

# FIN001. Budget Process

**Procedure Category:** Financial

**Subject:** Preparing, Presenting, and Administering College Budget

**Procedure Owner:** Executive Vice President of Business Services

**Related Procedures:**

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## I. Scope

This procedure addresses the process for preparing, presenting, modifying, and administering the Cowley College budgets.

## II. Procedure Purpose

The purpose of this procedure is to ensure Cowley College has a financial plan in place to support college activities and initiatives. The procedure outlines the various forms and dates applicable to submission and approval of the state-form published budget while ensuring compliance with state statutes for subdivisions of state government related to and establishing local tax levies.

Additionally, the procedure outlines the request for and submission of budget detail for individual operating departments within the college. Once combined, the individual budget requests are reviewed and become the basis for an over-arching operating budget administered within the parameters set forth in the state budget guidelines.

## III. Definitions

*Department Budget Manager:* The person accountable for submitting/approving/administering a specific department budget.

*Draft Budget:* First and subsequent versions of the budget prior to approval as the working budget.

*Fiscal Year:* The fiscal year of the college is July 1 through June 30 of the subsequent year.

*Operating Budget:* The budget compiled using detail requests from departments across the college.

*Published Budget:* The budget compiled using forms/format provided by the Kansas Board of Regents. The form is formally approved by the Board of Trustees and is the vehicle that establishes the annual tax request.

#### **IV. Procedure**

##### **A. Operating Budget**

In January each year, the Chief Business Officer will request budget input from each working department across the college. The CBO will determine the format for budget input. The respective input from each department will be due back to the CBO no later than February 28, at which time the CBO will compile the individual requests into a unified draft budget. At this point, the compiled budget will be reviewed in summary by the president and senior leadership for fit with general college goals for the upcoming year.

At the same time, the CBO will use draft budget information to project future budget for no less than five years. Current and future goals, as well as income projections based on student, state, and local sources will be used to evaluate the reasonableness of expenditure projections. The senior leadership may use projected data to its full advantage in planning and evaluating current program funding.

Based on the above information, a detailed analysis of the current year requests may be undertaken by the CBO, president, senior leadership, or any combination of the above to align expenditure requests with available resources. Specific requests may be reduced or eliminated as a consequence of the analysis. Changes made to any request will be communicated to the requestor by the CBO prior to senior leadership approval of a working budget. Administrative approval of a working budget will ideally happen prior to April 1 each year, with board review no later than June 1 each year.

Once approved by senior leadership, the working budget may be modified by request from the department budget manager. Modifications are limited to movement of funds from one account within the department to another account within the department. Requests for such modification must be made in writing and will be made only with concurrence of the CBO. The president, CBO, and senior leadership reserve the right to modify any and all individual budgets at any point during the fiscal year if circumstances upon which the budget assumptions were made prove incorrect.

Monthly reports of budget status will be provided to each department budget manager by the CBO.

##### **B. Published Budget**

The approved working budget will serve as the starting point for completing the published budget. The CBO has full responsibility for compilation of the published budget. In compiling the published budget, the CBO will follow all guidelines per state statute and regulation, fully completing all required forms. The published budget serves as a limit on spending for each individual accounting fund, and as such should take into account any contingencies for expenditures, including use of accumulated cash reserves.

The primary function of the published budget is to inform the public of college spending plans for the fiscal year and establish the tax levy via the budget certification document. The published budget should be presented to the board in draft form no later than July 1 each year for concurrence on budget assumptions and direction. The publication form must be published in the designated college newspaper(s) no later than 10 days prior to the August board meeting, at which

meeting the board will make final and formal approval of the budget. Public comment must be solicited prior to final and formal approval of the published budget. Board approval must take place no later than 10 days prior to submission of the tax levy certification request to the Cowley County Clerk. Submission of the tax levy certification to the Cowley County Clerk must happen no later than August 25.

**V. Effective Date(s)**

This procedure first became effective 8/19/14. This procedure was reviewed \_\_\_\_\_.

**VI. Signature and Title**

This procedure is implemented by: 

Title: Executive Vice President of Business Services