Davis Technical College
Budget Control Policy

Effective Date: 3 June 2024

1. Purpose

To provide general policy governing the establishment and monitoring of budgets and their related controls of Davis Technical College.

2. Definitions

2.1. General Budgets - All budgets for funds that are State appropriated general fund budgets and not part of the restricted accounting fund (i.e. contracts and grants). General budgets include those for the general operating fund, designated funds (i.e. student fees, private training, and assessment), and auxiliary funds (i.e. bookstore and food services).

2.2. Restricted Budgets - These are budgets for contracts, pass through funds, and grants where the use of the funds has been restricted to certain activities or purchases by the entity providing the funds.

2.3. Natural Expense - A natural expense classification is a method of grouping expenses according to the type of costs that are incurred. The classifications tell what was purchased rather than why an expense was incurred. This is the level of expenditure that is required to be reported on the financial statements and is also the level at which the College Board approves general budgets. Categories include:

Personal Services	Current Expenses
Travel - In State	Capital Outlay and Equipment
Travel - Out of State	

2.4. Function - Functional expense classification is a method of grouping expenses according to the purpose for which the costs are incurred. The classifications tell why an expense was incurred rather than what was -

Instruction	Operation and Maintenance of Plant
Academic Support	Scholarships and Other Financial Aid
Student Services	Independent Operations
Institutional Support	Auxiliary Services

2.5. Program or Department - A program or department is a subset of function. It is a group of closely related activities that work towards a common goal. For example, in instruction, each area of technical training would be a program such as Welding, Medical Assistant, Cosmetology, etc. In Student Services, examples of programs may include Advising, Assessment, Recruitment, etc. In Institutional Support examples of programs may include Administration, Fiscal Services, Human Resources, etc.

2.6. Program Director or Manager - The budget control officer designated by their respective Division Administrator as having fiscal management responsibilities over a program.

2.7. Division Administrator - The individual recognized as the chief division officer.

2.8. Personnel Costs - Expenses for salaries, wages, and benefits for employees of the College.

2.9. Current Expense - Current expenses are for non-personnel resources required on an ongoing basis to operate programs. Current expense includes supplies, maintenance agreements, software, utilities, training, etc.

2.10. Capital Outlay and Equipment - These expenses include the purchase of one-time items, or, of those costing over $5,000 such as equipment, software, building improvements, computer servers, etc. Items costing less than $5,000 are typically charged to a current expense account. Upgrades and improvements to existing assets over $5,000 are considered capital expenditures only if they add value to the asset they are applied to, otherwise, they should be considered current expenses.

3. General Budgets – Policies

3.1. Prior to the beginning of each fiscal year, the College Board shall approve all general budgets at the natural expense level.

3.2. The general budgets shall be developed at the program or department level under the direction of the Vice President and Chief Financial Officer in a manner consistent with the strategic and tactical plans as developed by the College Board, Administration, faculty, and staff. This budget shall be developed with input from Program Directors and Managers and prioritized by the College Executive Team.

3.3. Personnel budget requests shall be developed by Fiscal Services based upon FTE (full time equivalent) positions approved by the Board. Once a position is established it may be filled by the Administration without Board approval, contingent on fund availability.

3.4. Current expense, travel, and capital expenditure requests from general budgets shall be prepared by the Program Director or Manager. Included in the capital requests shall be an itemized list of items requested for purchase. As part of the budget process, the College Executive Team shall prioritize these requests and only those items which are approved on the prioritized list may be authorized during the coming fiscal year for Fiscal Services to purchase.

3.5 Program Directors and Managers shall have the authority to spend approved budgets in a manner consistent with their program objectives. Program managers are responsible to monitor and control their budgets to insure that expenditures related to that program do not exceed approved budget levels and that the expenditures are appropriate and made in accordance to College Purchasing Policies.

3.6. Revisions to the budget may be made as necessary throughout the year as deemed appropriate by Administration as described below:

3.6.1. Division Administrators have the authority to transfer budget amounts between program budgets under their supervision, so long as the transfer does not cross over fund types, personnel, current expense, travel, and/or capital budget classifications. Division Administrators are responsible to monitor the compliance of their respective Directors and Managers to the approved budget levels.

3.6.2. The College President and Vice President and Chief Financial Officer may authorize changes of budgeted amounts less than $50,000 per item, between the natural expense categories. These transfers will be included in the consent calendar at regularly scheduled Board meetings.

3.6.3. Board approval is required for any new employee positions as well as budget changes greater than $50,000 per item, between natural expense categories through an approved budget revision. In cases of emergency, budget amounts may be transferred between categories with approval of the College President and Vice President of Administrative Services. The Board must be notified of any emergency transfer at the next regularly scheduled Board meeting.

3.6.4. Budget transfers shall be requested, documented, and approved on forms established by the Fiscal Services Office.

4. Restricted Budgets - Policies

4.1. Budgets related to restricted funds shall be developed in accordance with the specific purpose, contract, grant award, or other documentation establishing the availability of the funds to the College.

4.2. The College Board approval is required for any new employee positions regardless of funding source.

5. Approval and Notes

Non-substantive changes: 3 June 2024
Board Approval: 23 May 2019
Presidents Council Approval: 25 March 2019
Revised: 18 March 2019
Board Approval: 28 March 2013