

Davis Applied Technology College: A Utah College of Applied Technology Campus

Budget Control Policy and Procedures

Overview

00-XX-XX

Effective Date: 01 July 1995

Administrative Council Approval: 09 August 1995

Board Approval: 22 August 1995

Purpose/Background

To provide a table of contents and definitions for policies and procedures governing budgeting and budget control.

Budgets are a management tool used to allocate resources efficiently and to monitor and control the spending of funds and safeguard the assets of the organization.

Budgets are generally established at the program level. Responsibility for monitoring and spending for budgets will be delegated to the program management level within guidelines established by Administration and Board policy.

Definitions

1. **General Budgets**

These are all budgets for funds that are State appropriated general fund budgets and not part of the restricted accounting fund (i.e. contracts and grants). General budgets include those for the general operating fund, designated funds (i.e. local custom fit and assessment), and auxiliary funds (i.e. bookstore and motor pool).

2. **Restricted Budgets**

These are budgets for contracts and grants that are restricted by the entity providing the funds.

3. **Function**

This is the level of expenditure that we are required to report on our financial statements and is also the level at which the DATC Board will approve budgets for the general fund. Functions include:

Instruction	Institutional Support
Academic Support	Operation and Maintenance of Plant
Student Services	Scholarships and Grants-In-Aid

4. **Program**

A program is a subset of function. It is a group of closely related activities that work towards a common goal. For example, in instruction each area of technical training would be a program such as Welding, Drafting, Industrial Maintenance, etc. In Student Services, examples of programs may include Placement, Registration, Testing, etc. In Institutional Support examples of programs may include Administration, Fiscal Services, etc.

5. **Program Manager**

The budget control officer designated by the Division Administrator as having fiscal management responsibilities over a program.

6. **Division Administrator**

The individual recognized as the chief division officer.

7. **Personnel Costs**

These are the costs for salary/wages and benefits for employees of the Center.

8. **Current Expense**
Current expenses are for non-personnel resources required on an ongoing basis to operate programs. Current expense includes supplies, maintenance agreements, utilities, travel, training, etc.

9. **Capital Expenditures**
This includes the purchase of one-time items costing over \$1,000 such as equipment, improvements, computers, etc. Equipment costing less than \$1,000 is typically charged to a current expense account. Upgrades and improvements over \$1,000 are considered capital expenditures only if they add value to the asset they are applied to, otherwise, they are considered current expense.

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Budget Control Policy and Procedures

General Budgets - Policies

00-10-XX

Effective Date: 01 July 1995

Administrative Council Approval: 09 August 1995

Board Approval: 22 August 1995

Purpose/Background

To provide general policies governing the establishment and monitoring of general budgets and budget controls. General budgets include all DATC budgets with the exception of those that have external restrictions placed on them by contracts, grants, or agreements (i.e. those accounted for in restricted funds).

Policy

- A. Prior to the beginning of each fiscal year the DATC Board shall approve all general fund budgets at the function level.

Revisions to the budget may be made as necessary throughout the year as deemed appropriate by Administration as described in [F] through I below.

- B. This budget shall be developed at the program level under the direction of the Comptroller in a manner consistent with the strategic and tactical plans as developed by the DATC Administration, faculty, and staff. The budget shall be developed by program managers and prioritized by the DATC Administrative Team.
- C. Personnel budget requests shall be developed by Fiscal Services based upon FTE (full time equivalent) positions approved by the Board. Once that position is established it may be filled by the Administration without Board approval contingent on fund availability.
- D. Current expense and capital expenditure requests shall be prepared by the Program Manager. Included in the capital requests shall be an itemized list of items that they wish to purchase. As part of the budget process the DATC Administrative Team shall prioritize these requests and only those capital items which are approved on the prioritized list may be authorized during the coming fiscal year for Fiscal Services to purchase.
- E. Program managers shall have the authority to spend approved budgets in a manner consistent with their program objectives. Program managers will be responsible to monitor and control their budgets to insure that expenditures related to that program do not exceed approved budget levels and that expenditures are appropriate.
- F. Program managers shall have the authority to transfer budget amounts within a program budget so long as the transfer does not cross over personnel, current expense, and capital budgets.
- G. Division Administrators are authorized to transfer budget amounts across programs under their direction so long as the transfer does not cross over personnel, current expense, and capital budgets.
- H. Comptroller and Superintendent's approval is required to transfer budget amounts across personnel costs, current expense and equipment costs either within a program or across programs within the same function.
- I. Board approval is required to transfer budget amounts between functions through an approved budget revision. In cases of emergency, budget amounts may be transferred between functions with approval of the Superintendent and the Comptroller. The Board must be notified of any emergency transfer at the next regularly scheduled Board meeting.

- J. Fiscal Services is responsible to monitor expenditures against budgets on a monthly basis and to notify the proper Division Administrator as problems arise.
- K. If an individual program exceeds its approved budget for a fiscal year, the overage shall be covered from that function during the current year.

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Budget Control Policy and Procedures

Establishing General Budgets

00-10-01

Effective Date: 01 July 1995

Administrative Council Approval: 09 August 1995

Board Approval: 22 August 1995

Purpose/Background

To provide procedures for establishing general budgets.

Procedures

1. The Legislature reviews the DATC budget requests and appropriates a funding level for each fiscal year.
2. The Comptroller and Superintendent develop a timeline for establishing a Center-wide budget each fiscal year.
3. The DATC Administrative Team reviews funding levels and establishes priorities for the fiscal year.
4. Fiscal Services prepares a base budget based upon previous year's approved budget, mandated spending cuts or shifts in priorities, and anticipated salary benefit costs for the coming year.
5. The Administrative Team reviews the amount of unallocated funding in the base budget and reestablishes priorities and allocates funding based upon this information.
6. Fiscal Services prepares budget request instructions based on funding levels and priorities, and distributes to program managers through their Division Administrator for them to prepare their budget requests for the coming year.
7. Program managers prepare their requests for the coming year including requests for additional FTE positions, current expense, and capital expenditures.
8. Program managers submit their budget request to their Division Administrator who prioritizes the budget requests based upon the funding level allocated to the division.
9. Division Administrator submits his/her prioritized budget requests to the Administrative Team which will prioritize all budget requests for the Center.
10. Fiscal Services prepares a final proposed budget to send to the Board for approval.
11. DATC Board will approve the budget as presented or request modifications to the budget. If necessary, the Administrative Team will make necessary modifications and resubmit to the Board for final budget approval.

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Budget Control Policy and Procedures

Modifying General Budgets

00-10-02

Effective Date: 01 July 1995

Administrative Council Approval: 09 August 1995

Board Approval: 22 August 1995

Purpose/Background

To provide procedures for the modification of established general budgets.

Procedures

A. Budget Transfers within a Program

I. [Personnel Budget Transfer Within Program - No Additional FTE.]

- (1) If a transfer within the Personnel budget is desired and does not require the creation or increase of additional FTE positions, Program Manager completes Budget Transfer Request form and submits to Assistant Accountant.
- (2) Assistant Accountant reviews for appropriateness and processes request. Forwards copy of approved form to originating Program Manager indicating transfer made.

II. [Personnel Budget Transfer Within Program - Additional FTE.]

- (1) If a transfer is within Personnel budget and requires the creation or increase of additional FTE positions, Program Manager completes Budget Transfer Request form and submits to Division Administrator.
- (2) Division Administrator reviews for appropriateness and forwards to Comptroller.
- (3) Comptroller reviews for budget appropriateness and makes recommendation to Superintendent.
- (4) Superintendent approves or rejects.
- (5) If approved, Superintendent forwards to Assistant Accountant to process request. Assistant Accountant forwards copy of approved form to originating Program Manager indicating transfer made.
- (6) Include in consent calendar of next Board meeting.

III. [Current Expense Budget Transfer - Within Program.]

- (1) If transfer within current expense budget, Program Manager completes Budget Transfer Request form and submits to Assistant Accountant.
- (2) Assistant Accountant reviews for appropriateness and processes request. Forward copy of approved form to originating Program Manager indicating transfer made.

IV. [Capital Expenditure Budget Transfer - Within Program.]

- (1) If transfer within capital expenditure budget Program Manager completes Budget Transfer Request form indicating change in capital items requested for purchase.
- (2) Forwards to Division Administrator for approval.
- (3) Division Administrator forwards to Assistant Accountant.
- (4) Assistant Accountant reviews for appropriateness and processes request. This includes making update to approved capital expenditure list if not previously approved or if funding exceeds approved amounts. Forwards copy of approved form to originating Program Manager indicating transfer made.

B. Budget Transfers across Programs within the Same Function

- (1) Program Manager determines that a budget transfer is necessary to cover costs.
- (2) Program Manager completes Budget Transfer Request form and signs it.
- (3) Program Manager submits budget request form to Division Administrator for proper approval, or Division Administrator may initiate request.
- (4) Submits to Comptroller for processing.
- (5) Comptroller reviews for appropriateness and approval.
- (6) Comptroller submits to Assistant Accountant for processing. Forward copy of approved form to originating Program Manager(s) indicating transfer made.

C. Budget Transfers across Personnel, Current Expense, and Capital Expenditures either within a program or across programs within the same function

- (1) Program Manager determines that a budget transfer is necessary to cover costs.
- (2) Program Manager completes Budget Transfer Request form and signs it.
- (3) Program Manager submits budget request form to Division Administrator for proper approval.
- (4) Submits to Comptroller for processing.
- (5) Comptroller reviews for budget appropriateness and approval, and makes recommendation to Superintendent.
- (6) Superintendent approves or rejects.
- (7) If approved, Superintendent submits to Assistant Accountant for processing. Assistant Accountant forwards copy of approved form to originating Program Manager indicating transfer made.

D. Other Budget Transfers

Other budget transfers will be handled through periodic budget revisions as deemed necessary by the Administration.

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Budget Control Policy and Procedures
Restricted Fund Budgets - Policies

00-20-XX

Effective Date: 01 July 1995

Administrative Council Approval: 09 August 1995

Board Approval: 22 August 1995

Purpose/Background

To provide general policies governing the establishment and monitoring of restricted fund budgets and budget controls.

The restricted accounting fund is used to account for the operation of activities restricted by a contract which imposes external restrictions on services provided and fund balances. As a result, the budget and budget controls for restricted funds are typically controlled by contractual agreements, federal restrictions, state restrictions, and other legal restrictions. As a result, these funds are typically not under the direct control of the local DATC Board.

Policy

Budgets and budget proposals for restricted contracts shall be developed by the Institutional Planning and Development Coordinator with input from the Comptroller following policies and procedures outlined in Section 40, Restricted Fund Accounting - Contracts, of this manual.

Davis Applied Technology College: A Utah College of Applied Technology Campus
Budget Transfer Request Form

Program Name _____

Check One

- A. Budget Transfer within Program (or restricted contract)
- B. Budget Transfer across Program within the Same Function
- C. Budget Transfer across Personnel, Current Expense, and Capital Expenditures, either within a program or across programs within the same function
- D. Budget Transfer between functions (Requires Board approval prior to processing)

Check One (except for Restricted Contracts)

- 1. Personnel Budget Transfer Not Requiring Additional Approved FTE Positions
- 2. Personnel Budget Transfer Requiring Additional Approved FTE Positions (Requires Board approval)
- 3. Current Expense Budget Transfer
- 4. Capital Expenditure Budget Transfer

Brief Explanation of Reason for Transfer Request _____

Account Number Program - Object Code	Account Description	Amount to Transfer To Account	Amount to Transfer From Account
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
TOTAL			

APPROVAL SIGNATURE(S) NEEDED

- 1) Director/Manager of Program (for all requests) _____ Date _____
- 2) Cognizant Vice President (if box B, C, 2, or 4 checked) _____ Date _____
- 3) Vice President of Administrative Services (if box B, C, D, or 2 checked) _____ Date _____
- 4) Campus President (if box C, D, or 2 checked) _____ Date _____
- 5) Controller (indicating processed) _____ Date _____
- 6) Board of Directors Approval (if box D or 2 checked) _____ Date _____