



ADMINISTRATIVE PROCEDURE

TITLE: Budget Management

ADMINISTRATIVE PROCEDURE # 6250

RELATED TO POLICY # 6250 BUDGET MANAGEMENT

Budgetary control is essential to ensure the College meets its fiduciary responsibilities and strategic goals. An operating budget does not stand alone, it is closely related to other college planning efforts; and as a result, operational budget management is essential to the long-term financial stability of the college.

The Chief Financial Officer with the help of budget manager provides oversight and monitoring of the annual operating budget and related expenditure of funds. Budget monitoring and management trainings and documentation will be provided to all employees with budget responsibility. An in depth review of budget to actuals information will be conducted quarterly with any concerns being addressed with responsible chair, director, dean or Senior Leadership Team (SLT) member.

Each member of the Senior Leadership Team (SLT) is responsible for managing their division's budget.

- Expenditures must be within budgeted limits.
- Account deficits will be cleared monthly by the responsible department/division. Funds may be transferred within each division to meet program needs, with the exception of funding from salary and related benefit accounts.

1. Chairs and Directors/Managers

- A. Chairs and directors/managers with budget responsibility have the discretion to use budgets, within their cost center(s) of responsibility, to meet program needs identified during the budget development process with the exception of funding from salary and related benefit object codes.
- B. Account deficits are the responsibility of the chair/director/manager and the respective Dean. Any account deficit should be cleared monthly with all efforts made to not close any budget with a negative balance at the end of the fiscal year.

2. College Operational Budget Guidelines

- A. Funding provided to meet legal requirements, contractual obligations or mandates, salary and related benefits object codes are restricted for that specific

purpose. With the exception of the Grant and Contract Fund, any surplus funding not used for these purposes may be returned to the college central accounts, managed by Chief Financial Officer.

- B. The College retains budget contingency for necessitated spending during the year on items that cannot be specifically identified at the time the budget is being prepared. Funds would be transferred to appropriated categories with the approval of Senior Leadership Team (SLT) and Board of Education when the need arises.
- C. Official functions (ex. Instruction, Instructional Support, College Support Services, Student Services, Community Services, etc.) must be in balance each month.
- D. All operational requests for the current fiscal year must be requested annually if operational funding is required.
- E. Employees must first exhaust professional growth opportunities before expending department funds for travel expense except for specifically designated or required activities approved by the Senior Leadership Team member.
- F. Utility expenses are fully encumbered on July 1st to ensure funding availability.
- G. Transfers of appropriations and resources can be made within any given fund or between any two funds when authorized by resolution of the Board of Education. The resolution will state the need for the transfer, the purpose for the authorized expenditure, and the amount of appropriation transferred.
- H. Each year, as part of the budget development, appropriation is budgeted in the Grants and Contracts fund to cover unanticipated funding and carryover in current awards. In order to maintain efficient operations, including the timeliness of ability to spend funds, the appropriation can be used to load budgets for new and additional awards less than \$50,000. Once the additional appropriation is depleted, all new and additional awards will be presented to the Board of Education for approval to spend.
- I. Increases to expenditures in any fund in excess of 10%, and not covered under an exception of Oregon Budget Law will require a supplemental budget and will be completed at the discretion of the Chief Financial Officer.

References:

NWCCU Standard 2.E.3 (*updated 3/19/2021*)
ORS 294.305 – 294.565
OAR 150, Division 294
Oregon Department of Revenue “Local Budgeting Manual” (150-504-420)

RESPONSIBILITY:

The Chief Financial Officer is responsible for implementing and updating this procedure.

NEXT REVIEW DATE:

DATE(S) OF REVISION:

DATE OF ADOPTION: 5/21/2019 by CC

DATE(S) OF PRIOR REVIEW: