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