

Policy Name: Budget Management Policy
Responsibility for Maintenance: Chief Business Officer

I. Policy Statement

It is the policy of Richard Bland College of William & Mary to have a balanced budget each fiscal year. All budgetary organizations (as defined by the four-digit BANNER org code) must not have a deficit balance at fiscal year-end. Budgets with a deficit balance at year end may be reduced in the following year by a corresponding amount. All employees should follow the Virginia Commonwealth Accounting Policy & Procedures (CAPP) Manual for any topic specifically not covered by this policy. Any remaining budgeted funds at fiscal year-end do not roll over into the next fiscal year and revert back to the College.

A. Budget Process

1. The Office of Finance will distribute Budget Development Packages, to include budget worksheets, instructions, and other necessary information to the established departmental Budget Managers during the fall semester.

2. Budget Managers will create a budget request for the expenses needed within their budget organizations for the upcoming year using a zero-based budgeting approach. Requested budget expenses should have an explanation justifying how the item supports the College's Strategic Plan. Departmental budget requests should be submitted to the Office of Finance by established due dates. Any budgetary organizations that do not submit a request may not have an operating budget loaded for that fiscal year, or the budget may be determined by the Office of Finance.

3. The Office of Finance will compile and review all budget submissions and will work with various departments to analyze budget requests. Budget hearings will be held, if necessary, during the spring semester to determine what requests should be eliminated reduced to produce a balanced budget.

4. The balanced budget is presented to the President and/or President's Council to review. Once approved by the President, the budget is then submitted to the Board of Visitors for approval, usually in April. Budget Managers will be notified of final approved departmental budgets, at which time no new budget submissions can be made.

5. Budget Managers, Departmental Administrators, and Office of Finance staff should review budget and expense information in Banner for accuracy and to ensure sufficient expenditure budget is available to support the fiscal year activities.

B. Budget Deficit

1. Budget deficits are prohibited unless the deficit has been pre-authorized by the Chief Business Officer.

2. For all unauthorized deficits, the college department will be asked to identify funds that will be used to eliminate the deficit. Those funds can come only from other budget organizations that have excess budgeted amounts approved for similar expenditures.

3. Budget Managers and/or Department Heads may transfer funds within or between budgets under their control, with the exception of salary lines or funds budgeted for a specific/restricted purpose (grants, debt service, etc.).

4. For any budgetary organization that has a deficit balance at the end of the fiscal year, the budget for the next fiscal year may be reduced by a corresponding amount.

C. Budget Manager Responsibility

1. Employees who have been assigned budget responsibility must ensure their budgets are utilized for the purpose intended.

2. Budget Managers are not authorized to expend funds in excess of their total approved organizational budget.

3. All Budget Managers must comply with state and federal regulations as well as adhere to the procedures and guidelines established by the Office of Finance.

4. Budget Managers are responsible for approving expenses within their appropriate budget organizations. The Chief Business Officer has overall responsibility for ensuring that the College as a whole remains within authorized budget levels, and reserves the right to restrict expenses for cash flow management and overall budgetary purposes.

5. Budget Managers are responsible for working with their appropriate Departmental Head in creating an operating budget request for submission to the Office of Finance during the yearly Budget Development process. Budget Managers are responsible for submitting their departmental budgets to the Office of Finance by established due dates.

6. Budget Managers are responsible for reviewing information in Banner Finance for accuracy and ensuring that sufficient expenditure budget is available to support the fiscal year activities.

D. Budget Monitoring

1. Department budgets are available for viewing by Budget Managers online via Banner. The Office of Finance provides training workshops covering the budget process and budget monitoring at least once a year. Individual training is also offered for new employees and as requested.

2. The Office of Finance may conduct budget reviews monthly, in which time Budget Managers are informed of any budget having a deficit balance.

3. For all unauthorized deficits, the Budget Manager will be asked to correct the deficit. If the excess budget is not managed by the same Budget Manager/Department Head, approval from both Budget Managers is needed on the Budget Transfer Form.

II. Reason for Policy

The Budget Management Policy outlines the responsibilities of college employees for monitoring and controlling operating budgets. This policy provides information to employees regarding the budget process, how to manage budget deficits should they occur, and establishes general guidelines for Budget Managers regarding the institution's departmental operating budgets. This policy is intended to facilitate cash flow management throughout the fiscal year and to help the College adhere to the expenses parameters approved by the Board of Visitors.

III. Definitions

Budget Deficit: when the total actual expenses are greater than the total budgeted

Budget Manager: an employee assigned the task of being responsible for the maintenance of departmental budgets

Zero-based Budget: a budgeting method in which all expenses must be justified and approved for each new period, not based on historical actual amounts

IV. Applicability of the Policy

All RBC employees should be familiar with this policy, which is applicable to employees and Budget Managers who request and/or approve expenses to their appropriate budget organization code.

V. Related Documents

- Yearly Board Approved Budget Resolutions
- Budget Transfer Form
- Budget Manager's Handbook
- Virginia's CAPP Manual
https://www.doa.virginia.gov/reference/CAPP/CAPP_Summary_Cardinal.shtml

VI. Contacts

Office	Title	Telephone Number	Email
Office of Finance	Budget Office	804-862-6100 ext. 6230	Budget@rbc.edu

VII. Procedures

Procedures can be found via Banner User Guides, the CAPP Manual, in the Budget Manager's Handbook, and by contacting the Office of Finance.