

Birmingham-Southern College

Title: Budget Policy

Policy Abstract: The College must be a good steward over its financial resources to ensure that the mission of the institution is achieved. An annual budget, linked to the strategic plan, helps the institution prioritize its spending and live within its means.

Responsible Offices: President's Office and Finance Office

Officials: President and Chief Financial Officer

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Applies to: Entire College

Effective Date: November 6, 2013

Revision Dates:

Introduction/Background

Birmingham-Southern College has a reputation of being an outstanding academic institution with a long history of very successful and distinguished students, faculty and alumni. In order to continue as a strong liberal arts college, it is imperative that the institution have sound fiscal management and financial stability at all times. Implementation of good budget practices and discipline will help the College achieve and maintain adequate financial controls and stability.

Purpose

This policy establishes the requirements for the College's annual budget preparation and authorization.

Applicable Regulations

SACS-COC Core Requirements and Comprehensive Standards (2.11.1; 3.2.2.2; 3.10.1; 3.10.3 and 3.10.4)

Title IV of the Higher Education Act

Bank loan covenants

Policy Statement

The Board of Trustees directs the President of the College to develop annual budget recommendations that are in accordance with the institution's strategic plan. The budget shall provide for:

Birmingham-Southern College

- Annual operating expenses not to exceed projected revenues
- Debt service and Capitalized Lease principal payments that are due in the next fiscal year
- Capital expenditures
- Allocation for contingencies (unforeseen events requiring expenditure of current resources)

Details

Budget Development Process

The institution's budget development process shall seek input and prioritization from the campus community. The President of the College shall establish a Budget Committee to organize the annual budget process and communicate instructions, guidelines and timelines for the preparation and submission of budget requests. The budget shall reflect all unrestricted revenues and other support, and expenditures for the upcoming fiscal year.

Budget Approval

When the Budget Committee is satisfied with the proposed budget, the President and Chief Financial Officer shall present the budget to the Finance and Investment Committee of the Board of Trustees. Upon approval by the Finance and Investment Committee, the budget shall be presented to the full Board of Trustees for final approval. The approval of the budget shall be reflected in the minutes of the meetings of the Finance and Investment Committee and the Board of Trustees.

Monitoring and Reporting

The Finance Office has primary responsibility for on-going monitoring of actual revenue and expenditure amounts against the approved budgets. During the fiscal year, periodic year-to-date financial reports shall be provided to the President of the College, the Finance and Investment Committee of the Board, and the full Board of Trustees to demonstrate the institution's compliance with the approved budget. Significant deviations in expenditures from the approved budget must be presented to the Finance and Investment Committee and full Board of Trustees for approval.

Definitions

SACS-COC, Southern Association of Colleges and Schools – Commission on Colleges

References

None