**Fiscal Policy for the Student Health SS/PPS No. 03.01**

**Center Issue No. 6**

**Effective Date: 11/08/2022**

**Next Review Date: 05/01/2025 (E3Y)**

**Sr. Reviewer: Director, Student Health Center**

**POLICY STATEMENT**

Texas State University is committed to promoting proper financial stewardship of funds.

1. **SCOPE**
	1. The primary purpose of this policy and procedure statement is to establish the fiscal policies for the operation of the Student Health Center (SHC) which include:
2. establishing procedures and guidelines for authorizing the use of income generated for services rendered, to include reserves and income realized by the Medical Service Fee; and
3. implementing a fiscal policy whereby all income generated by the SHC services may be utilized within the SHC to offset operating expenses, thereby reducing the need to increase prices or increase the Medical Service Fee.
4. **DEFINITIONS**

02.01 Primary SHC accounts include Clinical Services and the Medical Service Fee. The Clinical Services account includes income generated at the SHC from charges for lab tests, radiology, medications, procedures, supplies, and office visits.

* 1. Income, operating, and reserve accounts are identified below:

 a. Clinical Services (Income and Operating);

b. Clinical Services (Reserves);

c. Medical Service Fee (Operating);

d. Medical Service Fee (Income); and

e. Medical Service Fee (Reserves).

1. **OPERATING PROCEDURES**
	1. During the annual budget cycle, the Office of Budgeting & Financial Analysis (Budget Office) will provide the SHC with an income estimate for the Medical Service Fee account based on enrollment projections. The SHC will develop an income estimate for the Clinical Services account. If the department's income estimate varies more than 10 percent, the SHC must justify the difference to the Budget Office.
	2. Based on income estimates and enrollment projections, budgets are developed for each account to include the cost of salaries, wages, travel, maintenance and operation (M&O), and capital. Additional funding sources must be identified, such as reserve accounts, if income estimates are insufficient to cover projected budget expenditures.
	3. It is intended that income-generating accounts (Clinical Services and Medical Service Fee) produce sufficient income to cover their operational needs. Budgets will be developed annually to assign appropriate expenses to each account.
	4. Reserve funds may be used throughout the fiscal year with the approval of the vice president for Student Success (VPSS). Reserve funds are to be used primarily for capital expenses or contingency purposes such as prolonged staff vacancies or illnesses, temporary staffing, maintenance and repair, or for unexpected expenses.
	5. The director of the SHC is primarily responsible for monitoring budget compliance and ensuring that accounts are within budgetary limits.
2. Budgets are considered working documents. Adjustments to budget line items may be made in SAP during the year. Personnel changes are submitted to Human Resources for processing. Requests to increase budgets (through the use of reserves or increases in income estimates) must be approved by the VPSS and forwarded to the Budget Office.
3. Income accounts are to be financially operated in such a manner that deficits can be anticipated and resolved during the course of the fiscal year. Appropriate reductions in expenses or increases in pricing should be made promptly in order to avoid having a deficit posting at year's end.
4. The director may recommend the suspension of any service that is not being sufficiently utilized to justify its cost, that requires a disproportionate amount of financial resources, or that does not generate enough revenue to cover the cost of providing that service. The suspension of any major service at the SHC is subject to the approval of the VPSS.
	1. The General Accounting Office makes fiscal year-end accounting entries to SHC accounts based on Budget Office calculations, per [UPPS No. 03.02.01](https://policies.txstate.edu/university-policies/03-02-01.html), Reserves, Carry-Forwards, and Over-Expenditures. These adjustments generally include:
5. consumable and dispensable inventory; and
6. encumbrances.

 The General Accounting Office will determine final balances for all expenditure and reserve accounts for the previous fiscal year in October.

03.07 The director shall submit the proposed annual Medical Service Fee and Clinical Services budgets to the SHC Advisory Committee for review and approval. Subsequently, the proposed budgets shall be submitted to the VPSS for approval. The proposed Medical Service Fee budget shall be submitted in accordance with deadlines established by the assistant vice president for Budgeting & Financial Analysis and the VPSS.

1. **REVIEWER OF THIS PPS**

04.01 Reviewer of this PPS includes the following:

Position Date

Director, Student Health Center May 1 E3Y

1. **CERTIFICATION STATEMENT**

 This PPS has been approved by the following individuals in their official capacities and represents Texas State Student Success policy and procedure from the date of this document until superseded.

 Director, Student Health Center; senior reviewer of this PPS

 Vice President for Student Success