



# UC San Diego

## Policy & Procedure Manual

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### BUDGET

#### Section: 380-2

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### BUDGETARY SAVINGS

#### I. REFERENCES

- A. University of California Planning and Budget Manual
  - Chapter 4010 Operating Budget Amendments
  - Chapter 4020 Budgetary Savings
- B. UCSD Cost Accounting Standards Board Disclosure Statement (CASB DS-2), June 30, 1996 (Sum. #97-6, 7, & 8)
- C. OMB Circular A-21, Cost Principles for Education Institutions (Revised), May 8, 1996. (Sum. #97-6,7, & 8)

#### II. RELATED POLICIES

UCSD Policy and Procedure Manual (PPM)

[380-1](#) Modification of the Operating Budget

#### III. BACKGROUND

Budgetary savings represent General Fund appropriations which are not expended during the fiscal year within the specific control points for which the funds were allocated. (See PPM 380-1 C.1.-15. for a list of control points). The University was first assigned a salary savings target by the State in 1950-51 in recognition of the normal accrual of unused salary funds. These salary savings resulted from such sources as: (1) positions temporarily vacant as a result of employee turnover and recruitment delays, (2) filling vacancies at lower than budgeted salary levels, (3) leaves of absences without pay, and (4) sabbatical leaves for which no replacement is provided. In 1959-60 the savings concept was extended to cover all sub-budgets and the term budgetary savings was applied to all savings generated from General Funds sources, including salary savings. A formal budgetary savings target was established by the State in 1964-65.

#### IV. POLICY

- A. The President notifies campus Chancellors of the budgetary savings they are required to realize in a given budget year in order to assure that the University's total budgetary savings target is achieved.
- B. The Chancellor, through the Budget Committee, notifies campus major functional units of the budgetary savings they are required to realize in a given budget year in order to assure that the campus total budgetary savings target is achieved.

V. PROCEDURES

- A. Each major functional unit is responsible for identifying General Fund savings required to meet its assigned target and for completing *Transfers of Funds* crediting the budgetary savings account designated for each unit as follows:

Academic Senate	802072
Administration	802066
Business Affairs	802066
Chancellor's Accounts	802066
General Campus	802062
Health Sciences	802049
Hospitals and Clinics	802042
Information Systems	802066
Libraries	802060
Marine Sciences	802055
Undergraduate Affairs	802068

- B. Budgetary savings *Transfers of Funds* are forwarded to Resource Management for processing no later than March 31 of the given budget year.
- C. Resource Management processes the *Transfers of Funds* and monitors the budgetary savings accounts, ensuring that the assigned target for each functional unit is achieved.
- D. Prior to the close of the fiscal year, Resource Management and the Accounting Office complete the budgetary and financial transactions required to transfer the General Fund balance to the Office of the President.