

Chapter 6 - Business and Fiscal Affairs

AP 6250 Budget Management

References:

Title 5 Sections 58307 and 58308

Title 5 requires that budget management conforms to the following minimum standards:

- total amounts budgeted as the proposed expenditure for each major classification of expenditures shall be the maximum expended for that classification for the academic year, except as specifically authorized by the Board of Trustees;
- transfers may be made from the reserve for contingencies to any expenditure classification by written resolution of the Board of Trustees and must be approved by a two-thirds vote of the members of the Board of Trustees;
- transfers may be made between expenditure classifications by approval of the Board of Trustees and may be approved by a majority of the members of the Board of Trustees; and
- excess funds must be added to the general reserve of the College and are not available for appropriation except by approval of the Board of Trustees setting forth the need according to major classification.

Appropriation Transfer Procedures

- A. General Information: It is recognized that from time to time that, after the adoption of the annual budget, the reallocation of certain funds within the budget may become necessary or desirable for efficient operation of the College. Every attempt should be made to hold such transfers to a minimum through good advance planning during budget preparation.
- B. Procedures: Whenever a reallocation of funds within the budget is made, it is extremely important that proper procedures are followed to meet legal requirements and maintain proper budgetary controls. The following procedures are designed to meet these objectives and to clarify and standardize the method of requesting and implementing appropriation transfers within the budget:
 1. The budget control officer requesting the transfer should obtain a "Request for Appropriation Transfer" form from Fiscal Services. This request must be submitted prior to the use of the funds (purchase requisition, travel and conference expense, mileage expense, timesheets, revolving cash reimbursement, etc.).
 2. Complete the form, as per specified instructions.

3. The form should include a signature of the “requestor” and should include approval signatures as follows:
 - a. Transfers made between expenditure classifications less than \$5,000 should be approved by the appropriate manager. Transfers made between expenditure classifications greater than or equal to \$5,000 must be approved by the vice president of the area or the College President/CEO.
 - b. Transfers from regular salary accounts (accounts used to charge permanent employees), regardless of the amount, must be approved by the College President/CEO or vice president of the area requesting the transfer and the chief fiscal officer or designee.
 - c. Transfers from the Faculty Hourly Accounts (Unrestricted General Fund), regardless of the amount, must be approved by the chief instructional officer and the chief fiscal officer.
 - d. All transfers from the Fund Balance (Reserves), Unrestricted General Fund must be approved by the Vice President of Administrative Services and the chief fiscal officer.
4. After the form is completed with the appropriate approvals, the request should be routed to the Fiscal Services Department.
5. The Fiscal Services Department will submit the “Request for Appropriation Transfer” to the Board of Trustees as pursuant to the California Code of Regulations, Title 5 Section 58307.

Budget Revision Procedures

- A. General Information: The College is continuously looking for opportunities to increase its revenues, obtaining categorical programs (grants, entitlements, donations, and other financial assistance) and contracts. This is an ongoing process throughout the year; therefore, there is a need to recognize the receipt of these funds after the adoption of the final budget.
- B. Procedures: When a written notification (award letter, contract, agreement, etc.) is received regarding a change (increase or decrease) of funding, it is extremely important that proper procedures are followed to meet legal requirements and maintain proper budgetary controls. The following procedures are designed to meet these objectives and standardize the method of requesting and implementing budget revisions within the budget:
 1. The Program Manager should obtain a “Request for Budget Revision” form from the Fiscal Services Department. This request must be submitted prior to the use of the funds (purchase requisition, travel and conference expense, mileage expense, timesheets, revolving cash reimbursement, etc.).

2. The Fiscal Services Department will assign an appropriate account number for all new programs, as needed.
3. Complete the form, as per specified instructions.
4. The form should include a signature of the “requestor” and shall include approval signatures as follows:
 - a. Budget Revisions less than \$5,000 should be approved by the appropriate manager. Budget Revisions equal to or over \$5,000 must be approved by the College President/CEO or the vice president of the area requesting the budget revision and the chief fiscal officer.
 - b. Budget Revisions that include regular salary accounts (accounts used to charge permanent employees), regardless of the amount, must be approved by the College President/CEO or the vice president of the area requesting the transfer and the chief fiscal officer or designee.
 - c. All Budget Revisions that increase or decrease the Fund Balance (Reserves), Unrestricted General Fund must be approved by the Vice President of Administrative Services and the chief fiscal officer.
5. After the form is completed with the appropriate approvals, the request should be routed to the Fiscal Services Department.
6. The Fiscal Services Department will submit the “Request for Budget Revision” to the Board of Trustees as pursuant to the California Code of Regulations, Title 5 Section 58308.

Reviewed: May 14, 2013

Reviewed: December 6, 2014

Revised: October 21, 2015

Reviewed: May 10, 2016