



STANDARD OPERATING PROCEDURE

DEPARTMENT:	Business and Admin. Services	TITLE:	Operating Budget Management
PURPOSE:	<p>This operating procedure was created to support Budgetary control which is essential to ensure the college meets its fiduciary responsibilities and strategic goals. An operating budget does not stand alone, it is closely related to other college planning efforts; and as a result, operational budget management is essential to the long-term financial stability of the college.</p>		
PROCEDURE:	<p>President’s Executive Committee (EC) Team</p> <p>Each member of the EC (e.g. Vice President of Instruction, Vice President of Student Services and Director of Business and Administrative Services) is responsible for managing their division’s budget.</p> <ul style="list-style-type: none"> • Expenditures must be within budgeted limits. • Account deficits are the responsibility of the division. • Funds may be transferred within each division to meet program needs, with the exception of funding from permanent, board-approved salary and related benefit object codes. <p>Director of Business and Administrative Services</p> <p>The Director of Business and Administrative Services provides oversight and monitoring of the annual operating budget and related expenditure of funds.</p> <ul style="list-style-type: none"> • To facilitate the monitoring of college budget and expenditure of funds, the following reports are made available as appropriate. <ul style="list-style-type: none"> ○ PROMT Commitment Control Reports - Funds 01 to Fund 82 ○ Monthly General Ledger Reports – Funds 01 to Fund 82 ○ Summary of Salaries YTD ○ Summary Financial Results – YTD ○ Peralta Chart of Accounts <p>Department Managers (e.g.s Deans in collaboration with Instructional Department Chairs and Program Directors)</p>		



- Deans with budget responsibility have the discretion to use base budgets, within their cost center(s) of responsibility, to meet program needs with the exception of funding from permanent board-approved salary and related benefit object codes.
- Funds for adjunct salaries and benefits, state funded instructional equipment and state lottery funds are the responsibility of the Vice President of Instruction. These funds are reflected in specific object and/or project codes.

Account deficits are the responsibility of the budget/department managers and the respective Vice President/Director/Dean. Any account deficit must be cleared by the end of the fiscal year.

In planning for fiscal year end, budget/department managers and their respective Vice President/Director/Deans also must plan appropriately to schedule expenditures in accordance with the year-end closing calendar issued by Peralta District Finance.

College Operational Budget Guidelines

The college practices a Positive Balance Expenditure Policy which requires available funding for all expenditures.

Unrestricted General Funds allocated based on the District Budget Allocation Model can be used for general operational expenses. Any surplus funding not used for these purposes are returned to the General Fund Balance and not available to the college.

Funding provided to meet legal requirements, contractual obligations or mandates are restricted for that specific purpose. Any surplus funding not used for these purposes will be carried forward depending on the legal terms for use.

The college retains budget reserves for mandatory expenses to maintain maximum flexibility of these funds. The appropriate Vice President/Dean provides a quarterly review of these expenses, in relationship to available funding for financial planning purposes, results of the review are provided to the Director of College Business Services. Funds will be transferred to offset expense throughout the fiscal year.

Any surplus or deficit balances in permanent, board-approved salary and related benefits object codes are the responsibility of the college. Surplus or salary savings are transferred using budget transfers to support unplanned expenditures or one-time request for funding in the current fiscal year or to clearing deficits in permanent, board-approved position object codes.

Expenses related to temporary wages, student wages, shift differential and overtime are the responsibility of the department.

Approved one year only positions will be funded to employment assignment amount or actual fiscal year expense in the case of position starting after July 1.



Employees must first exhaust professional growth opportunities before expending department funds for travel expense except for specifically designated or required activities approved by the President.

The college maintains a central college mileage account for official travel status mileage expense.

Requisitions include applicable tax and shipping to ensure full encumbrance of expended funds.

Utility expenses are fully encumbered at the beginning of the fiscal year to ensure funding availability. General funding to support utilities expenditures are the responsibility of the Director of Business and Administrative Services.

Funding availability and expenditures against college designated funds are the responsibility of the Director of Administrative Services expenditures are monitored by the Director of College Business Services.

The College President has fiduciary responsibility for the entire college budget and primary responsibility for selected cost centers and perform projections for those selected costs centers in the following funding sources:

- President's cost centers in Fund 01
- Selected costs centers in Fund 12
- Selected College Designated Funds in Fund 10

The Vice President of Instruction has fiduciary responsibility and duty to perform projections for the following funding sources:

- Instructional Cost Centers in Fund 01
- Fee Based Courses in Fund 03
- Selected College Designated Funds in Fund 10
- Non-categorical Grants in Fund 11
- Adjunct Faculty Salary and Benefits expenses in Fund 12
- Selected PASS Programs in Fund 12
- Contract Education in Fund 30
- Selected cost centers in Fund 63
- Professional Development Funding provided by the PTF
- Accreditation Funding provided by the Chancellor
- Instructional Equipment funding provided by the State
- Lottery funding provided by the State
- Selected Basics Skills Funding provided by the State



The Vice President of Student Instruction has fiduciary responsibility and duty to perform projections for the following funding sources:

- Student Services Cost Centers in Fund 01
- Bookstore Commission Fees in Fund 07
- Categorical Funding in Fund 11
- Selected PASS Programs in Fund 12
- Selected Basics Skills Funding provided by the State in Fund 11
- Associated Student Funds in Fund 71
- Student Center Activity Fees in Fund 82

The Director of Business and Administrative Services has general oversight of the entire college budget and fiduciary responsibility and duty to perform projections for the following selected funding sources:

- Business Services cost centers in Fund 01
- Selected College Designated Funds in Fund 10
- Selected cost centers in Fund 63

All operational funding requests (one time only/one semester only funding) for the current fiscal year must be requested annually if operational funding is required.

DEFINITIONS AND ABBREVIATIONS

RESOURCES

PROMT Commitment Control Reports - Funds 01 to Fund 82 – reports budget line item revenues and expenditures at the college level and includes the following columns of data Budget, Expenses, Encumbrances(purchase orders) and Pre-encumbrances (requisitions) and Available Balance for spending. The reports are generated in the Peoplesoft Accounting Module.

Monthly General Ledger Reports – Funds 01 to Fund 82 – reports GAAP and regulatory revenues and expenses by budget line item but does not report Encumbrances or Available balances. The reports are generated in the Peoplesoft Accounting Module.

Summary of Salaries YTD – reports current and YTD wages paid by employee and by accounting month in the fiscal year.

Peralta Chart of Accounts – Detail listing of Peoplesoft accounting string for each budget line item. The accounting string is 23 digits long representing location, fund, cost center (Division), object code, program (term), activity suffix (department unit), and Project and line number. The listing is generated in the Peoplesoft Accounting Module.



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