

Hong Kong Baptist University
Recurrent Fund Budgetary Control Rules
(The revised rules will become effective on 1 July 2018)

1. Budget Virements

- 1.1 Starting from 2005/06, the non-University-wide budget items, including staff costs, equipment, general expenses and hospitality expenses, have been combined into a one-line budget under the full control of the budget controllers. The budget controllers have to advise the Finance Office how the one-line budget will be allocated among the sub-budget lines subject to the following guidelines:
- (a) The Hospitality Expenses sub-budget line should NOT be greater than 0.25% of the non-University-wide budget; and
 - (b) The Hospitality Expenses sub-budget line should NOT be greater than the original budgeted amount of the immediate preceding year under normal circumstances.
- 1.2 Budget virements to the Hospitality Expenses sub-budget line have to be approved by the appropriate authority as stated in paragraph 2.1 below. Other virements among the sub-budget lines within the one-line budget by the budget controllers DO NOT require approval.
- 1.3 Budget virements involving the University-wide budget items, i.e. items other than staff costs, equipment, general expenses and hospitality expenses, have to be approved by the appropriate authority as stated in paragraphs 2.2 and 2.3 below.

2. Approving Authority for Budget Virements

- 2.1 Virements to the Hospitality Expenses sub-budget line:
- (a) All such virements have to be approved by the Deans/Director of Academy of Visual Arts (DAVA) for teaching departments or the supervising President and Vice-Chancellor (P/VC) / Provost / Vice-Presidents (VPs) / Associate VPs for non-teaching departments; and
 - (b) Total virements to the Hospitality Expenses sub-budget line in a financial year should not be more than 50% of the original Hospitality Expenses sub-budget.
- 2.2 Virements to the University-wide budget:
- (a) Virement requests of an amount up to \$10,000 can be approved by the Deans/DAVA/Heads for teaching departments (if the control of the Votes is delegated to the Heads) and the Directors/Heads for non-teaching departments; and
 - (b) Virement requests of an amount over \$10,000 have to be approved by the Deans/DAVA for teaching departments and the supervising P/VC / Provost / VPs / Associate VPs for the non-teaching departments.

Approved by SECO on 1 March 2018

- 2.3 Virements from the University-wide budgets to the Non-University-wide budgets, except for contingencies and transfers to meet the intended purposes of the University-wide budgets, must be approved by the Vice-President (Administration) and Secretary (VPAS), irrespective of the amount.

3. Carrying Forward of Unspent Budgets

- 3.1 For Non-University-wide budgets:

Faculty/School/Academy/Office may carry forward its total unspent year-end balances (inclusive of the balances which have been carried forward from previous years) to the next financial year subject to a ceiling of **20%** of their original budget of that financial year. Any amount in excess of the **20%** ceiling will be returned to the University central pool. However, due to the limited time for the budget controllers to spend their mid-year additional allocations, with the approval of the VPAS (or the Director of Finance (DF) for an amount up to \$250,000), the unspent balances of mid-year allocations may be carried forward once.

- 3.2 For University-wide budgets and contingencies:

(a) The unspent balances of the University-wide budgets (except for budgets on utilities, cleaning and security) at the end of the financial year can be used to cover the deficits of other University-wide budgets controlled by the same budget controllers; and

(b) The unspent balances of the University-wide budgets, after providing for all commitments (through POs/emails/memos/letters) at the financial year end and offsetting the deficits mentioned in clause 3.2(a) above, will be returned to the University central pool. For the same reason and with similar approval as stated in clause 3.1, the unspent balances of the mid-year allocations may be carried forward once.

- 3.3 All overspending of budgets in a financial year should be made good by the relevant budget controllers at the end of the financial year. However, to minimise the administrative work, immaterial overspending may be allowed by the Finance Office to be carried forward and covered by the respective budgets of the next financial year.

- 3.4 Any unspent balance of an earmarked or one-off allocation will be returned to the University central pool upon completion or expiry of the earmarked task(s).

4. Exceptions

Exceptions to the above Rules have to be *endorsed by the respective Deans/DAVA, Associate VPs, VPs, Provost or P/VC as appropriate, and approved by VPAS with the following delegation:*

- (a) For requests of an amount up to \$250,000, DF is authorized to approve; and
- (b) For requests of an amount over \$250,000, approval of VPAS is required.

Finance Office
1 March 2018