UNIVERSITY OF MASSACHUSETTS

POLICY FOR CREATING AND ESTABLISHING FISCAL POLICY STANDARDS

I. INTRODUCTION

In addition to state and federal laws and regulations, the University of Massachusetts is managed in part through a series of University of Massachusetts Policies. This policy and related standards outline the protocol for issuing, revising and rescinding University of Massachusetts fiscal policies. University Fiscal Policies are policies that affect the entire University and require Board of Trustee approval.

The University of Massachusetts is managed by two distinct types of fiscal policies.

A. University Fiscal Policies

University Fiscal Policies include those specific actions required by federal law, state law, executive orders issued by the Office of the Governor, policy issued by other state agencies and all other fiscal matters for which the Board chooses to establish Policy. The authority to establish specific standards related to the policies rests with the President. All other fiscal policies are by definition Campus fiscal policies and must be approved by the Chancellor or his/her designee.

B. Campus fiscal policies and guidelines

Campus fiscal policies are not approved by the Board and apply only to the campus. Policies established by a campus do not meet all criteria for identification as a University Fiscal Policy and therefore do not adhere to all of the provisions of the review process set forth in this policy. Campus fiscal policies and related guidelines and procedures shall be consistent with, and not in conflict with, the University Fiscal Policies. Campus fiscal policies may be more detailed or restrictive than University Fiscal Policies, but shall not be less restrictive.

In the event of a conflict between a University Fiscal Policy and a Campus fiscal policy, the University Fiscal Policy supersedes the Campus fiscal policy.

This Policy applies to all University employees who participate in the evaluation, formulation, revision, approval, issuance or maintenance of University Fiscal Policies.
II. POLICY STATEMENT

A. A University Fiscal Policy is defined by all of the following criteria:

1. It has broad application throughout the University;
2. It is under the authority of the Senior Vice President for Administration & Finance;
3. It contains specific procedures for compliance with applicable laws and regulations, promotes operational efficiencies, supports the University’s mission, and/or reduces risks;
4. The subject matter requires approval by the Board of Trustees.

B. University Fiscal Policies will be kept current and made readily available electronically in a timely manner, to assure compliance, to support financial management principles, and to establish accountability.

C. This document and related standards define a University Fiscal Policy, provide a standard Fiscal Policy format, outline the steps for formulating, approving, issuing, and amending fiscal policies, describe the roles and responsibilities of the various individuals and groups involved in the process, and define terminology used.

D. University Fiscal Policies and related standards will continue to remain in effect until amended or rescinded by the Board of Trustees.

III. ISSUING, REVISING OR RESCINDING A POLICY

A. Policy Review

1. President’s Council

The President’s Council (President, Executive & Senior Vice Presidents, and Chancellors) shall be responsible for the review of new or revised University Fiscal Policies and for the review of University Fiscal Policies to be rescinded. The President’s Council will recommend policies for approval by the Board.

2. Administration and Finance Council

The Administration and Finance Council (Senior Vice President for Administration and Finance and Vice Chancellor for Administration and Finance) shall be responsible for the review of the final draft of new or revised University Fiscal Policies and for the review of University Fiscal Policies to be rescinded. The Administration and Finance Council will make recommendations for issuing, revising or rescinding a University Fiscal Policy to the President’s Council.
3. **Fiscal Policy Working Group**

The Fiscal Policy Working Group shall be responsible for the editorial review of the first draft of new or revised fiscal policies and for recommending them to the Administration and Finance Council. Further, the Fiscal Policy Working Group shall be responsible for identifying the need to rescind a policy and shall recommend it to the Administration and Finance Council.

The Members of the Fiscal Policy Working Group are appointed by the Senior Vice President for Administration & Finance and campus Vice Chancellors for Administration and Finance. The chair shall be designated by the Senior Vice President for Administration & Finance.

4. **Office of the General Counsel**

Under the direction of the President’s Council, the Office of the General Counsel will provide legal oversight for University Fiscal Policies.

5. **Secretary to the Board**

Under the direction of the Board of Trustees, the Secretary to the Board will provide administrative oversight for the policy development process.

B. **Policy Updates**

All University Fiscal Policies shall be reviewed to determine whether an update is necessary at least every five years. At the direction of the President’s Council, the Secretary to the Board of Trustees will send update notices to the Senior Vice President for Administration and Finance for each policy.

**IV. STANDARDS**

The President, in consultation with the Vice President(s) and Chancellors, will issue administrative standards to implement all University Fiscal Policies. Campuses may establish campus policies (and guidelines) within the scope of this University Fiscal Policy (and standards). Campus policies (and guidelines) may be more, but not less, restrictive than the standards.
I. INTRODUCTION

Creating and Establishing Fiscal Policy Standards apply to the protocol for issuing, revising and rescinding University of Massachusetts fiscal policies. Campuses may establish campus policies and guidelines within the scope of University policy regarding development of fiscal policy. Campus policies and guidelines may be more, but not less, restrictive than the President’s Administrative Standards.

In addition to state and federal laws and regulations, the University of Massachusetts is managed in part through a series of University of Massachusetts Policies. This standard outlines the criteria for issuing, revising and rescinding University of Massachusetts fiscal policies. University Fiscal Policies are policies that affect the entire University and require Board of Trustee approval.

The University of Massachusetts is managed by two distinct types of fiscal policies:

A) University Fiscal Policies

University Fiscal Policies include those specific actions required by federal law, state law, executive orders issued by the Office of the Governor, policy issued by other state agencies, and all other fiscal matters for which the Board chooses to establish Policy. The authority to establish specific standards related to the policies rests with the President. All other fiscal policies are by definition Campus fiscal policies and must be approved by the Chancellor or his/her designee.

B) Campus fiscal policies and guidelines

Campus fiscal policies are not approved by the Board and apply only to the campus. Policies established by a campus do not meet all criteria for identification as a University Fiscal Policy and therefore do not adhere to all of the provisions of the review process set forth in this policy. Campus fiscal policies and related guidelines and procedures shall be consistent with, and not in conflict with, the University Fiscal Policies. Campus fiscal policies may be more detailed or restrictive than University Fiscal Policies, but shall not be less restrictive.

In the event of a conflict between a University Fiscal Policy and a Campus fiscal policy, the University Fiscal Policy supersedes the Campus fiscal policy.

This Standard applies to all University employees who participate in the evaluation, formulation, revision, approval, issuance or maintenance of University Fiscal Policies.
II. POLICY FOR CREATING AND ESTABLISHING FISCAL POLICY

The Policy for Creating and Establishing Fiscal Policy (T13-093) and these standards establishes general documentation and reporting requirements. This section further defines the standard for satisfying the requirements of the policy.

A. A University Fiscal Policy is defined by all of the following criteria:

1. It has broad application throughout the University;
2. It is under the authority of the Senior Vice President for Administration and Finance;
3. It contains specific procedures for compliance with applicable laws and regulations, promotes operational efficiencies, supports the University’s mission, and/or reduces risks;
4. The subject matter requires approval by the Board of Trustees.

There are many other important non-fiscal institutional policies and procedures that do not meet all of the above criteria; therefore, they are not considered to be University Fiscal Policies and are not governed by this document.

B. University Fiscal Policies will be kept current and made readily available electronically in a timely manner, to assure compliance, to support Fiscal Policy objectives, and to establish accountability.

C. This document and related standards define a University Fiscal Policy, provide a standard Fiscal Policy format, outline the steps for formulating, approving, issuing, and amending fiscal policies, describe the roles and responsibilities of the various individuals and groups involved in the process, and define terminology used.

D. University Fiscal Policies and related standards will continue to remain in effect until amended or rescinded by the Board of Trustees.

III. STANDARDS STATEMENT

A. Development of a new or revised Fiscal Policy Statement

1) Development of a new policy

Any campus can identify a need for a new University Fiscal Policy and accordingly request that a new policy be developed or that changes be made to an existing policy. In both cases, proposals for new or updated policies are to be submitted initially to the Vice Chancellor for Administration and Finance. Upon receipt of the proposal, the Vice Chancellor for Administration and Finance will review it and decide whether to recommend it to the Senior Vice President for Administration and Finance for consideration. If the Senior Vice President for Administration and Finance determines that the proposed new policy meets the requirements of a University Fiscal Policy, the proposed policy will be submitted to the Administration and Finance Council so that each
campus can determine the impact of the new policy. If development of the proposed policy is approved by the Council, it is sent to the Fiscal Policy Working Group for further study and analysis.

Once received, the Fiscal Policy Working Group will prepare a first draft of the new fiscal policy. The Fiscal Policy Working Group shall ensure that each policy is clearly written using the standard format, is easily understandable to all who must comply with it, and is practical and applicable.

Each member of the Fiscal Policy Working Group will distribute the policy draft to all or several of the campus units for additional input, comments, and advice. These reviews should be timely and expeditious. Under normal circumstances the campuses will have a period of thirty (30) calendar days to submit in writing their response. When necessary, additional time may be allowed. If no response is given by a campus, it will be assumed that the policy or standard has been reviewed and considered acceptable as drafted.

In developing a University fiscal policy, each campus should evaluate the implications for implementation to ensure that the intent of the policy is achievable, cost effective, and that outcomes, where appropriate, can be measured.

Once reviewed by campus units, the Fiscal Policy Working Group can then recommend to the Administration and Finance Council that the proposed policy be forwarded to the President’s Council for consideration and subsequent approval by the Board of Trustees.

Any proposal not approved by the Administration and Finance Council will be returned to the Fiscal Policy Working Group, who will schedule a meeting to discuss any issues or changes that should be made. Once the recommended changes have been made to the proposed policy, the Fiscal Policy Working Group will resubmit the proposed policy to the Administration and Finance Council for consideration, approval, and submission to the President’s Council for consideration and subsequent approval by the Board of Trustees.

2) Revision of Existing Fiscal Policy Statement

Any campus can identify a need for a revision to an existing University Fiscal Policy and accordingly request that a revised policy be considered. Proposals for revised policies will follow the same review process as described in III. A. 1.

B. Policy Development Template

The University utilizes a standard policy document template to facilitate consistency, clarity, conciseness, understanding, access and compliance with University regulations.

All fiscal policies will conform to this template and shall include the following sections:
1. **Policy Header**

   The Policy Header contains basic information about the fiscal policy, such as the Policy’s Title, Policy’s Number, Functional Area, Brief Description, Effective Date, Responsible Officer, Last Reviewed or Updated date, and Reason for Policy.

2. **Introduction**

   The Introduction section encapsulates the policy’s purpose, namely its core provisions or requirements, and why the policy exists. The Introduction typically identifies the institutional risk, University mission or value, or any legal or regulatory requirements the policy addresses.

3. **Policy**

   The Policy section expands on the Introduction section and details the policy’s substance, namely its core provisions and requirements.

4. **Responsibilities**

   The Responsibilities section describes the people or units affected by the policy and their responsibilities in implementing the policy.

5. **Standards**

   The Standards are presented in a separate document that delineates the sequence of mandatory steps that must be taken to implement a policy.

C. **Policy Number**

   The President’s Office will assign a policy number to new University Fiscal Policies once they are approved by the Board of Trustees.

D. **Glossary**

   Specific terms and their standard meaning will be located in a single policy glossary.

E. **Publication**

   The Secretary to the Board of Trustees shall post new and revised University Fiscal Policies to the University of Massachusetts website in a timely manner after final approval by the Board of Trustees. The Senior Vice President for Administration and Finance or his/her designee shall be responsible for the integrity of the policy published on the University website. The campus Vice Chancellor for Administration and Finance shall post a link to new and revised University Fiscal Policies on the campus website.
F. Emergency Fiscal Policies

On occasions, the President, or his/her designee, may be faced with an emergency or with a situation in which the need for a change in policy or procedure is immediate or urgent. In those situations, the President may issue an executive directive to establish a new University Fiscal Policy, or approve significant changes to an existing one. The Board of Trustees will be asked to approve the Policy at the next scheduled meeting.

G. Official Version

The official version of a University Fiscal Policy is the one posted on the Board of Trustees website. All other versions are unofficial and may not be relied upon. A University Fiscal Policy is effective on the day that it is approved by the Board of Trustees.

H. Policy Maintenance

The office of the Senior Vice President for Administration and Finance is charged with keeping University Fiscal Policies up-to-date. This office should perform periodic reviews to ensure the policy complies and reflects current laws, regulations, and practices. A policy review shall be performed at least every five years. Any policy changes must be approved by the Board of Trustees.

I. Policy Revisions

The Senior Vice President for Administration and Finance may at any time submit changes to a University Fiscal Policy by following the revision or update procedures outlined in this standard.

Revisions must follow the same approval process as outlined for initial policy issuance, including the involvement of a University-wide working group.

J. Policy Statement Repeal

Proposals to rescind a University Fiscal Policy or standard will be submitted to the Administration and Finance Council in the same manner as the review process for a new policy or changes to an existing one. Each Vice Chancellor for Administration and Finance must determine the impact on their campus of rescinding a University Fiscal Policy.

K. Campus Fiscal Policies and Guidelines

Any campus within the University may issue fiscal policies or guidelines that relate to matters of interest predominantly within that particular campus as long as those policies do not conflict with University of Massachusetts Board of Trustee fiscal policies and are consistent with applicable law. These policies or guidelines are to be referred to as Campus policies or Campus guidelines. If the campus wants to list additional campus policies that relate to a University fiscal policy, they may do so as long as the additional campus policies
do not contradict or negate the current University policy and the campus policy refers to the University policy.

IV. RESPONSIBILITIES

A. **President’s Council** (President, Executive & Senior Vice Presidents, and Chancellors)

The responsibilities of the President’s Council include:

1. Ensuring that all University Fiscal Policies are current and compliant with all statutory requirements and law;
2. Approving or rejecting the final draft of a University Fiscal Policy before it is submitted to the Board of Trustees for approval, or;
3. Making changes as necessary or directing further work on the draft policy.

B. **Senior Vice President for Administration and Finance**

The responsibilities of the Senior Vice President for Administration and Finance include:

1. Approving or rejecting the final draft of a University Fiscal Policy before it is submitted to the President’s Council for approval, or;
2. Making changes as necessary or directing further work on the draft policy;
3. Work closely with the Administration and Finance Council and ad hoc groups as necessary.

C. **Administration and Finance Council** (Senior Vice President for Administration and Finance and Vice Chancellors for Administration and Finance)

The responsibilities of the Administration and Finance Council includes reviewing each University Fiscal Policy and advising the Senior Vice President for Administration and Finance whether or not to approve further action relative to the policy or submit the policy to the President’s Council.

D. **President’s Office Administration and Finance Designees**

Individuals reporting to the Senior Vice President for Administration and Finance with these responsibilities:

1. Identifying the need for a new University Fiscal Policy or a modification to an existing University Fiscal Policy;
2. Drafting University Fiscal Policy concept;
3. Presenting University Fiscal Policy concept to the Senior Vice President for Administration and Finance;
4. Drafting University Fiscal Policy with input from standing committees and/or functional or ad hoc groups;
5. Presenting University Fiscal Policy draft to the Senior Vice President for Administration and Finance and other committees as necessary;
6. Ensuring promulgation, on-line maintenance, updating, and archiving of all University Fiscal Policies in his or her area of jurisdiction;
7. Communicating existence of a University Fiscal Policy to appropriate offices.

E. Vice Chancellor for Administration and Finance (or designee)

Responsibilities include:

1. Acting as a liaison with campus personnel and President’s Office Administration and Finance designees;
2. Identifying the need for a new University Fiscal Policy or a modification to an existing University Fiscal Policy;
3. Drafting the University Fiscal Policy concept;
4. Presenting the University Fiscal Policy concept to the Senior Vice President for Administration and Finance;
5. Communicating new or modified University Fiscal Policy to appropriate campus offices.

F. Fiscal Policy Working Group (FPWG)

Members of the FPWG are appointed by the Senior Vice President for Administration and Finance and campus Vice Chancellors for Administration and Finance. The chair shall be designated by the Senior Vice President for Administration and Finance. The FPWG serves as an advisory group to the Senior Vice President for Administration and Finance and the Vice Chancellors for Administration and Finance. The FPWG’s responsibilities include:

1. Reviewing new and existing University Fiscal Policies for practicality, clarity, and adequacy of the document for the University’s operations;
2. Establishing and maintaining the official University Fiscal Policy template;
3. Ensuring consistency in the format and presentation of University Fiscal Policies;
4. Working with the Responsible Official, or designee, and the Responsible Office assigned for each University Fiscal Policy;
5. Eliminating conflicts between University Fiscal Policies to the extent possible;
6. Ensuring consistency with laws or other external requirements, as well as consistency with the University’s mission, vision, and values; and
7. Establishing a calendar for regular review of all University Fiscal Policies (regular review is recommended to occur every five (5) years).