

GRAYS HARBOR COLLEGE
Administrative Procedure

Subject: ACCOUNTING AND BUDGETING PROCESS

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Administrative Procedure: 503.01

Date adopted: 3/20/2020

The Board of Trustees of Grays Harbor College has delegated authority to the President to prepare the annual operating budget detailing revenues and expenditures. The budget is prepared to coincide with the fiscal year of the College, July 1 to June 30. The Board of Trustees has ultimate responsibility for approving the annual operating budget.

The President or designee will prepare the operating budget using the principles and processes below.

I. Principles provide a framework and are the ideals for budget prioritization and resource allocation.

1. The overarching principle is to align the operating budget to the College’s strategic priorities.
 - a. Enrich student learning
 - b. Promote student, faculty, and staff success
 - c. Foster a diverse, equitable, and inclusive learning environment
 - d. Ensure effective, efficient, and sustainable use of college resources
 - e. Strengthen community connections and partnerships

Other principles or ideals for the operating budget are:

2. The College will use planning to prioritize what is important to achieve its mission
3. Budget allocation will be prioritized as quantitative representation of what the college identifies as important to achieve its mission
4. Budget units of the college will establish goals or unit plans to improve operations while executing the strategic priorities. Those unit goals or unit plans will be the drivers for resource allocation in order to align annual operations objectives and actions with the college’s strategic priorities.
5. Resource allocation decisions will maintain fiscal sustainability
 - a. Sustained student enrollment, progression and completion
 - b. Optimal position levels with right mix of administrators, faculty and staff
 - c. Physical space preservation, maintenance and renewal considering the campus master plan
 - d. Cutting edge technology and continuous innovation
 - e. Balanced budget with cash flow reserves complying with Board of Trustee requirements
 - f. Preservation of all College and programmatic accreditation
6. The College will take a long-term perspective
7. Operating budget will be developed, prepared, approved and implemented in a manner that will involve necessary and appropriate consultation with broad constituencies.

II. Processes are actions or steps to be taken to develop, prepare and approve the operating budget.

The budgeting process below is a yearly timeline for the development, preparation, approval and implementation of the operating budget.

Timeline	Action
July	1. New budget year 2. Budget uploaded to accounting system
August	
September	

October	<ol style="list-style-type: none"> 1. Budget Manager Workshop 2. Faculty vacancies identification 3. Staffing levels and organizational personnel needs analysis 4. Vacant position replacement assessment
November	<ol style="list-style-type: none"> 1. 1st enrollment, revenues and expenditures projection for operating budget 2. Call for budget request 3. Review and request for miscellaneous and course fee changes 4. Budget request tools training/re-training 5. Department/division budget requests due to area Vice Presidents and Chiefs
December	<ol style="list-style-type: none"> 1. Preliminary review of budget submissions by area Vice Presidents and Chiefs 2. Ranking of department/division budget submissions by Vice Presidents/Chiefs and their management teams 3. Budget submission by area Vice Presidents and Chiefs due to President and Executive Team
January	<ol style="list-style-type: none"> 1. 2nd enrollment, revenues and expenditures projection 2. Initial review of budget submissions by President and Executive Team
February	Budget hearings
March	Budget hearings
April	<ol style="list-style-type: none"> 1. 3rd enrollment and revenue projections 2. Ranking of budget submissions by President and Executive Team 3. Drafting and submission of tuition and fees rates to Board of Trustees for approval 4. Preliminary budget request decisions 5. Preliminary draft of operating budget 6. Draft operating budget presentation to Board of Trustees
May	<ol style="list-style-type: none"> 1. Final enrollment, revenues and expenditures projection 2. Final budget request decisions 3. Final operating budget 4. Board of Trustees approval of Final Budget Operating Budget
June	Distribution of approved budget to Budget Managers

1. Quarterly, after the academic calendar census date, the President or designee will submit the operating budget status report to the Board of Trustees, reviewing the performance of actual revenues and expenditures compared to targets projected in the approved budget.

a. When actual revenues are below projected targets, the President will implement measures necessary to align expenditures to anticipated revenues.

2. Monthly, after the closing of the accounting records, budget reports will be available for Budget Managers to review.

a. Regular review of the budget reports is a responsibility of Budget Managers

b. Budget Managers include the President, Vice Presidents, Chiefs, Deans, Designated Academic Department Chairs and Designated Functional or Administrative Unit Directors or any employee of the College delegated as Budget Manager by the President

c. Budget Managers will review their budget reports monthly to ensure

i. There are no unexpected charges to their budget

ii. Expected charges appear on their budget

iii. Budget categories of Salaries & Wages, Benefits, Goods & Services, Travel and Equipment are on target not to exceed their allocated budget

iv. Total expenditures status is on target not to exceed the total allocated budget

d. Budget Managers may contact the Business Office for clarification and/or to resolve any identified budget concerns

3. The College will utilize Enterprise Accounting System as designated by the Washington State Board for Community and Technical Colleges

a. The Enterprise Accounting System will be used for general accounting. General accounting encompasses activities pertaining to the processing, review and oversight of all transactions recorded in the Enterprise Accounting System.

b. The accounting records will be reconciled monthly, quarterly or yearly in a timely manner

c. Bank reconciliations will be completed within 15 days of the close of the accounting month

4. The College's financial statements will be prepared annually in accordance with generally accepted accounting principles and applicable Federal and State of Washington laws, rules, regulations, policies and procedures.