



Procedure 205-03 Budget Control and Monitoring

Sponsor: Business and Administrative Services

Purpose

The adopted budget is the financial plan that the College will use to monitor financial activity. The purpose of budget control is to ensure that actual expenditures do not exceed the adopted budgeted expenditures.

Definitions

None

Procedure

Budget Controls

The College maintains budgetary controls by line item of the approved budget. An encumbrance accounting system is maintained by the College to accomplish budgetary control. Open encumbrances are not reported as reservations of fund balance at year-end, but are liquidated (lapse at year-end). Encumbrances are re-established at the beginning of the next fiscal year as an obligation against the current year's adopted budget.

Budget Managers' Responsibilities

Budget managers have delegated authority for budget management based upon their employment classification. Budget managers must be classified at either Administrative or Professional Technical level (see Procedure 443-01 Employment Type, Category and Requirements). In addition to creating annual budgets for their assigned organizational detail code budgets, budget managers are responsible for approving pro-card statements, requisitions, personnel action forms (PAFs), budget adjustments, and travel forms, as well as regularly monitoring their budgets.

Budget Status Reports

The Business Office is responsible for developing and issuing Budget Status Reports.

Budget Status Reports by Organizational Detail Code (Banner)

The Business Office prepares a monthly Budget Status Report by organizational detail codes out of the Banner system and sends the document to all budget managers. Budget managers are required to review the report by line item and research any anomalies. If corrections need to be made, they need to contact the Business Office as soon as possible to make corrections.

Budget Status Report for District Governing Board Meetings

The Business Office prepares Budget Status Reports for District Governing Board meetings that include an all funds summary and a two-year general fund analysis. The all funds summary compares revenue and expenses year-to-date to the adopted budget and shows the percentage of budget received or expended year-to-date. The general fund summary compares revenues and expenses year-to-date compared to budget and percentage received or expended year-to-date for the current and prior year. An explanation is provided for significant variances.

Budget Adjustments

Changes in current operating conditions may require the reallocation of resources within an organizational budget code or across various organizational codes. If needed, budget adjustments require appropriate approvals and are processed through the Business Office. Budget adjustments are for temporary internal management purposes and do not modify the formally-adopted budget. The total budget may be decreased; however, the total budgeted expenditures may not be increased.

Budget Performance Analysis

Following the close of the fiscal year, the College prepares a budget-to-actual report for the District Governing Board. An explanation is provided for significant variations between budgeted and actual amounts. An examination of differences in the budget compared to actual performance is used in evaluating future budgets.

Expenditure Limitation

For the Purpose of the expenditure limitation report, the District budget shall be reduced to an amount equal to actual expenditures, once actual expenditures have been determined by the annual audit conducted on the District's financial statement. Any other modifications to the approved District budget must be via formal District Governing Board resolution.

References

Procedure 443-01 Employment Type, Category and Requirements

Procedure History

03/11/2015 New and Approved by College Council

09/052017 Revised (updated titles and office names)

Legal Review

None