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
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
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

- 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
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