

## **Integrating Assessment, Planning and Budgeting**

**Principle:** *a truth that is a foundation; a fundamental belief; a rule of action or conduct; uprightness or honor; the method of operation [synonyms: tenet, precept, integrity]*

**Assumption:** *an axiom or supposition; a premise; something taken for granted*

**Guideline:** *a statement of policy or procedure by which to determine a course of action*

### **Principles for Financial Planning**

- Implement a budget-building methodology that is grounded on assessment and planning.
- Ensure decisions serve the best interest of students and communities.
- Ensure institutional responsibility and individual accountability through a process that is deliberate, participatory, and transparent in support of the College's mission.
- Ensure resource decisions are driven by the College's Core Themes: Teaching and Learning; Community Engagement; and Resource Development.
- Ensure results of allocations will be assessed annually.
- Ensure the College's future by building strategic investments, leveraging entrepreneurial partnerships, and capitalizing on innovative resources, while exercising responsible stewardship.
- Ensure financial stability and maintain between 4% and 11% of general fund expenditures in reserves. Reserves are amounts budgeted with the intent of not spending them unless unusual and unforeseen emergencies arise. [synonyms: contingency, ending fund balance]
- Recognize the president and the Board have the ultimate budget authority.

### **Assumptions for Expenditure Budgeting**

- The position control database is the source for all salary and benefits information.
- Filled positions are budgeted at the actual salary for the individual in that position.
- Vacant positions are budgeted at the mid-point of the salary range for the position.
- Vacant positions showing zero dollars indicates a position is being held vacant for that budget cycle; the position still exists but will be held vacant for the budget period.
- Salary increases for steps and/or COLAs are included if contractually obligated for represented employees and if planned for non-represented employees. The 2010-11 budget only includes step increases for classified employees.

- Fringe benefits for filled full-time positions are budgeted as close as possible to the actual known costs at the time the budget is prepared. The 2010-11 budget is based on the health insurance premium rates in effect on July 1. The cost of rate increases that go into effect October 1 are assumed to be offset by the changes in plan enrollment.
- Fringe benefits for vacant full-time positions and for all part-time positions are based on the following average percentages:
  - 41% for full-time faculty, administrators, managers and supervisors
  - 48% for classified and confidential employees
  - 18% for all part-time employees
- Supplies, materials and non-personnel related expenditure line items are budgeted based on plans for the budget year informed by historical spending patterns and input from the vice presidents, deans, managers, and budget holders.

### **Guidelines for Budget Adjustments**

- Budget holders will be held accountable for managing their operations within the total budget allocated to them.
- Adjustments to the budget will only be made based on a completed budget adjustment request form signed by the budget holder, their vice president, and the budget officer or Vice President of Finance and Administrative Services.
- Salary line items for full-time positions will be increased or decreased
  - whenever union contracts are settled and include salary increases or decreases, and
  - whenever vacant positions are filled with someone placed on the salary schedule at other than the mid-point.
- Filled full-time positions that subsequently become vacant will retain their budgeted dollars. When the vacancy is again filled, the budget may be adjusted to reflect the salary placement of the new hire on a case-by-case basis.
- Budget adjustments that simply reallocate dollars among line items with no net change on the total budget may be requested at any time through February. A completed budget adjustment request form signed by the budget holder, their vice president, and the budget officer or Vice President of Finance and Administrative Services is required. No budget adjustments will be made between March and June.
- Actual expenditures will be charged to the account code that best reflects the nature of the expenditure, whether or not there happens to be budget on that particular line item. Budget holders are accountable for staying within their total budget. Budget transfer forms will no longer be required when submitting invoices for payment coded to line items without sufficient budget.