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- February 2017

POLICY

Bethel University directs financial resources toward fulfilling the University's mission through a budgeting process. As part of this process, the entire University community participates in identifying the resources that will be needed to accomplish goals and objectives. The result of this process is a budget, which represents the best judgment of the University as to where and in what amounts financial resources should be allocated to achieve goals and objectives.

Funds are distributed by the Business Office on the basis of the budget derived through the University-wide budget process. The Business Office informs individual departments of budgets and of expenditures made out of the budgets. Except for salaries, benefits, and special allocations, departments are allowed to transfer funds within budgets by submitting an approved Budget Amendment Request Form; however, departments cannot expend more than it has been allocated. In extraordinary circumstances, financial resources may be required beyond those allocated through the budget process. In such circumstances, the Vice President of Finance/CFO must be notified immediately so that a plan can be developed and presented to the President to meet those extraordinary needs.

The budget is based on revenue projections that must be monitored carefully. If shortfalls occur or if more revenue becomes available, budget revisions that may affect all departments may be made throughout the fiscal year (August 1 – July 31).

BUDGET PROCEDURES

Establishment of Budget Priorities

- a. Continuously throughout the fiscal year, the Vice President of Finance/CFO will monitor the approved budget and keep the President informed of any material discrepancies in revenue projections and/or expenditure allocations. In January of each year, the President and Vice President of Finance/CFO will meet to review the current year's budget and prepare/update the Long Range Budget Plan.
- b. The Vice President of Finance/CFO, in consultation with the President, will develop a revenue projection for the following year.
- c. The President and Vice President of Finance/CFO will develop a prioritization for funding in order to accomplish the goals and objectives specified for the year.
- d. The priorities will be communicated to participants during the budget planning process.

Development of the Initial Draft Budget

- a. The Vice President of Finance/CFO will maintain a list of departmental budgets and the Vice President/Cabinet-level Officer responsible for the departmental budget(s).
 - Each academic department, program, and/or College will constitute one departmental budget. A faculty member from a department or program may be selected to develop the budget for that department or program. The Vice President/Cabinet-level Officer will be responsible for all departments and programs within the College and/or University division.
- b. By January 31 of each fiscal year, the Vice President of Finance/CFO will distribute Budget Request Forms to the Vice Presidents/Cabinet-level Officers for the departments and programs for which they are responsible.
- c. The Vice Presidents/Cabinet-level Officers, or designees, will meet with appropriate members of the department or program to develop a request for the department or program.
- d. The Vice Presidents/Cabinet-level Officers will return the completed form to the Vice President of Finance/CFO not later than March 31.
- e. The Vice President of Finance/CFO will correlate the budget requests, as submitted, into a comprehensive budget for the University.
- f. The Vice President of Finance/CFO will hold budget hearings (meetings) with each Vice President/Cabinet-level Officer to review and refine the

budget requests. At these hearings, the Vice President/Cabinet-level Officer may invite others who are involved in the budget planning process.

- g. The Vice President of Finance/CFO will submit the Draft Budget to the President by May 1.

Revising the Budget

- a. The President will review the budget based upon established priorities for fund allocations.
- b. During May, the President and Vice President of Finance/CFO will meet to review and revise, if necessary, budget requests according to available resources and priorities.
- c. The Vice President of Finance/CFO will prepare a Revised Draft Budget and present it to the President as revisions are made.
- d. The President may call the Vice Presidents/Cabinet-level Officers and the Vice President of Finance/CFO together to revise the revenue/ expenditure projections for the following year.
- e. By June 1, the President will make final decisions/revisions on the budget and communicate these to the Vice President of Finance/CFO who will develop a final budget for the following year.

Final Approval

The President, along with the Vice President of Finance/CFO, will present the budget as a recommendation to the Board of Trustees at its June or July meeting or, if the Board so designates, the Executive Committee of the Board, for approval.

Distribution of the Budget

- a. The Vice President of Finance/CFO will distribute the approved budget to the Vice Presidents/Cabinet-level Officers.
- b. The Vice Presidents/Cabinet-level Officers will distribute the departmental budgets to appropriate personnel who will be monitoring the budget.

Budget Reports

- a. Financial statements for each month are prepared by the tenth (10th) of the following month. Once the financial statements are prepared, the Business Office will distribute reports on budget activity, which will include expenditures to date and remaining balances.
- b. Vice Presidents/Cabinet-level Officers, or designees, will review the budgets and report discrepancies to the Business Office.

- c. If funds need to be transferred within a departmental budget, a Budget Amendment Request Form should be completed, properly approved, and submitted to the Business Office for approval. If there have been special allocations within departmental budgets, these allocations cannot be used for other purposes.

Amendments to Departmental Budgets

- a. If Vice Presidents/Cabinet-level Officers find that unexpected expenses will cause their budget to require additional funds, after consultation with the Vice President of Finance/CFO, a formal budget request must be submitted to the President for approval.
- b. If the request is approved, the President will inform the Vice President of Finance/CFO to make appropriate budget adjustments.
- c. Budget amendments to amounts within the departmental budgets should adhere to these guidelines:
 - Funds allocated for salaries and benefits shall not be reallocated without the approval of the Vice President of Finance/CFO and President.
 - Special allocations shall not be reallocated without the approval of the Vice President of Finance/CFO and President.
 - Ordinary allocations may be reallocated by submitting a Budget Amendment Request Form to the Vice President of Finance/CFO for approval.

RESPONSIBLE PARTIES

President, Vice President of Finance/CFO, Vice Presidents/Cabinet-level Officers and representatives, Business Office Personnel

PUBLICATION

University website