

Policy Manual



Title: Budget Preparation, Approval, Amendment and Execution	Number: 6Hx2-6.01
Legal Authority: <i>Fla. Statutes 1010.01;1010.02; 1011.01; 1011.012; 1011.30; 1011.84; FL St Bd of Ed Admin Rules 6A-14.0716</i>	Page: Page 1 of 3

GENERAL STATEMENT

The College, under the direction of the President and the Board of Trustees, will develop an Annual Operating Budget and Capital Outlay Budget to support the strategic goals and objectives of the College in such form as the State Board of Education Rules prescribe.

The President shall take appropriate action necessary during the fiscal year to keep expenditures and obligations within the budgeted resources. Rules of the State Board of Education prescribe procedures for effecting budget amendments subsequent to final approval of a budget for a given year.

Annual Operating Budget

The College's Annual Operating Budget (resides in the Current Fund 1) estimates annual revenues which consist primarily of student tuition revenues and state appropriations. Other revenues include local funding, grants, contracts, sales, and interest income. The Board of Trustees will determine spending priorities in accordance with the provisions of law, SBE rules, the Department of Education, General Accounting Procedure, and the Financial Accounting Standards Board principles. Once the Annual Operating Budget is finalized and approved by the Board of Trustees it is submitted to the Department of Education by their annual deadline, typically June 30th for the following year. The budget will be implemented after approval by the Board of Trustees and Chancellor for Florida College System. The budget shall be complete, correct, and in conformity with law and SBE rule; furthermore, it shall be prepared according to commonly accepted educational and fiscal principles, including the following:

- No revenue shall be anticipated in the budget without reasonable evidence that it will be received.
- Transfers from the general current fund shall not unduly handicap current operations.
- A contingency reserve is authorized in the general current fund.

Budget Approval – The Chancellor shall approve the budget and/or point out deficiencies and needed changes and recommend improvements. If the Chancellor disapproves the original budget submitted by the Board of Trustees, the College shall submit a corrected budget within 15 days after the date on the deficiency notice upon approval of the Board of Trustees. No budget is official until approved by the Chancellor.

Expenditures Until Chancellor Approval – Until the budget is approved by the Chancellor, ordinary expenses may be paid at the same monthly rate as budgeted for the preceding year.

Budget Amendments – Rules of the - State Board of Education prescribe procedures which shall be followed for amending the budget after approval of the budget for a given year. The President or his designee is authorized to reallocate funds between organizational units within a fund and between general ledger object and class codes. The following budget amendments require approval by the Chancellor:

- 1) Transfers of funds from the Current Unrestricted Fund;
- 2) Amendments that cause unencumbered fund balance inconsistent with the statutory guidelines.

Capital Outlay Budget

History: *Revised as Preparation and Submission of Budget on 12/16/86; revised 3/19/91; combined with Pol. 6.02 Approval of Budget, revised and retitled on 6/18/97; combined with Pol. 6.02 Budget Execution, revised and retitled on 8/26/08; revised 4/28/09; revised December 11, 2012*

Approved by the Board of Trustees	Date 12/11/2012	President's Signature 	Date 12/11/2012
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The College's Capital Outlay Budget (resides in the Unexpended Plant Fund 7) funds equipment, renovations, and new facilities whose costs exceed the capitalization threshold requirements that exist in the General Current Fund 1, and whose useful life extends over several years. Like operational budgeting, capital budgeting is a planning and control process. Unlike operational budgeting, however, the capital budgeting process involves planning for large expenditures that often occur over more than one operational year. The primary sources of revenue for the capital budget include local funds (i.e. Capital Improvement Fees, Technology Fees and Transportation & Access Fees revenue the students pay) and PECO (Public Education Capital Outlay) funds from the state.

As part of the overall College budgeting process, the College shall adopt its budget for the capital outlay needs of the College for the entire fiscal year. This budget shall designate the proposed capital outlay expenditures by project for the year from all fund sources. Separate accounts for all capital outlay projects shall be maintained in the Unexpended Plant Fund. The board may not expend any funds on any project not included in the budget, as amended.

THE POLICY AND THE STUDENT

The Board of Trustees will approve student tuition and fees as part of the Annual Operating Budget preparation process in conjunction with the State Legislature's annual legislative process.

IMPLEMENTATION AND OVERSIGHT

The President or his/her designee has responsibility for the implementation and oversight of this policy, including the investigation of any alleged policy violations. The President has the authority to implement any and all procedures needed to implement this policy.

VIOLATION OF POLICY

All individuals in violation of these established policies and procedures may be subject to disciplinary action, up to and including termination.

DEFINITIONS

Fund – Florida Colleges classify their financial activities according to the following:

- Fund 1 – Current Funds – Unrestricted
- Fund 2 – Current Funds – Restricted
- Fund 3 – Auxiliary Funds
- Fund 4 – Loan & Endowment fund
- Fund 5 – Scholarship Fund
- Fund 6 – Agency Fund
- Fund 7 – Unexpended Plant Fund
- Fund 8 – Retirement of Indebtedness Fund
- Fund 9 – Investment in Plant Fund

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Organizational Unit – Cost center or department where spending occurs.

Object Class – Account class, asset, liability, revenue, salary, current expense, capital outlay.

General Ledger Code – Classification code used to describe transactions regardless of the fund in which they are used.

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