

TO: Dearborn Campus Budget Administrators
FROM: Financial Services
CC: Human Resources
RE: When to Initiate a Budget Clearance Form Transaction for Approval
DATE: June 20, 2023
UPDATED: April 3, 2026
REVIEWED: September 16, 2025 by Financial Services

A Budget Clearance Form approval shall be initiated to verify the budget resources supporting REGULAR, non-temporary faculty and staff positions, including term-limited positions paid on any fund (including sponsored and gift funds), in order to fulfill University internal control and approval processes as outlined in [SPG 500.01. Fiscal Responsibilities](#).

Below is guidance on when a BCF is required, and when it is not required, before initiating changes to personnel budgets or making personnel decisions:

A BCF IS REQUIRED WHEN: All regular, budgeted faculty and staff positions must have an approved BCF on file with Human Resources for the following personnel actions:

- To create a new position;
- To fill a position that is vacant, open, or unfilled;
- To repost a position when the original BCF approval is over 6 months old;
- To increase or decrease a position's budgeted salary;
- To change the previously approved FTE of a budgeted position;
- To reclassify a budgeted position to a new job classification;
- To process an equity increase for a regular employee;
- To remove the end date on a regular, closed-ended, term-limited position;
- To extend the end date on a regular, closed-ended, term-limited position;
- At a higher salary than was previously approved on the original BCF transaction.
- To change the DBE/shortcode or fund on a previously approved regular position:
 - As a rule of thumb: if a regular position, or regular positions, is/are moving to a new Campus Unit/DBE then a BCF transaction(s) should be created for approval to document the transfer of regular position(s) between Units. Both Units shall also have a plan to initiate PARs, RBL and/or GL transaction(s) corresponding to BCF approval(s).
 - ***EXCEPTION:*** BCF approvals *are not required for re-appointments to automatically renewed external grants*, re: position moves from Year 1 of XYZ grant/DBE to Year 2 of XYZ grant/DBE, etc.,

Units shall include the new funding source(s) if the position's budget will be increasing.

A BCF IS NOT REQUIRED TO:

- Transfer occupied, vacant and/or unfilled budgeted positions within the Campus Unit.
 - Units should initiate these changes via the RBL, and process PARs and/or GL transfers, if applicable, to permanently record these changes in their Unit's base budget prior to the year end close and/or in preparation for the next annual campus Budget Cycle;
- Transfer of a regular position, or regular positions, to a Cost-Share DBE:
 - *Campus Units are expected to manage resources supporting Cost-Share appointments and process corresponding PARs, RBL & GL transactions, if needed, to fully fund Cost-Share requirements related to external/sponsored funding;*
- **Additional or supplemental pay and similar one-time payments;**
- Annual wage increases or customary promotions as required by union contracts;
- Faculty sabbaticals and faculty P&T promotions for tenured & tenure track faculty;
- LEO Major Reviews;
- To create or fill a LEO I or LEO II position(s);
- To create or fill a Graduate Student Instructor or Graduate Research position(s);
- To create or fill a Research Fellowship position(s);
- To create or fill a Visiting Professor position(s);
- Changes to temporary (non-regular) appointments;
- Summer salary for either instruction or research;
- Course releases or course buyouts/offsets;
- Vacation payouts or retirement buyouts/payouts;
- Technology allowances and tuition reimbursements.

All Campus Units are expected to have in place approval process, documentation, and funding plans for these and all personnel expenditures and commitments incurred by the Unit, [per the University SPG on Fiscal Responsibilities](#), especially for course buyouts, course offsets, and/or instructional course releases, interim appointments, and one-time payments/commitments not listed above.

Also as Budget Clearance transactions are approved, Units should simultaneously plan to update their Unit's base budget in the RBL, as well as the GL, when applicable, in preparation for the year end close and the next general fund Budget Cycle.

If you have a budget situation which is not addressed above, please feel free to contact anyone here in Financial Services or your Unit's Human Resources representative for additional guidance.

Thank you for your efforts to manage and monitor your Unit's personnel commitments!