

COLORADO STATE UNIVERSITY
Financial Procedure Instructions
FPI 7-1

1. **Procedure Title:** Financial Commitments
2. **Procedure Purpose and Effect:** To set forth procedures related to the budgetary and tracking process for creating financial commitments.
3. **Application of Procedure:** This procedure applies to all campus areas.
4. **Exemptions:** No exemptions.
5. **Definitions:**
 - A. **Financial Commitment** - A commitment beyond the current fiscal year to fund a program, project, equipment purchases or other obligation of a business unit (i.e., a college, vice president division, or department) to another business unit within or external to the same college or division, in an amount exceeding \$50,000 for all fiscal years combined. It does not include routine, current-year operating expenses. Examples include: Offer Letter; Startup or retention package; Specialized equipment purchase; multi-year capital lease; or matching funds on external grants.
6. **Procedure Statement:**
 1. **Budgetary processes for creating financial commitments:**
 - a) Identify fund sources.
 - b) Identify or set up an account to record the allocation and expenditures of funds.
 - c) Most commitments involve the funding needs of new tenure/tenure track faculty. Therefore, the hire letter that details the institutional commitment and timeframes should accompany all request forms/funding agreements.
 2. **Tracking processes for institutional commitments:**
 - a) An account number is required for each approved commitment.
 - b) A spreadsheet/database should be set up to track the commitment by name, account number and budget period(s) (commitments that are multiyear should be tracked by the appropriate fiscal year). NOTE: The Office of Budgets is currently in the discovery phase for obtaining a centralized commitment tracking system. Units should not procure tracking systems on their own.
 - c) Identify the budget amount by each contributor and the fiscal year that the commitment is due and allocated.
 - d) Track actual expenses to budgeted amounts monthly. In the event there are unexpended funds, they should be refunded to the contributors.
 3. **Responsibilities for financial commitments:**
 - a) Department/Unit Heads:
 - (i) Evaluate the requests for resources to ensure it fits with long and short-term goals of the unit, college/division and university's mission and strategic plan.
 - (ii) Consult with the college/unit business officer to determine whether resources are

available and sustainable to meet the request.

- (iii) The unit head should then present the resource request to the Dean/division head for further evaluation and support to ensure that it does not compete with college or divisional priorities or commitments that have been made.

b) Deans and Division Heads:

- (i) Review the request applying the same criteria as above. The college/division business officer must be an integral part of this review.
- (ii) A determination must be made as to whether the commitment can be met internally. If resources are to be requested from a source external to the unit, the full executed commitment form must accompany the funding request form.

7. Reference and Cross-References:

CSU Financial Rule 7 - http://busfin.colostate.edu/Forms/FRP/CSU_Financial_Rules.pdf#zoom=100

8. Forms and Tools:

Designated Future Commitments (DFC) Request form:

http://www.budgets.colostate.edu/Forms/BudgetGenericForms/DFC_Form.xlsx