

Budget Process Overview

FY 2016

November 11, 2015

Agenda

- Budget/Actual Reviews
- Purchasing Process
- Revenue Budget
- Expenditure Budget
- Key Events Timeline

Budget/Actual Reviews

- Departments review budget to actual financial reports
- Budget Manager monitors accounts for budget compliance
- Controller and EVP review monthly financial reports
- Monthly reports are provided to the Board

Purchasing Process

- Purchase requisitions require appropriate approval based on amount
- Purchase orders are approved by the Purchasing Manager
- Receiving is confirmed before payment
- Accounts Payable reviews invoices before payment

Revenue Budget – Tax Capped Funds

Local Government (50%)

- Increase tied to CPI-U per Property Tax Extension Limitation Law
- New Construction (*about 0.3% of EAV*)
- Appeals/Refunds (*about \$2M*)
- Collection Assumptions (*99+%*)

State Government (7%)

- Held flat unless direction provided by ICCB

Tuition and Fees (42%)

- Rate based on Tuition and Per Credit Hour Fees Policy
- Enrollment projection done by market segment
- Course Fees
- Student Activity Fee
- Registration Fee

Other (1%)

- Sales and Services
- Facility Rental
- Interest

Expenditure Budget – Tax Capped Funds

Salaries (66%)

- Based on collective bargaining agreements (CBA)
- If no CBA assume CPI-U or 2% floor
- Based on actual existing positions
- Vacant positions are budgeted

Benefits (12%)

- Health Insurance
- Workers Compensation
- Unemployment
- Professional Development
- Employee Tuition Waivers

Expenditure Budget – Tax Capped Funds

(continued)

All Other (22%) – Assume no growth from prior budget

- Contractual Services (6%)
 - General Materials/Supplies (6%)
 - Utilities (3%)
 - Capital Outlay (2%)
 - Conferences and Meetings (1%)
 - Fixed Charges (1%)
 - Other (3%)
 - Tuition Waivers – *Adult Ed, Dual Credit, Veterans*
 - Negative expense adjustment
 - Contingency – *\$350,000*
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- Reallocations and adjustments done as needed and approved for known changes
 - Only way to increase a budget line is an approved budget exception, if funding is available and it is approved by Executive Council

Budget Timeline – Key Events

December

- Five-Year Financial Plan is presented to the Board
- Facility remodeling and furniture requests are due

January

- Budget planning calendar is reviewed by President's Cabinet
- Budget instructions, calendar, and budget request forms are available
- Preliminary review of furniture and remodeling requests by Executive Council member
- Shared Governance Finance Committee reviews proposed tuition and fee changes

February

- Budget training sessions held
- Course fees recommendation to the Board
- Tuition recommendation to Board
- Instructional capital requests due

March

- Estimates for remodeling and furniture due back from Facilities Management
- Technology and budget exception requests due to Executive Council member for review

Budget Timeline – Key Events *(continued)*

April

- Technology requests submitted to IT for review
- Executive Council reviews all funds and budget requests
- Preliminary budget parameters shared with the Board
- Departments complete budget input, cannot touch salaries or benefits

May

- Final budget input and budget is reconciled
- Final review of preliminary budget by Executive Council
- Shared Governance Finance Committee reviews preliminary budget

June

- Preliminary budget presented to Board for adoption
- Preliminary budget available for public viewing

August

- Public Hearing
- Board votes on adopting legal budget