

CAROLINAS COLLEGE OF HEALTH SCIENCES

POLICY AND PROCEDURE

ADMINISTRATIVE

SUBJECT: BUDGET

REVIEWER(S): President*
Manager of Business Operations

POLICY

The Carolinas College of Health Sciences leadership team develops a budget which is reviewed and subsequently approved by the college's board of directors on an annual basis. The College utilizes an incremental budgeting system. All teammates have input into the budget process through involvement with their respective functional departments, groups, and committees.

PROCEDURE

A. Operating Budget

1. On an annual basis, the president and the manager of business operations prepare a budget template for all leaders based on current year and prior year spending. Using an incremental budgeting model revenues and expenditures are proposed for the coming fiscal year and for additional years as necessary.
2. Beginning in the summer of each calendar year, incremental budgets are presented to college leaders and budget requests are asked of committee chairpersons and student organization advisors. Each group is expected to discuss budget needs in department or committee meetings.
3. Changes to the incremental budget worksheets are presented to the president and are incorporated into the standard operating expenses of the college. Leaders are expected to provide justification for changes to the proposed budget. The leadership team meets and reviews the budget.
4. The president's council examines the college's fiscal position and future goals. The strengths and weaknesses are examined and trends from within the institution are projected. The president's council develops estimates, proposals, and creates a budget that will allow the goals of the college to be accomplished.
5. The president makes necessary changes in the budget based on projected revenue and expense levels, the strategic priorities of the college and the prioritization of all budget requests. Changes are incorporated into the budget for presentation to the leadership team and the Board of Directors.
6. Upon review of the budget, the board of directors provides budgetary guidance regarding revenue and expense levels to the president. The Board of Directors may recommend changes in the budget to the President prior to approving the budget.
7. After all revisions in the budget are made to the satisfaction of the President and the board of directors, the budget is approved. Implementation of the budget is initiated, and evaluation of the budget takes place throughout the calendar year by the administration and Board of Directors.

B. Budget Planning

All administrative and academic departments within the college generally follow the budget procedures outlined below. To facilitate college planning and assessment efforts, each department is asked to make strategic budget projections based on college/departmental goals.

Time Frame	Activity
June	Fiscal budget guidelines and incremental budgets are issued to college leaders for preparation of next year's budget.
July - August	Leaders propose changes to individual budgets. The strategic plan for institutional effectiveness (SPIE) and other planning documents inform budget projections and requests. Input is solicited from all teammates.
September - October	Leadership Team meets for annual budget review to share justification for their highest priority budget requests based on

	college/departmental goals and to draft tentative budget allocations. The manager of business operations collaborates with the college president in preparation of a formal budget proposal. Proposal is finalized for approval by leadership team and presentation to the board of directors.
December	Board of directors meets for discussion and approval of the budget. Final approval may extend into the next fiscal year depending on final budget numbers from Atrium Health. Approved department budgets are distributed to deans and department heads.
Monthly	The manager of business operations compiles expense and revenue reports with budget variances. College leaders are asked to submit variance reports explaining variances from budget amounts for prior months based on established thresholds.
Quarterly	The manager of business operations summarizes monthly variance reports for distribution to the college's president, leadership team and, as appropriate, the board of directors.

C. Budget Control

The college has a system in place in which budget monitoring and decisions regarding expenditures are made with full knowledge of budgetary impact. Actual revenue and expense levels are monitored and compared to budgeted figures for the purpose of evaluating financial trends and the budgeting process.

1. The college president and manager of business operations meet regularly to review the financial performance of the college in terms of monthly and year-to-date revenue and expense levels. Positive and negative variances are examined, and the level of financial activity may be revised accordingly. Decisions are made regarding proposed expenditures based on budget availability.
2. Monthly budget reports are made available to leadership team and budget information is available to committee chairs and other teammates with fiscal responsibilities.
3. Teammates requesting authorization for expenditures communicate those requests to their supervisor, who evaluates the budgetary impact of the expenditure. The manager of business operations may be consulted to verify budget availability. Disbursement request forms and invoices are submitted to the business office for expenditures and disbursements.
4. *Teammates with budget responsibility are required to provide **explanations for any negative variances exceeding \$1,000.*** All expenditures are processed through the business office. The manager of business operations monitors expenditures to ensure that budgetary limits are not exceeded.
5. Quarterly financial performance reports are presented by the college president to the board of directors. The board of directors may provide budgetary guidance as appropriate.

D. The Budget policy and procedure will be reviewed bi-annually.

REFERENCES

Related Policies to Consult

Carolinas College: ADMINISTRATIVE - Capital Purchases

Related 2018 SACSCOC Standard

13.4 Control of finances