budget proposals are aligned with the Region's development needs and priorities and justify the Universities proposed budget.</p>
Financial Division/ President of the University		<p>The Budget Office shall prepare the budget proposal for new programs and projects or expand existing ones, the "Tier 2" stage in compliance with the Budget Priorities Framework. The DBM shall conduct a Technical Budget Hearing deliberation to review the Tier 2 budget proposals of the University. The endorsed Tier 1 and Tier 2 budgets shall submit to the DBM through the online generated copies together with the justifications, complete data attachments/requirements, especially for the new proposed PAPs;</p>
Budget Office		<p>The Budget Office shall prepare the budget proposal for new programs and projects or expand existing ones, the "Tier 2" stage in compliance with the Budget Priorities Framework. The DBM shall conduct a Technical Budget Hearing deliberation to review the Tier 2 budget proposals of the University. The endorsed Tier 1 and Tier 2 budgets shall submit to the DBM through the online generated copies together with the justifications, complete data attachments/requirements, especially for the new proposed PAPs;</p>
Budget Office		



d. Budget Preparation for General Fund (Fund 01) (continuation)



e. Budget Preparation for Off-Budgetary Fund/Internal Generated Income (Fund 05 and 06)

Person in-charge	Process Flow	Procedure Details
Head of Offices, Deans, Directors and Project-In-Charge		<p>-Various Head of Offices, Deans, Directors, and Project-In-Charge shall submit specific Projects Receipts and Expenditures (PRE) program together with the Project Procurement Management Plan (PPMP) of their unit/project to the budget office before the set due date;</p>
Budget Office		<p>-The Budget Office in-charge personnel shall verify accuracy of figures and objects in the PRE and PPMP to ensure that the thing of expenditures are appropriated correspondingly;</p>
Budget Office		<p>-The Budget Office shall forward the PPMP to the Bids and Awards Committee the accurate PPMP for consolidation;</p>
Budget Office		<p>-The Budget shall consolidate the budget proposals per Fund 164 for Tuition and Fiduciary Fees and Fund 161 for the Income Generating Projects (IGPs);</p>
Budget Office		<p>-The Budget Office shall submit both consolidated budget proposals to the FMS Director and VPAF for review. The final budget proposal shall prepare for deliberation before the Board of Regent (BOR) meeting for approval;</p>
Budget Office		<p>-After the approval of the PRE and PPMP, Budget execution and implementation commenced.</p>
Board of Regent (BOR)		
Board of Regent (BOR)		
Board of Regent (BOR)		
		



Policies on Budget Preparation

1. All colleges/campuses shall ensure that their respective budget proposals shall be formulated in line with the University's continuing commitment to its mission and vision through fiscal discipline, strategic allocation of limited resources, and operational efficiency;
2. The budgetary requirements of college/campus should consider the policy directions and strategic plans;
3. The budget proposals shall include estimates for Currents Operating Expenditures for Personnel Services (PS), Maintenance and Other Operating Expenditures (MOOE), and Capital Outlay (CO) both under the Fund 05;
4. Under Fund 05, each campus/college shall prepare a budget proposal based on the university's projected revenue using the Accounting Section's computed projected income for the subsequent year. The proposed budget will be sent to the Department of Budget and Management (DBM). The tuition fee collected will be split between instruction (50%); and the other 50% for Research, Extension, Administrative Services, Production, and Mandatory Reserve. The sharing will occur after the budgets for NSTP, PE, Graduate School, CHS, USM KCC, USM Palma, and USM Buluan have been deducted and the Common Expenses. The budget will be used by their respective colleges/departments/sections and will be accompanied by a corresponding Project Procurement Management Plan (PPMP) to procure critical supplies and equipment;
5. The PPMP is to be prepared by the different colleges/departments and submitted to the Budget Section for evaluation and approval of the University President. The approved PPMP will be consolidated by the Bids and Awards Committee (BAC) to determine the method of procurement to be used. The total amount of supplies & equipment in the PPMP must tally with the amount indicated in the different offices' respective budget proposals;
6. The No PPMP, No Procurement Policy shall be strictly implemented so that priority expenditures shall come first in PPMP before items of lesser importance;
7. All budget proposals for the subsequent year and PPMP, including soft copy, shall be submitted simultaneously to the Budget Section and BAC within the prescribed period per Budget Guidelines issued by the University President;
8. Any proposed budget over and above the budget ceiling (Proposed Unfunded Budget) may likewise be submitted separately provided that a justification supports the same;
9. Other policies consistent with the laws, rules, and regulations of monitoring and regulatory agencies, most specifically the Department of Budget and Management (DBM), may be issued by the University.



