



Policy 117

Budget Controls and Delegated Authority Policy

Section: 100 – General Administration
Responsible Executive: Chief Executive Officer
Responsible Department: Executive Office
First Effective Date: May 14, 2010
Last Reviewed: February 2026
Next Scheduled Review: June 2029

1.0 PURPOSE

- 1.1. To provide the framework for board review of budgets including both expenditures and revenues, and translates into financial terms the programs and priorities of the Cal Poly Corporation, dba, Cal Poly Partners (“CPP”), and to provide some flexibility for management for reallocation of budgeted capital expenditures and unbudgeted expenditures for efficient operations.

2.0 BACKGROUND

- 2.1. The annual budget is the financial plan for each CPP business unit (including commercial units and cost centers). The annual operating budgets will be based on a fiscal year, which shall be from July 1 to June 30. The Board review and approval of annual budgets each spring for the upcoming fiscal year provides the framework for both expenditures and revenues, and translates into financial terms the programs and priorities of CPP. Upon approval of the budgets by the Board of Directors, the Board shall submit CPP’s annual budget to the President of the University for approval. All Operations are expected to operate within their budget allocations.

3.0 POLICY

- 3.1. Day-to-Day Responsibility. Upon final approval of the budgets, the Board of Directors delegates the day-to-day authority for financial transactions to the Chief Executive officer and authorizes the Chief Executive officer to direct expenditures and to conduct activities in accordance with the spending plans and policies.
 - 3.1.1. The Chief Executive officer may delegate authority to appropriate CPP management and staff.
 - 3.1.2. The business units are defined as the operations that submit separate budgets for review and approval by the Board.
- 3.2. Redirection of Variable Costs from One Budget Category to Another. The Chief Executive officer may need latitude in redirecting approved budget funds for operating costs within a business unit. As the Chief Executive officer deems financially prudent, the Chief Executive officer may redirect expenditures and funds within Variable Costs categories within a business unit.
 - 3.2.1. The Chief Executive officer may delegate this authority to appropriate CPP management and staff.
 - 3.2.2. Variable costs categories include costs that vary with increases and decreases in operations, and examples include supplies, purchased services, materials, and non-permanent labor costs.
 - 3.2.3. Fixed costs categories include costs that remain relatively constant regardless of the volume of the operations, and examples include rent, utilities, depreciation, insurance, interest on loans, and permanent salaries.

3.3. Reallocation of Capital Expenditure Funds.

- 3.3.1. The Chief Executive officer may authorize reallocation of capital expenditure funds up to \$100,000 per fiscal year within each business unit's budget.
- 3.3.2. The Chair of the Board of Directors must approve reallocations of capital expenditure funds up to \$500,000 per fiscal year within each business unit's budget.
- 3.3.3. The Board of Directors must approve reallocations of capital expenditure funds in excess of \$500,000 cumulatively per fiscal year within each business unit's budget.
- 3.3.4. The Board of Directors must approve all transfers between business units.

3.4. Spending Authorization for Unbudgeted Expenditures.

- 3.4.1. For unbudgeted capital and/or variable costs expenditures within each fiscal year:
 - 3.4.1.1. The Lead Financial Administrator may authorize such expenditures up to \$25,000 for a business unit; and
 - 3.4.1.2. The Lead Financial Administrator may authorize such expenditures between \$25,000 and \$100,000 for an Operation, with approval of the Chief Executive officer.
 - 3.4.2. The Board of Directors must approve requests for unbudgeted capital and/or variable costs expenditures that:
 - 3.4.2.1. Exceed \$100,000, or
 - 3.4.2.2. Are to be expended on fixed operating costs, such as a project, with capital expenditures and other types of expenditures, or
 - 3.4.2.3. Are additional requests for unbudgeted expenditures within a fiscal year if \$100,000 has already been authorized from all operations to date.
 - 3.4.3. All expenditures must be in compliance with CPP financial policies and procedures.
- 3.5. Reporting. The Chief Executive officer shall report to the Board of Directors at its next regularly scheduled meeting any:
- 3.5.1. Reallocations of capital expenditures; and
 - 3.5.2. Authorizations for unbudgeted expenditures for capital expenditures and variable costs for all operations.

4.0 DEFINITIONS

- 4.1. None.

5.0 PROCEDURES, GUIDELINES AND FORMS

- 5.1. The Chief Executive officer or his/her designee is authorized to establish written management guidelines consistent with and in implementation of this policy statement.

6.0 COMPLIANCE

- 6.1. All auxiliary units, departments and personnel and any authorized personnel with funds held by CPP must comply with this policy.

7.0 REFERENCES AND RELATED POLICY

- 7.1. Governmental Accounting Standards Board rules

Technical and administrative change updates
7-26-12 for title and organization structure changes.