

Budget Development and Management Procedure	Procedure Number	4.8P
	Effective Date	October 28, 2015

1.0 PURPOSE

The Board of Trustees of Laramie County Community College is ultimately responsible for ensuring the fiscal resources entrusted to the College are utilized to the fullest extent possible to achieve the institution’s mission. Inherent in the mission is the expectation that resources are deployed and managed toward educational programs and services that help students achieve their educational goals and meet the needs of the community, state, and region.

In accordance with WY§§ 16-4-103, 16-4-104, 16-4-109-111, the College prepares an annual budget for all revenues, expenditures and funds. The Board of Trustees is responsible for final approval of the budget (WY § 21-18-305). The Board delegates the responsibility for the development of proposed budgets and management of approved budgets to the President. The Board expects the President to safeguard the budget process and ensure it includes broad-based inclusion of faculty and staff across campus, promotes transparency and maintains an essential focus on ensuring the College’s fiscal health for the future and alignment with its mission, vision, values and strategic plan.

The purpose of this procedure is to delineate the process and parameters through which Laramie County Community College (LCCC) develops and manages the annual budget for the College.

2.0 REVISION HISTORY

Adopted on: 9/25/15 (replaces Budget Preparation and Management Procedure 8200)
 Edited by Board on: 10/7/15

3.0 PERSONS AFFECTED

This procedure is applicable to the Board of Trustees, all full-time and part-time administrators, faculty, staff, and professionals.

4.0 DEFINITIONS

- A. *Annual Budget* – The College operating budget, which includes the Current (General) Fund, Auxiliary Fund, Restricted Fund, Plant Fund and other funds as appropriate. The Board of Trustees approves the annual budget on the third Wednesday in July for the following fiscal period, July 1 to June 30 in accordance with Wyoming state statute.
- B. *Biennial Budget* – A budget document that represents the expected budget requirements for a fiscal period beginning on July 1 of even numbered years and ends two years later on June 30. The document is prepared by the Wyoming Community College Commission (WCCC), in collaboration with the community colleges, and presented to the Governor, and the Legislature for their review and approval.

- C. *Biennial Budget Authority* – The State General Fund appropriation which is approved by the Wyoming Legislature and the budget amount authorized by the WCCC for all other revenues collected by a community college during a two year period.
- D. *Cost Center Budget* – A set of accounts, which identify the costs of specific college, school, or departmental activities.
- E. *Funds* – Organizational groupings of financial resources whose principal or interest is set apart from other resources for a specifically defined objective.
 - 1) *Unrestricted – Current (General) Fund* – The primary operating fund for the College. The Current (General) Fund is used to account for the revenues and expenditures that result from performing the primary supporting mission of the College. The term “current” means that the funds will be expended in the near term for operating purposes that are directly or indirectly related to the instruction of students. The principal revenue sources for the Current Fund include the State support (State Aid), local tax collections (local appropriation), tuition and fees, miscellaneous income and a cash reserve.
 - 2) *One Mill* – Wyoming §21-18-303(b) allows for a Community College District Board to approve up to one (1) additional mill levy on the assessed value of the District for a period not to exceed two (2) years for the regular support and operation of the College. The renewal of this one mill levy is up for the LCCC Board of Trustees to consider at this time.
 - 3) *Unrestricted - Auxiliary Fund* – The primary function of the Auxiliary Fund is to account for College enterprise operations generally expected to be self-sustaining from the revenues collected. Such services exist to furnish goods and services or facilities to students, faculty, staff and the general public, and require fees that are directly related to, although not necessarily equal to, the cost of the goods or services. This fund is also used to account for the cost of enterprise operations that may require a current fund subsidy.
 - 4) *Restricted Fund* – The primary function of the restricted fund is to account for money received for a specific purpose and restricted by an outside entity.
 - 5) *Plant Fund* – The primary purpose of the Plant Fund is used to record revenue received for the acquisition, construction, or improvement of property, and to record expenditures for capital assets. Revenue may be generated through borrowing (including general obligation bonds, revenue bonds, and loans from lending institutions), and from gifts or transfers of money from other funds.
- F. *Agency Fund* – The primary purpose of the Agency Fund is to account for money which a college administers as a trustee pursuant to law, trust agreement, or Wyoming Community College Commission policy which restricts the use of the money to a specified purpose and which is held and distributed as an agent.
- G. *Committees*
 - 1) *Budget Process Advisory Committee (BPAC)* – A broad-based committee that serves as ambassadors throughout the budgetary process and acts in an advisory capacity in forwarding process recommendations to President’s Cabinet. The members of the committee are solicited from the President, LCCCEA, Faculty Senate, and Staff Senate and include four faculty, four staff (to include both educational services and professional) and two administrative members. The terms are two years. Conditionally, the members are limited to one member per school/department to receive the broadest representation.

- 2) *Budget Resource Allocation Committee (BRAC)* – A sub-committee of College Council that analyzes and reviews budget requests for one-time expenditures, and makes funding recommendations to College Council. (See Procedure 1.1.5) The members of the committee are solicited from College Council.

5.0 PROCEDURES

A. Roles and Responsibilities

The budget is decentralized along organizational lines. The decentralized budget places responsibility at the operational level for budgetary planning. Opportunities for input and review are built into each step of the process. The following are the roles and responsibilities of various individuals and/or groups associated with the budget development and management process.

- 1) The Board of Trustees is responsible for establishing the Strategic Plan and Board goals.
- 2) Delegated by the President, each fiscal year, the Vice President for Administration and Finance is responsible for developing, reviewing, and implementing a budget development process that is integrated with the College's Strategic Plan and linked to the College goals, objectives and Key Performance Indicators (KPI's).
- 3) The President and President's Cabinet are responsible for developing decision-making criteria (rubric) to evaluate funding requests.
- 4) The Budget Director and the Vice President for Administration and Finance Services are responsible for developing revenue estimates for all funding sources and making funding recommendations to the President and President's Cabinet.
- 5) The College Council is responsible for reviewing and making recommendations to President's Cabinet on the budget decision-making criteria, funding for one-time and personnel requests through the Budget Resource Allocation Committee.
- 6) The Vice President for Administration and Finance or designee is responsible to safeguard the budget process to ensure the processes are a broad-based inclusion of the faculty and staff, promote transparency and maintain an essential focus on ensuring the College's fiscal health.
- 7) Annual budgets are prepared in accordance with WCCC rules and Wyoming state statutes. A budget will be developed for each of the following funds:
 - a. Unrestricted – Current (General) Fund
 - b. Unrestricted - One-mill Fund (if appropriate)
 - c. Unrestricted - Auxiliary Fund
 - d. Restricted Fund
 - e. Endowment Fund (if appropriate)
 - f. Plant Fund
 - g. Other funds as needed
- 8) Funds are managed in compliance with the budgets adopted by the Board of Trustees at the annual budget hearing.
- 9) The Budget Director is responsible for reviewing the process each year through the Budget Process Advisory Committee (BPAC) and producing the Budget Process Manual (See Appendix A). The Budget Process Manual includes the request guidelines, requesting forms, the Trend Data, the budget development timeline, the decision making rubric and the process map (See Appendix A). The guidelines will include instructions for completing the budget request forms (Trend Data). The request forms (Trend Data) will provide actual expenditures for the three previous years, budget for the current year and columns to

request the next year budget, rationale for the request, the Strategic Plan goal(s) and Key Performance Indicators (KPIs) the request supports.

- 10) Implicit in the budget development process are feedback loops facilitated by the appropriate administrators, at each stage of the process, to ensure communication and feedback from the College community is integral to the budget development and management process.

B. Budget Development Process

The budget development process is a complex activity, requiring significant involvement of numerous individuals and groups necessitating a lengthy timeline from start to finish. Thus, the budget planning and development cycle for each fiscal year begins during the fall of the previous fiscal year and is accomplished through the following process. (See the Budget Process Manual- Appendix A.)

- 1) The budget timeline along with the Budget Request Guidelines are prepared by the Budget Director and communicated to cost center managers. The guidelines include the due date for submission and the directions for the completion of the budget request (Trend Data) worksheets.
- 2) Department managers complete the cost center budget request fields on the request forms (Trend Data) following the guidelines in the Budget Process Manual - Appendix A. Cost Center budget requests for funding shall support:
 - a. The established Board and department goals and objectives
 - b. Determination of school or departmental priorities
 - c. Identification of additional resources (grants, partnerships, etc.)
 - d. Identification of line items that are over or under funded
- 3) Supervisors review, discuss and approve proposed requests. Requests are forwarded to the appropriate members of the President's Cabinet.
- 4) The members of the President's Cabinet review, discuss, approve, and prioritize the requests from their individual schools and departments.
- 5) The prioritized requests are forwarded to the Budget Director to be accumulated into a single document. The Budget Director forwards the accumulated requests to President's Cabinet and College Council.
- 6) The College Council, through the Budget Resource Allocation Committee, reviews requests and makes recommendations for funding of one-time-only requests, and operating budgets to President's Cabinet.
- 7) The College Council reviews requests from the Human Resources Prioritization Process and makes recommendations for funding of new positions to President's Cabinet.
- 8) The President's Cabinet reviews, discusses, and prioritizes recommendations from College Council and makes funding recommendations to the President.
- 9) The Budget Director examines, analyzes, and consolidates institutional budget requests into the budget based on the information and recommendations.
- 10) The President presents the budget to the Board of Trustees in April.
- 11) The budget is presented to and discussed by the Board of Trustees in May for first reading.
- 12) The Board of Trustees provides feedback and directives on first reading.
- 13) The budget is presented in June for second reading with any changes from the May presentation. The Board of Trustees provides feedback and directives on second reading.
- 14) The Board of Trustees approves the budget on or before July 1 in accordance with state statute.


C. Budget Management

- 1) Administration and Finance is responsible for the overall control of the budget, while individual schools/departments (cost center managers) are responsible for their budget estimates and subsequent expenditures. All expenditures initiated by individual schools/departments must receive approval through organizational lines of authority.
- 2) The Budget Director is responsible for analyzing, modifying, and reconciling the budget, including providing monthly reports of budget and expenditures to the Board of Trustees and to President’s Cabinet. The Budget Director is responsible for providing training on budget processes and budget-related information within the finance system.
- 3) The Budget Director is responsible for any adjustments or modifications to the budget, including documenting the need for the changes. Budgets for salary and benefits are centralized for all cost centers. Budget for operating and travel expenditures are decentralized and can be used for other operating needs. Reserves or vacancy savings are maintained at the central level and expenditures from these funds are determined and approved by President’s Cabinet.

D. Budget Amendments

The Administration and Finance Vice President and the Budget Director are responsible for transacting budget amendments as necessary for good management of College funds. The Budget Director shall:

- 1) Prepare, review, and recommend budget amendments for the approval of the Board.
- 2) Establish administrative processes for approval of internal amendment of budgets authorized by the Board, based on the justification of the requested change.
- 3) Provide an audit record of all approved amendments.

REQUIRED APPROVALS	NAME/SIGNATURE	DATE
Originator(s) Name(s)	Carol J. Hoglund, Administration and Finance Vice President Jayne Myrick, Budget Director	6/16/15
Approval by President's Cabinet		9/22/15
Ratified by College Council	Chad Marley, College Council Co-chair	9/25/15
Approval by President (Signature)		9/25/15