



Arecibo Observatory

Office of the Director

SUBJECT: Budget Controls at AO	Effective Date: 04-30-2020	Policy Number: AO-POBC01
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	Responsible Authority:	

DATE OF INITIAL ADOPTION AND EFFECTIVE DATE: April 30, 2020

APPLICABILITY/ACCOUNTABILITY

This policy applies to everyone with financial responsibilities, which apply to everyone in charge of budget preparation and budgetary transactions.

GENERAL POLICY

All Departments at the Arecibo Observatory are required to have in place complete and adequate internal controls over key financial systems. This policy is required to ensure the existence of complete and adequate control. This policy outlines the responsibility relating to budgetary control.

POLICY STATEMENT

The purpose of this policy is to establish a framework under which budgets will operate within the Arecibo Observatory, leading to clear delegation of budgets and budgetary responsibility to facilitate optimum use of resources.

Budget Controls

The Budget is annually provided to the PI, AO Director, and Head Department Managers with adequate background so that a budget maintains its current performance level. Therefore, the Head Department Managers is ultimately responsible for making sure his/her division does not exceed budgeted expenditures. The Department Head should work with AO Director and budget staff to address unplanned events.

Accounts in the budget can be amended throughout the fiscal year. Head Department Managers are allowed to request amendments to the budget to improve efficiency and productivity or due to unforeseen circumstances. The activities need to be plan in advance, operations in each department can change.

A budget amendment must be approved prior to the occurrence of the transfer, expenditure or any other change that might occurred during the fiscal year. Budget amendment requests shall include an explanation from the department, approval by the AO Director. The explanation must be clear and provide sufficient detail.

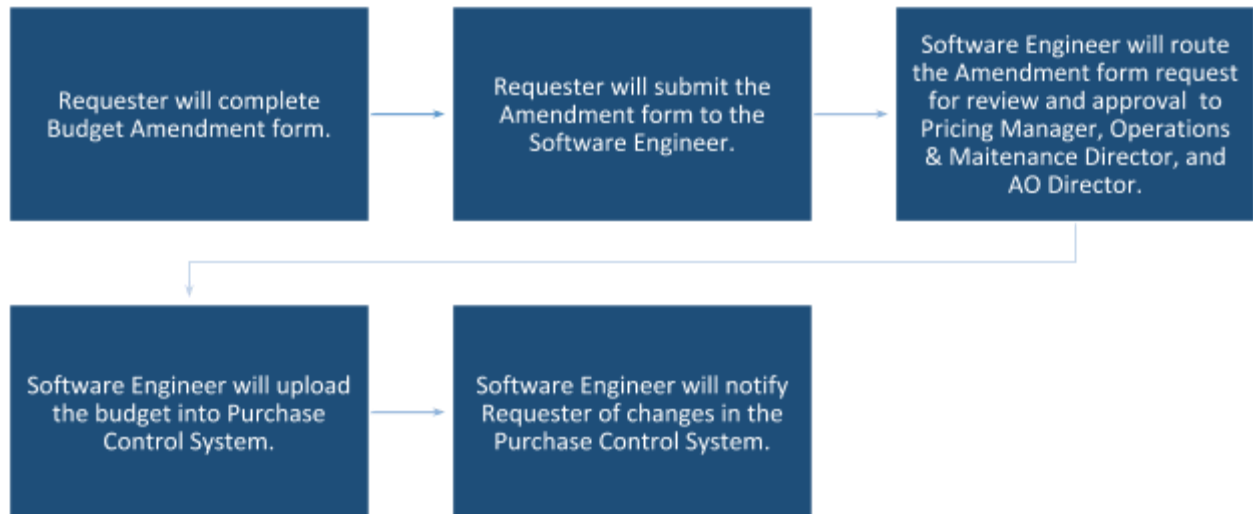
For every fiscal year's budget at the beginning of April, before uploading each department's budget into the Purchase Control System, the budget must be submitted with the budget amendment form (Appendix 1) to the Software Engineer. The documentation will be routed for Review & Approval through an electronic signature management software.

After the documentation reaches its final approval state, the software engineer will generate an electronic ticket through the internal AO-IT ticket system attaching all related documentation for record purposes.

Table 1.1 RACI Table (Responsible, Accountable, Consulted, Informed) that establishes approval levels for Internal Budget Amendment and Budget Amendment Form.

Approval Levels for Internal Budget Amendment and Budget Amendment Form					
	PI	AO Director	Head of Department	Support Operations Manager	Software Engineer
Request a Budget Amendment			R	R	
Complete the Budget Amendment Form			R	R	
Submit the Amendment Form to the AO Director for Approval			R	R	
Approve Budget Spreadsheet	I	R			
Approve Budget Amendment Form	I	R			
Submit the Amendment Form to the Software Engineer to be uploaded into Purchasing Control System				R	I
Upload the Budget into Purchase Control System	I	I			R
Route the Budget Amendment Form request for Review and Approval	I	I			R

Figure 1.1 Budget Control route for the initiation of approval levels for Internal Budget Amendment and Budget Amendment Form. Requester



Internal Budget Amendment

When an adjustment is necessary, an internal budget amendment form needs to be submitted. This form provides the detailed information need it to process the request. Please only use the budget amendment form (Appendix 1).

Budget Amendment Form

If the Department has a need for increased or transferred funds, a Budget Amendment Form (Appendix 1) must be submitted to the AO Director for approval. The Budget Amendment form is used to upload, increase the budget or transfer funds between accounts.

Both types of budget amendments should be submitted to the AO Director.

CONTACTS

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INITIATING AUTHORITY

Director of the Arecibo Observatory

POLICY APPROVAL	
(For use by the Office of the Director)	
Policy Number: AO-POBC01 Budget Controls	
Initiating Authority: _____	Date: _____
Principal Investigator: _____	Date: _____

Appendix -1

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