objectives, policies, plans and procedures that offer more efficient and effective use of University resources and the regular appraisal and reporting of program performance.

(c) The preparation and implementation of a budget organized to focus on the resources required in the succeeding biennium to undertake programs and program changes necessary to implement the long-range goals and objectives of the University.

(3) The preparation of the biennial budget shall be characterized as much as possible by openness and collaboration among students, faculty, administrators and policymakers.

b. The Budget Preparation Process

The major activities of the biennial budget preparation process shall consist of the following:

(1) Preparation of Budget Policy Paper

Using input from state, university system and campus planning documents, the President shall prepare a recommended budget policy paper each biennium for review and approval by the Board. The paper shall set forth the environment context for budget building and general program, policy and management objectives, and institutional priorities to guide the preparation of the biennial budget. The President’s recommendations shall be made after input from Vice Presidents, Chancellors, and other University executives.

(2) Preparation of Agenda for Action

Upon Board approval of the budget policy paper, the President shall prepare an agenda for action for the upcoming biennium. The agenda shall be a two-year plan that identifies specific actions relating to existing and proposed new programs which are designed to accomplish long-range University goals and objectives and shall reflect the priorities set forth in the budget policy paper. An agenda shall be prepared for each major university unit (UHM, UHH, UH-WO, Community Colleges and System offices) and shall be consolidated into a systemwide agenda.

(3) Preparation and Issuance of Budget Instructions

Also upon Board approval of the budget policy paper, the President shall issue formal instructions and pertinent policy statements for the preparation of the biennial budget. The policy statements shall include, as a minimum, the budget objectives included in the Board approved budget policy paper. The biennial budget shall reflect the necessary costs during the budget period of implementing the agenda for action.

(4) Preparation of Budget

Budget requests shall be prepared for University programs as structured in the program structure for the State. The cost centers for which budget
estimates are to be prepared shall be at program structure level V or lower for UH at Mānoa and program structure level IV or lower for all other University units. Input to the preparation of the budget shall include that of Deans, Provosts, department chairs, faculty and students.

(5) **Administrative and Executive Approval of Budgets**

The President serves as the chief executive officer of the University. As chief executive officer of the University, the President shall review and approve for submittal to the Board, the recommended budget requests for UH at Mānoa, UH at Hilo, the Community College System, UH-West O‘ahu and universitywide support programs. The Chancellors of UH at Mānoa, UH at Hilo, UH-West O‘ahu and the Community Colleges shall review and approve for submittal to the President the budget requests for the programs for their respective units.

(6) **Board Approval**

The Board shall review and act on the budget recommended by the President at least two months prior to it being submitted to the Governor. Upon Board approval, the budget shall be referred to as the Board of Regents’ Budget and shall be transmitted to the Governor in the form as prescribed by the Governor.

c. **Content of the Budget**

The budget request for each cost center shall consist of program and planning information, operating requirements, repairs and maintenance requirements and capital improvement requirements. Operating, repairs and maintenance and capital improvement requirements shall be displayed in the format required under HRS 37-66 relating to the State Budget and the Governor’s budget preparation instructions. The program and planning information shall consist of at a minimum:

1. A clear statement of the program’s objective.
2. An identification of the major subprograms under that program.
3. Descriptions of the major activities of the program.
4. Descriptions of the clientele served by the program including how many are being served in the existing biennium and how many are projected in the budget biennium.
5. A narrative discussion of the effectiveness of current programs.
6. A narrative discussion of the efficiency of current operations.
7. Emerging trends and conditions which impact the program; i.e., its clientele, its effectiveness, its efficiency.
8. Significant accomplishments planned for the next biennium and their relationship to the budget request.
d. **The Budget Calendar**

The calendar, listed according to ideal completion dates, for the biennial budget preparation process is as follows. In consultation with the Board, appropriate modifications to this calendar may be made due to external constraints:

- **October** of the first fiscal year of the fiscal biennium preceding the budget biennium: The President initiates preparation of the proposed budget policy paper and agenda for action.
- **November** of the first fiscal year of the fiscal biennium preceding the budget biennium: The President submits a recommended budget policy paper to the Board.
- **December** of the first fiscal year of the fiscal biennium preceding the budget biennium: The Board acts on the Budget Policy Paper.
- **January** of the first fiscal year of the fiscal biennium preceding the budget period: The President issues instructions for the preparation of the biennial budget.
- **May** of the first fiscal year of the fiscal biennium preceding the budget period: Major units (UHM, UHH, UH-WO, CC System, etc.) submit budget recommendations to the President.
- **June** of the first fiscal year of the fiscal biennium preceding the budget period: The President submits recommendations to the Board.
- **July** of the second fiscal year of the fiscal biennium preceding the budget period: The Board acts on the biennial budget.
- **August** of the second fiscal year of the fiscal biennium preceding the budget period: The President submits the Board of Regents’ Budget to the Governor.

e. **Budget Implementation**

Upon legislative and executive approval of the University’s budget in any fiscal year, the President shall submit to the Board from time to time, reports on the status of the implementation of the approved budget. The reports shall include significant changes, if any, in budgetary requirements for the fiscal year in progress.

If the Governor does not allot the full appropriation in any fiscal year, resulting in a need to restrict budgetary items, the President shall recommend to the Board for approval all planned budgetary restrictions. In addition, any shift in funding from the approved budget or anticipated unbudgeted expenditures in excess of $100,000 shall require a reallocation plan approved by the Board. (Jan. 13, 1966; June 10, 1967; Aug. 19, 1969; Oct. 14, 1977; Oct. 20, 1978; Dec. 15, 1989; am: Jan. 18, 2002; am: Oct. 18, 2002)
Section 8-4  University Projects

a. Revenue Bond Resolution. The sale of bonds to finance revenue producing projects or facilities shall be subject to the provisions of “A Resolution Creating and Establishing a University System Consisting of Revenue Producing University Projects of the Board of Regents, University of Hawai‘i; Creating and Establishing an Issue of Revenue Bonds of the Board of Regents, University of Hawai‘i, and Providing for the Security for and Payment of Said Bonds and Limiting Such Payment Solely to the Revenues of Said University System: Providing for the Issuance, Exchange and Delivery of Three Series of Said Bonds; Providing for the Issuance, Sale and Delivery of Fourth Series of Said Bonds; Fixing the Form and Details of the Foregoing Series of Said Bonds; Setting Forth the Terms and Conditions for the Issuance of Additional Series of Said Bonds; Providing for the Rights of the Holders of Said Bonds; and Making Certain Other Covenants and Agreements in Connection with the Foregoing.” (The Resolution is part of the BOR Minutes of Jan. 18, 1973; also supplement adopted Oct. 14, 1977)

b. University Revenue Undertaking Fund (URUF). The President shall recommend the use of reserve or surplus revenues involving the transfer of funds between projects which are all within the University Revenue Undertakings Fund. (May 12, 1977)

Section 8-5  Purchases and Equipment Capitalization.

a. Purchases shall be made in the name of the University and according to law and Board policy. No amounts stipulated in this section may be exceeded by parceling. (ad: Jan. 13, 1966; Oct. 20, 1978; am: Oct. 18, 2002)

b. Senior Vice Presidents, Vice President, and Chancellors shall have the authority to make purchases in amounts less than $25,000 per transaction. (ad: June 18, 1999; am: Oct. 18, 2002)

c. Senior Vice Presidents, Vice Presidents, and Chancellors may authorize the issuance of purchasing cards to be used in lieu of purchase orders for purchases not exceeding $2,500 provided the unit first establishes appropriate transaction guidelines. (ad: June 18, 1999; am: Oct. 18, 2002)

d. Equipment Capitalization

(1) Equipment shall be defined as tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

(2) Exception to the $5,000 threshold will be made for property easily converted to personal use by establishing a new asset category called controlled property.

(3) Control of theft sensitive items shall be accomplished by including controlled property in the University’s equipment inventory system and