PURPOSE

The purpose of this procedure is to outline the process used to develop the college’s annual operating budget.

PROCEDURE

a. In March, the Business Office begins the preparation of a preliminary budget based on current year information and known or expected changes for the upcoming year.

i. Tuition and fees figures in the Revenue budget are based on current enrollments combined with projections provided by the Division of Marketing and Enrollment Management. Preliminary state and local allocation estimates are used. Projections for Auxiliary Services revenues are correlated with expected enrollment trends.

ii. The Human Resources department provides current salary and benefit data for the Expense budget, as well as any expected changes in benefit
rates. If an across the board state raise is anticipated in the coming year, that differential is included in the budget.

iii. Non-personnel lines are initially held constant except in cases where obligatory changes are already known.

iv. If the Revenue and Expenses budgets are not in balance, the Business Office will list suggested adjustments to individual line items based on past expenditures. If a revenue surplus is projected, that surplus will be presented at this point as a lump sum for wider discussion about the best use of the additional funds.

b. By April, the preliminary budget is distributed to the Strategic Leadership Team for review and comment.

   i. The impact of major changes under consideration (such as additions or changes to College programs and services) are discussed in relation to the preliminary budget.
   
   ii. Proposed changes are reconciled to the Strategic Plan and the availability of resources.
   
   iii. The Business Office incorporates any accepted changes into the preliminary budget.

c. Strategic Leadership Team members take the budget to their Deans and Managers for discussion.

   i. Each Fund Administrator determines the needs of his/her area of responsibility. As the preliminary budget is reviewed with them, they request any changes that they think are necessary, and justify those requests to their supervisor.

d. Deans and Managers discuss the budget proposal with their faculty and staff and recommend changes based on program priorities.

e. By late May, SLT members bring back the suggested changes from their respective Divisions for discussion and prioritization. The Business Office incorporates these changes in priority order as resources allow. This becomes the proposed budget for the upcoming year.

f. In June the proposed budget is presented to the TCL Area Commission for approval.
g. If needed, any changes required by the Commission are incorporated into the final budget. Upon approval, Business Office staff record the budget into the College's accounting system.

h. The budget is reviewed and revised as necessary. The Business Office monitors revenues to ensure targets are met. Shortfalls or overages may spur a budget revision. Fund administrators will review their budgets to determine if revisions are necessary in order to fund necessary expenditures for the remainder of the year. Fund administrators may also modify budgets between these periods through budget transfers between line items under their authority.

i. Major budget revisions are performed during the year if actual performance deviates from initial projections. A major revision follows the same steps as the initial budget creation and must also be approved by the Area Commission.