



Budget

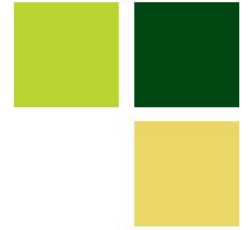


Presented by:
Katie Workman, Budget Manager

What we want you to learn...

- Budget IS NOT money, it is a plan for expenditures
- Proper budget management and why overspending is dangerous
- Reading and understanding Self-Sustaining budgets
- Budget impact of purchase orders and credit card purchases





Budget and Appropriations

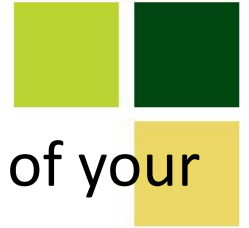
- A budget is a plan based on estimates
- The budget provides the foundation for appropriations
- Appropriations are authority to spend public money and
- Appropriations are limitations on expenditures
- The budget must be adopted by UCC's Board of Education for appropriation

An Appropriation is a Limitation



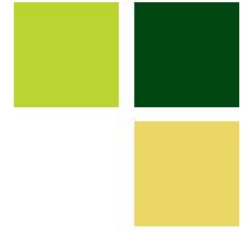
- DO NOT OVERSPEND YOUR APPROPRIATIONS! It is in fact...illegal!
- ORS 294.456(6): Except as provided in 294.471, 294.473 (supplemental budgets)...an expenditure of public money may not be made for any purpose in an amount greater than the amount appropriated
- It is your responsibility to monitor your budgets, and mine to monitor all budgets in a joint effort for successful operations. The better the communication between you and the budget office, the more successful we will be
- Expect to see notifications regarding (nearly) spent budgets

All Funds



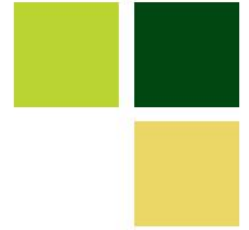
- Know the full and projected part time labor for each of your budgets
- Know the estimated benefits for employees in each of your budgets
- Have a plan for the M&S and capital section of your budgets, and follow that plan
 - When your budget was developed, you should have done so based on need for operations. Follow that same plan, if you realize an expense is not necessary, don't spend the money
 - If something unexpected comes up, review your budgets and adjust your plan appropriately
- Actual adjustments are done by the budget office. Adjustments between labor and M&S are not permitted in the general fund, and are not ideal, but sometimes permitted in other funds

General Fund



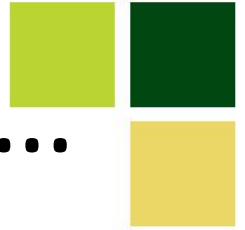
- The amount budgeted, minus current expenditures gives available balance. But, only spend what is necessary for operations. Remember, all GF budgets share the same revenues and if revenues do not match or exceed expenditures, we end up using reserves

Grants & Contracts



- The budget in Banner was provided by you
- You are responsible for ensuring that all spending follows the budget approved by the grantor and does not exceed the budget loaded in Banner
- If the spending will differ from the original budget entered, and it is permitted by the grantor, an adjustment can be made in Banner
- Accounting and Finance department does financial reporting to grant agencies and financial compliance monitoring. All expenditures must follow not only the grant agreement but all college policies and procedures

Grants & Contracts Continued...



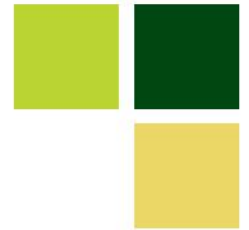
- The Accounting & Finance and Budget Offices spend a great deal of time working on grants that are awarded but never spent
 - Rarely, these are awards that we did not apply for
 - Only apply for grants that you have a clear expenditure plan for
 - If grantors see a pattern of awarding UCC funds, and it is consistently returned, the likelihood of getting future awards is slim

Self-Sustaining



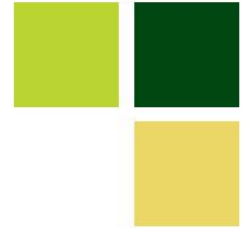
- Other references: Administratively Restricted, revenue or fee accounts
- By definition, self sustaining is a system that maintains itself by independent effort
- Revenues should match or exceed expenses
- Fiscal year ending fund balance (positive or negative) rolls over to the next year once the financial audit is complete. Late September/Early October
 - To predict beginning fund balance to include in revenue, review the prior year ending fund balance

More Self-Sustaining



- If a budget is overspent and has a negative fund balance, it is borrowing from other self-sustaining funds (budget) and all funds (cash)
- The budget entered in Banner is an estimate of what will happen. The actual budget available to spend is based on the revenue received, in accordance with Oregon Budget Law (no overspending of appropriation)
- To determine available funds, reduce expenditures and outstanding purchase orders from year to date revenue

Purchase Orders



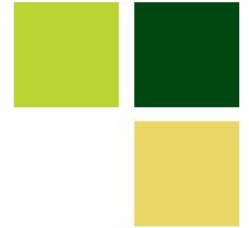
- Policy BP 601, Procedure AP 601, Community College Rules of Procurement
- POs are necessary and required
- When generated, they hold budget as encumbrance until the invoice is processed
- Along with ensuring the necessary approvals are received in advance of any purchase or service being performed, they assist with decreasing the chance that a budget is overspent

You guessed it...Purchase Orders

- Open or standing purchase orders can be generated to encumber a set amount of budget for vendors that are used regularly for routine purchases/charges
 - Utilities
 - Custodial Supplies
 - Fuel for operations
 - Food/books/items for resale
 - Instructional supplies

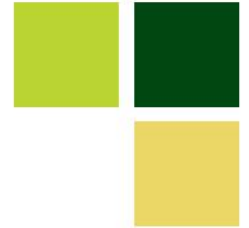


Credit Cards



- Procedure AP 601.1, must follow all purchasing policies and procedures in addition to credit card procedure
- Can easily lead to budget overage if close, constant attention is not given
- Charges take approximately 2 months to post to budget due to the nature of credit card process and longer if reconciliation paperwork is not submitted on time
- Should **ONLY** be used when a purchase order is not an option and prior approval is granted
 - Travel (registration, hotel, etc.)
 - Vendor only accepts credit cards (rare)
 - Minor procurement

Oregon Budget Law



Covers everything from fund types to property taxes, when and how to post legal notices, budget committee and responsibilities to changes after adoption and more!



– Local Budgeting Manual

- https://www.oregon.gov/DOR/forms/FormsPubs/local-budgeting-manual_504-420.pdf

– Local Budget Book 2018-19

- https://www.oregon.gov/DOR/forms/FormsPubs/local-budget-book-urban_504-076.pdf