

College Operating Procedures (COP)



Procedure Title: Budget Development
Procedure Number: 04-0402
Originating Department: Office of Financial Services

Specific Authority:

Board Policy **6Hx6:1.01, 6Hx6:1.02**
Florida Statute **§1001.02(1)(g), 1011.01, 1011.30, 1001.64, 1004.65(1)**
Florida Administrative Code **6A-140716**

Procedure Actions: Adopted: 06/09; 07/10, 01/11

Purpose Statement: This procedure establishes guidelines for the development and submission of annual budgets for all College departments and programs.

Guidelines:

This procedure applies to the General Current Operating Fund (Fund 1), Restricted Current Fund (Fund 2), Auxiliary Services Fund (Fund 3), Loan and Endowment Fund (Fund 4), Scholarship Fund (Fund 5), the Unexpended Plant Fund (Fund 7), and the Charter Schools.

Procedures:

I. GENERAL CURRENT OPERATING FUND (FUND 1)

A. GENERAL REQUIREMENTS

1. The Operating Fund is used to account for the economic resources used to accomplish the primary and supporting objectives of the College. The only restrictions on these resources are those imposed by law, regulation or budgetary constraints.
2. A fiscal year budget for these funds must be prepared each year, approved by the College's District Board of Trustees and submitted to the Department of Education, Division of Florida Colleges in accordance with Florida State Board of Education Administrative Rule 6A-14.0716.

B. BUDGET PREPARATION

1. Cost to Continue:
 - a. Beginning in February, the current year budget will be downloaded into the online budget development system in order for budget administrators and campus administration to develop operating budgets to meet the needs for the upcoming year.

- b. The cost to continue budgets assume the previous year's budget as a base from which to make adjustments based on changing revenues and expense items. Budgets will be downloaded in the current year format; however budget administrators have the ability to move budget dollars between index codes and account codes.

2. Staffing Plan:

- a. A staffing plan will also be provided which will outline positions and the funding source. Budget administrators are required to review and approve the staffing plan and return to the Director of Budget and Financial Planning.
- b. If changes are needed, budget administrators must contact the Director of Budget & Financial Planning.

3. Requests for New Funds:

- a. Requests for new funds must be submitted on the appropriate forms. These forms are the New Initiative Request form, Mandatory Increase form, New Position Request form, Major/Minor Renovation form, Technology Request form and the Furniture & Equipment Request form. These forms must be approved by the appropriate campus/district administrator prior to submitting to the Budget office.
- b. Requests for new initiatives are prioritized by District Council and funding will be identified if approved.
- c. Approved requests are contingent upon state funding.

4. Supplementary Data

- a. The Annual Operating Budget document submitted to the Board will contain additional budget data beyond that which is required by Division of Florida Colleges rule in order to provide a comprehensive perspective of the College's operations.

C. BUDGET APPROVAL

1. The College's District Board of Trustees approves the budget and operating plans.
2. Two copies of the budget approved by the Board of Trustees shall be submitted to the Chancellor, as designee of the Commissioner of Education for state approval by June 30th of each year. The original or facsimile signature of the College President will indicate Board approval. Approval, or disapproval, by the Division of Florida Colleges will be sent to the College within thirty days.

3. If the Division of Florida Colleges does not approve the annual budget, they will make recommendations for changes and a corrected budget must be submitted within fifteen days.

D. BUDGET EXECUTION

Expenditures and obligations must not exceed the budgeted resources in any general ledger class (i.e. personnel, current expenses, capital). Transfers and budget amendments are permitted as allowed by Florida Statute, Division of Florida Colleges rule and College policy. (Please see Florida SouthWestern State College Policy 04-0401)

II. CURRENT RESTRICTED FUND (FUND 2)

A. GENERAL REQUIREMENTS

1. The Current Restricted Fund is used to account for the economic resources used to accomplish the primary and supporting objectives of the College, however, the use of these resources have been restricted by outside agencies or donors.
2. An annual operating budget for current restricted funds is not required to be approved by the Board or submitted to the Division of Florida Colleges. Individual outside agencies and donors may impose budget preparation and reporting requirements of their own which must be adhered to by the College. A Current Restricted Fund budget will be prepared to the extent possible within the time frame for preparing the General Current Fund budget and will be included in the budget recommendation to the District Board of Trustees. Budget transfers and amendments will be permitted.

B. BUDGET PREPARATION

The format for preparation of the annual Current Restricted Fund budget will parallel the Fund 1 budget prescribed by the Division of Florida Colleges. The budget, along with the Operating budget, will be incorporated into a single Annual Operating Budget presentation for the District Board of Trustees approval.

1. **STUDENT SERVICES AND ACTIVITIES BUDGET**
 - a. The Director of Budget & Financial Planning will provide a revenue projection to the Dean of Student Services that will provide revenue estimates for each campus.
 - b. An expenditure budget related to the Student Services and Activity Fees will be prepared jointly by students and College staff and approved by both the Campus President and the SGA President.

- c. The appropriate College staff will be responsible for submitting the Student Services and Activity budget to the Office of Financial Services no later than March 31 of each year.

2. GRANTS (FEDERAL, STATE, LOCAL, PRIVATE), GIFTS, CONTRACTS

- a. Expenditure budgets which are required for Federal, State, Local and Private use as well as Gifts and Contracts to the extent that the expenditures are known or can be reasonably anticipated during the Operating budget preparation timeframe, will be prepared and included in the Annual Budget presentation to the Board.
- b. The appropriate budget administrator will work with the Grants & Project Accountant to develop the budgets of the restricted fund. The Grants & Project Accountant will provide position and salary information and will assist in developing the expense budget.

3. CHARTER SCHOOLS

- a. The Director of Budget & Financial Planning will work with the school Principals to prepare state funding estimates based on anticipated number of students and the state's economic outlook.
- b. Additional revenue sources, such as food sales, transportation fees, grants and capital outlay dollars will be estimated by the Director of Budget & Financial Planning.
- c. A staffing plan will be provided to the Principal which will outline current positions. Any additional positions proposed by the Principal will be included but are contingent upon the entire budgets ability to absorb the additional cost.
- d. An expenditure budget will be prepared by the Principal with help from the Office of Financial Services.

C. BUDGET APPROVAL

Formal approval of the Current Restricted Fund budgets by the District Board of Trustees is not required by Florida Statute or Division of Florida Colleges rule. The District Board of Trustees should, however, formally approve the Charter School budgets.

D. BUDGET EXECUTION

In keeping with sound fiscal procedures, expenditures and obligations must not exceed the budgeted resources in any general ledger class (i.e.: personnel, current expenses, capital). Transfers and budget amendments are permitted as allowed by Grantor, Florida Statute, Division of Florida Colleges rule and College policy. (Please see Florida SouthWestern State College Policy 04-0401)

III. AUXILIARY SERVICES FUND (FUND 3)

A. GENERAL REQUIREMENTS

The auxiliary enterprises of the College are accounted for in Fund 3. Auxiliary enterprises include, but are not limited to, Bookstore, Food Service, Vending, Facility Rentals and Barbara B. Mann commissions.

B. BUDGET PREPARATIONS

1. The Auxiliary Services Manager in collaboration with the Campus Director's of Administrative Services prepares the budget for auxiliary services.
2. The Campus Director of Administrative Services will provide the Auxiliary Services Manager the revenue and expense figures they anticipate for their respective campus facility rentals. The manager will then budget for anticipated expenses for the areas listed in Section A.
3. Additionally, an expense line for public relations budgets (which reside in Fund 1) and employee waivers will be budgeted. Once complete, the budget will be approved by the Vice President of Financial Services.

IV. LOAN AND ENDOWMENT FUND (FUND 4)

A. GENERAL REQUIREMENTS

1. This fund consists primarily of two types of resources; (1) Loan funds and (2) the Gallery of Fine Art Endowment funds. Neither of these funds has any significant recurring operating expenses which need to be planned and budgeted.
2. Expenses related to the loan fund are minimal and such expenses are transferred from the fund balance as needed.
3. The Gallery of Fine Art Endowment allows for certain expenses as needed and a transfer from the endowment fund balance is made when these expenses are anticipated.

V. FINANCIAL AID FUND (FUND 5)

A. GENERAL REQUIREMENTS

This fund is used to account for resources available for awards to students which are not in payment for services rendered to the College and will not require repayment to the College.

B. BUDGET PREPARATIONS

1. The Financial Aid Office, in conjunction with the Office of Financial Services, will prepare a budget of anticipated revenues and expenditures including Federal, State and Institutional awards.

2. The Financial Aid Fund budget will be included in the Annual Operating Budget presentation to the District Board of Trustees.
3. Budget transfers and amendments will be permitted as allowed by Florida Statute, Division of Florida Colleges rule and College policy.

VI. UNEXPENDED PLANT FUND (FUND 7)

A. GENERAL REQUIREMENTS

This fund is used to account for resources that are available for the acquisition or construction of physical property to be used for institutional purposes as well as the identification of resources designated for the major repair or replacement of institutional property. A detailed capital improvement plan serves as the basis for identifying the planned expenditures for the fiscal year.

B. BUDGET PREPARATIONS

1. The Director of Facilities will meet with Campus Presidents and District Administration to develop upcoming year projects. Projects will be prioritized and with the assistance of the Grants & Project Accountant funding sources will be identified.
2. The Grants & Project Accountant will prepare a summary of revenue and expenditures for the fiscal year, summarized by fund source as well as a project list by campus to be included in the Annual Operating Budget.
3. The project list shall be approved by the District Board of Trustees as required by Florida Administrative Rule 6A-14.1716(4).

VII. FINANCING CORPORATION

The Financing Corporation is a direct support organization and a component unit of Florida SouthWestern State College. While it is governed by its own independent District Board of Directors, it is considered an integral component of the budget preparation process and is, therefore, included in the Annual Operating Budget for recommendation to the Board.

VIII. SALARY SCHEDULE

A comprehensive schedule of authorized positions by position classification including authorized compensation will be prepared by the Human Resources Department and included in the Annual Operating Budget presentation to the District Board of Trustees. This schedule, while not required to be submitted as part of the budget, is considered an integral component of the budget preparation process and is included for recommendation to the Board.

IX. INVESTMENT POLICY

The colleges' investment policy shall be included in the Annual Operating Budget for approval by the District Board of Trustees. This schedule, while not required to be submitted as part of the budget, is considered an integral component of the budget preparation process and is included for recommendation to the Board.

X. TECHNOLOGY BUDGET

Each year an analysis of technology at the College is conducted in order to increase efficiency and effectiveness. Funding for these items is made available through the reserving of non-recurring funds as well as technology fees; therefore, it is included in the Annual Operating budget for recommendation to the Board.

XI. STUDENT FEES

The State Board of Education annually adopts a standard tuition rate from which the College may vary no more than 10% below or 15% above. Additionally, the College is allowed to charge other fees such as a Student Activity Fee, Financial Aid Fee, Capital Improvement Fee and Technology Fee as well as other fees pertaining to instructional and non-instructional services. The list of fees is included in the Annual Operating Budget for recommendation to the Board.