

Budget Development Process

The itemization of the UAB Budget Development Process below is meant to be generalization and may be amended on a year-by-year basis to account for specific timing and external circumstances.

- I. Responsibility Centered Management (RCM) metrics for the upcoming budget season are typically prepared and made available to campus in the second quarter of the fiscal year for review. Because the Institution utilizes a 3-year rolling average, metrics are based on the prior completed 3 years (i.e. FY 2026 budget year will use the FY 2024, 2023, 2022) metric data. These metrics and the related market share percentages are published on the Axiom home page.
- II. State appropriation requests are made, through coordination with the Governmental Relations team of the University System Office each year and submitted to both the State of Alabama Executive Budget Office and the Alabama Commission for Higher Education (ACHE).
- III. Undergraduate/Graduate and First Professional tuition rate proposals are submitted to the Board of Trustees for approval in the February to April timeframe. Comparison data from the Southern Universities Group (SUG) is used for peer institutions.
- IV. In early Spring of each year, budget requests are sent to all central/administrative units for the upcoming year. It is the responsibility of each VP to review, prioritize and consolidate requests for their units.

The following guidelines have historically been established for all central units to follow as they prepare budget requests:

- Prioritized based on the following classification and listed in order of importance. Before making a request, please consider if all or part can be absorbed in your existing budget.
 - i. Priority A-Funds requested to address unfunded regulatory, compliance and/or safety issues. Any requests in this category should include documentation to substantiate the request (i.e., audit findings, regulatory guidance, etc.)
 - ii. Priority B-Funds requested to fund the expansion of existing initiatives that support the institution wide strategic plan.
 - iii. Priority C-All other funds requested.

NOTE: Failure to differentiate priorities between the classifications will result in items classified as Priority C.

- Requests should be listed in the appropriate section of the Budget Planning Sheet based on whether the item will require funding beyond FY 2026 (Recurring), or only in FY 2026 (One-Time).
- Requests for funds to support a salary pool or change in fringe benefit rates, should not be requested. Any funding for these items will be allocated consistently to each unit once decisions are made regarding a salary program.

- V. Central/Institutional budget requests are presented to the Budget Advisory Committee for consideration and review based on projected available funding. Those requests that are prioritized as an A for regulatory, compliance, and safety receive the highest consideration and review to make sure that the items are addressed appropriately.
- VI. Once preliminary funding decisions have been made, a summary budget is presented to the University of Alabama System Office.
- VII. Budgeting parameters are communicated to the campus in May/June and units may begin entering Labor Plans and Operating Budgets into the Axiom Budget System. These parameters include, merit plans (if applicable), Composite Fringe Benefit (CFB) rates, debt service, utility projections, internal RCM assessments, etc. This process must be completed in July.
- VIII. Budget Administration then prepares the consolidated budget reports and presentation for the UAS Office and Board of Trustees for approval at the September board meeting.