2006-2007 Budget Planning Process and Directions

(complete version)

For employees that have been with BMCC in the last few years, these directions and the process are very similar to past years. **To assist you with your review, areas that require reinforcement or are new this year are bolded in the document for your viewing ease.**

Attached are forms and guidance related to our budget process for 2006-2007. **As a member of the College, we ask that you share your ideas for growth and change through this process.** We will go through a prioritization process at each institutional level that will ultimately lead to an approved/adopted budget. **Individual faculty, staff, and administrators may consider, write up, research, and justify items for budget consideration for ANY department.** Please understand that we expect to receive many requests for much more money than we have, but your request will be considered and prioritized at each level.

As we did last year, we will be doing activity based budgeting – all costs associated with a particular activity should be placed on the same proposal. The idea is that the proposal should reflect all the costs (except salary costs) associated with that activity. The proposal is then funded or cut in its entirety as the removal of one item would result in the inability to carry out that activity. Please keep this concept in mind when making requests.

Due to confusion in previous years, we will NOT accept salary costs in electronic submissions. We are asking that additional positions or increases for present positions be done via paper only.

With that broad guidance shared, here is more detail:

All Staff/Faculty as Individuals:

- Review your needs, identify what you need that you believe you can justify, talk to co-workers, and complete a budget proposal form. (Detailed Explanation Follows) Submit that form to your immediate supervisor by the deadline.

Responsible Person 1:

- Offer guidance on budget proposal form completion

- **Conduct unit discussions to prioritize proposals and integrate the goals, activities, and needs of your area.** Please approve or disapprove as it relates to your overall plan and goals for the next year.

- Forward those budget proposal forms that you have approved (with modifications, as needed) to next level supervisor for similar action. **Those that you disapprove remain in the system for the next level to review if desired but are not immediately forwarded as a matter of course.**

- **If you wish to deny a proposal, enter the reason for the denial in the justification line of each proposal in capital letters so submitters may see your rationale.**

- **Share your conclusions and meeting results with your RP2 before s/he begins review of the proposals to assist them in their understanding of your decision process.**

Responsible Person 2:

- Provide support and guidance during the development and prioritization of proposals.

- **Conduct unit discussions to prioritize proposals and integrate the goals, activities, and needs of your area.** Please approve or disapprove as it relates to your overall plan and goals for the next year.

- Forward those budget proposal forms that you have approved (with modifications, as needed) to next level supervisor for similar action. **Those that you disapprove remain in the system for the next level to review if desired but are not immediately forwarded as a matter of course.**

- **If you wish to deny a proposal, enter the reason for the denial in the justification line of each proposal in capital letters so submitters may see your rationale.**

- **Share your conclusions and meeting results with the budget officer before review of the proposals begins to assist in the understanding of your decision process.**

General suggestions:

- Look at and justify everything.

- BESIDES SALARY COSTS, do not leave anything out – trips, employees, supplies, travel, routine bills, utilities, fertilizer, etc.

- If in doubt about whether or not to submit a budget proposal – DO – you may not be successful, but you definitely won't be if you don't submit.

- Justify clearly and succinctly; passionate verbiage unsupported by reason or data is less likely to be successful.

- If you elect not to participate in this process, you will be expected to live with the consequences.

- Thorough, clear, well-supported proposals will be seriously considered.

- Proposals that have the effect of changing the current bargained agreements, other college contracts or agreements, will be considered in that light.

- **At the Budget Office stage, proposals may be "denied" at various times due to duplication, pooling, improper entry (i.e., a submission of salary via the electronic form rather than paper), etc. This does not necessarily mean that your proposal is denied in its concept, but only in its original form. If you wish to know why a proposal was denied by any level, the reason for denial should be viewable in the justification line of each proposal in capital letters.**

Detailed Instructions on Completing the Budget Item Proposal Form

Budget Item Proposals will be submitted electronically using a form similar to the one below. All fields on this request *are required fields*, and must be filled in prior to submitting the proposal. When an individual submits the proposal, it is automatically routed to the person who has been assigned responsibility for the account (referred to as Responsible Person 1 (RP1)). RP1 receives all proposals for that account and has the responsibility for reviewing, aggregating and sending forward approved proposals.

To obtain access to the form, you will need to log into the intranet (BMCC Staff Web). If you have not yet acquired a password, you will need to do so, by following instructions on the BMCC Staff Web. It takes 24 hours to verify a new password, so plan accordingly.

Once you log-in, you will choose "2006-2007 Budget" from the menu. Select "Create a New Proposal." This will take you into the form you see below. Proceed to fill–in the fields.

Required Fields:

- **Department** – Select your department from the drop-down menu. This will populate the departmental goal area, if your department has identified goals. Select the goal that best matches this proposal. *Note: If no departmental goals exist you will not be able to proceed. You **must** turn in goals to the Institutional Research and Assessment Office (Dan Lange) as soon as possible so that you can begin to enter Budget Item Proposals.* **The department goal now automatically ties to the Institutional Goal that you identified when you prepared your departmental goals.** The Institutional strategic goal will appear on your printed proposals, but will not appear on the screen.

- **Program Budget Activity** – **Instead of budgeting only by line item, we are asking you to budget by "activity". This allows you to list all the items needed to perform a specific activity by entering multiple line items on one request. The entire activity is then either approved or disapproved. The advantage of this method to the submitter is that there is no risk that certain key items required to complete an activity are cut while other parts are funded – truncating one's ability to perform the activity.** From the budget office and management standpoint, it prevents the "wading through" of thousands of detailed line items and debates about how many pencils a certain office really needs while never addressing the overall function that those pencils are to be used to complete. Examples of an activity submittal are as follows:

  - **Program Budget Activity:** "Distributing Board Agendas and Minutes to parties as designated by Board, College Procedures, and Oregon Statutes for Fiscal Year"

    - $200 Postage
    - $55 Copying
    - $65 Office Supplies
    - $77.89 Part time Clerical Assistance
    - $46 Board stationary and Envelopes

- **Account Number** – This is a drop-down field, with account numbers listed. With the new account numbers in Wolftrax, you will be required to select the account from the list as well. Select the appropriate number from the drop-down menu; if 2 or more apply, you will have to submit separate budget requests for each. If this is the case, tie the two (or more) requests together by using the description field, such as: "See Budget Proposal #xxx, which relates to this request." You should reference this request on the second one as well.

  Each account number has been assigned to a person responsible. (See Responsible Person Duties). As individuals, someone will contact to you let you know for which accounts you can submit budget proposals.

- **Priority** – Indicate the priority need for your request, with 1 being *highest (essential to operation*) and 5 being lowest (*desirable, should funding exist*).

- **Object Code** – This is another drop-down menu that lists the object (revenue and expense) codes that are currently available to choose from. You may note that every single object code currently available is not included; we have grouped objects into pools, but the pools are fairly detailed and descriptive. Choose the code that best describes the type of expenditure. If multiple object codes are needed for this expenditure, you can enter additional lines. The object codes are fairly self-explanatory, but should you need further instruction, call Anna Price in the Business Office. For non-general fund accounts, you will also need to budget for revenue, and consequently, you will need to choose a revenue object code. Further explanation of codes is described below.

- **Amount** – Enter the dollar amount you are requesting for this particular line of the proposal.

- **Projected cost** – This field will automatically calculate, based on the dollar amounts you have indicated previously. It will add all line items submitted on this request.

- **Statement of Request** – This is the long description of your request, and should include information to support the dollar amount being requested. Include in this section how the cost was determined or quotes you may have obtained. [E.g.: The network printer in the business office supports 9 individuals. Toner cartridges are replaced approximately once a quarter and cost $120 each. Request is for $480 for toner cartridges for Iolite.]

- **Impact** – Note any impact that this proposal might have on other departments and whether the impact is positive or negative. An email will be sent to the impacted department alerting them that their department will experience impact as a result of a proposal submitted, and ask that they review the proposal and submit comments. **This was inserted last year to ensure that affected parties had the ability to note and comment on requests affecting them and increase the communication concerning the budget among areas.**

- **In-Kind Materials, Services & Supplies** – Note any in-kind services that might result or become available as a result of this proposal, and which departments might benefit from them. An email will be sent to the affected department to advise them of this fact and ask that **they view the proposal and submit any comments.**

- **Underlying Assumptions –** Note any assumptions that you have made in preparing this proposal. For example: Submittal assumes that in-kind products of office supplies available through suppliers are available for department's exclusive use and that use of such items is appropriate to the activity in question.

- **Justification –** Enter your justification for this request. Justify clearly and succinctly; passionate verbiage unsupported by reason or data is less likely to be successful. Office supplies will not require as extensive a justification as would travel, a new position, or new equipment. This may be the most important field on this form, from an approver's perspective. **When denials are made, the individual will put in their reason for the denial in capital letters in the justification line.**

- **Save –** You can save a proposal in process, without posting it. If you don't save it, any information you have entered will be lost. Save often! You will be alerted that the proposal might "time-out", but save often to be sure!

Post this Proposal – When your proposal is ready to submit, click on this button, and your proposal will be forwarded to the next person in the approval hierarchy. You can start a proposal and come back to it later, and you can have several "in process" at one time. Once it is submitted, a proposal number is assigned, and the time and date posted is indicated. You can print your proposal for your records. If you have received written quotes or have other supporting documents for this request, you must deliver them to the next person in the approval hierarchy manually. **Note: You can go back and look at any proposal you have submitted to see if they have made any changes to the proposal, and/or if they have forwarded it on to the next level.**

Zero Based Budget

Budget Item Proposal	
Submitter Name:	Anna Price
Submitter Email:	aprice@bluecc.edu
Department:	Select Department ▼
Dept. Goal:	
Account:	Select Account ▼
Program Budget Activity:	
Priority:	Select Priority ▼

Object Code	Cost
Select ▼	
Select ▼	
Select ▼	
Select ▼	
Select ▼	

IF YOU NEED TO ADD MORE LINE ITEMS, PLEASE CLICK THE "SAVE" BUTTON BELOW

Projected Cost: 0.00

Statement of Request:

Impact: [ ]

Other Depts. Affected: Why?
[select multiple, if appropriate]

☐ Positive

☐ Negative

| ABE/ASE |
| Access |
| Accounting |
| Ada |
| Advising |
| Advisory Committees |
| Agency Dept Of Public Safety Standards & Training |
| Agency Eastern Oregon Univesity |
| Agriculture |
| AIS |

In-Kind Materials, Services & Supplies:

Other Depts. Affected:
[select multiple, if appropriate]

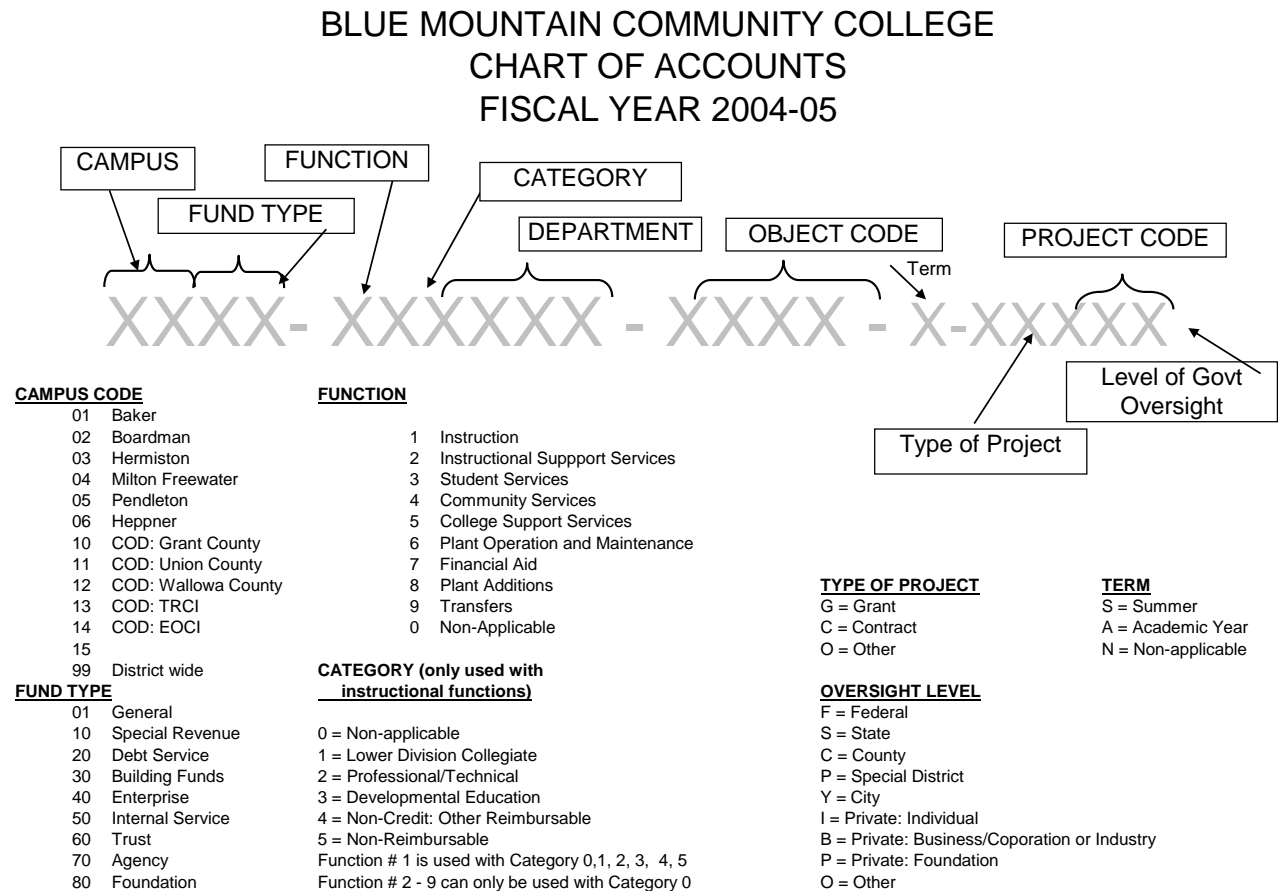| ABE/ASE |
| Access |
| Accounting |
| Ada |
| Advising |
| Advisory Committees |
| Agency Dept Of Public Safety Standards & Training |
| Agency Eastern Oregon Univesity |
| Agriculture |
| AIS |

Describe:

Underlying Assumptions:

Justification:

SAVE

Budgeting Basics for those Entering Budget Proposals

This section of training material is included to help you understand the account numbering structure at BMCC and how funds are defined and used. To begin with, the Chart of Accounts structure is as follows:

BLUE MOUNTAIN COMMUNITY COLLEGE
CHART OF ACCOUNTS
FISCAL YEAR 2004-05

CAMPUS   FUNCTION   CATEGORY   DEPARTMENT   OBJECT CODE   PROJECT CODE
FUND TYPE   Term   Level of Govt Oversight   Type of Project

XXXX- XXXXXX - XXXX - X-XXXXX

CAMPUS CODE		FUNCTION				
01	Baker					
02	Boardman	1	Instruction			
03	Hermiston	2	Instructional Suppport Services			
04	Milton Freewater	3	Student Services			
05	Pendleton	4	Community Services			
06	Heppner	5	College Support Services			
10	COD: Grant County	6	Plant Operation and Maintenance			
11	COD: Union County	7	Financial Aid			
12	COD: Wallowa County	8	Plant Additions	TYPE OF PROJECT		TERM
13	COD: TRCI	9	Transfers	G = Grant		S = Summer
14	COD: EOCI	0	Non-Applicable	C = Contract		A = Academic Year
15				O = Other		N = Non-applicable
99	District wide	**CATEGORY (only used with**				
FUND TYPE		**instructional functions)**		**OVERSIGHT LEVEL**		
01	General			F = Federal		
10	Special Revenue	0 = Non-applicable		S = State		
20	Debt Service	1 = Lower Division Collegiate		C = County		
30	Building Funds	2 = Professional/Technical		P = Special District		
40	Enterprise	3 = Developmental Education		Y = City		
50	Internal Service	4 = Non-Credit: Other Reimbursable		I = Private: Individual		
60	Trust	5 = Non-Reimbursable		B = Private: Business/Coporation or Industry		
70	Agency	Function # 1 is used with Category 0,1, 2, 3, 4, 5		P = Private: Foundation		
80	Foundation	Function # 2 - 9 can only be used with Category 0		O = Other		

Object Codes used in Budgeting:

     4xxx= Revenue (for non-general fund accounts)

     5xxx= Payroll

     6xxx & 7xxx= Services and Supplies and Student Financial Assistance

     8xxx= Capital Outlay

     9xx= Transfers and Contingency (determined by Budget Officer)

The most widely used fund groups for operational purposes are the General Fund and the Special Revenue Fund.

General Fund accounts are funded primarily from State appropriations, Tuition and Fees, and Local Sources. Revenue is recorded in revenue accounts and expenses are budgeted by department into separate accounts. A general fund expense account will have only expense object codes in the account, and the budget sets what you are allowed to spend. **<u>For general fund accounts, (xx01-….) only requests for expenditures will be required.</u>**

Special Revenue Accounts are funded from various sources, generally grants or contracts, gifts, donations or sales. A special revenue account may also receive some state funding (such as a line-item appropriation). Special revenue accounts are "self funded," consequently; expenses are budgeted at the level of anticipated revenue. **For all special revenue accounts, (xx10-…) you must budget your anticipated revenues; your expenditure requests must stay within that revenue amount.**

Enterprise, Internal Service and Agency funds must also be budgeted for both revenue and expense items - and your **expenditure requests must stay within the budgeted (anticipated) revenue amount.**

How do I get started? A good place to start this process is by looking at past expenditures. Keep in mind that this should be used only as a starting point to identify the types of items that have been purchased in the past. You must then look at how your department may have changed in terms of people, technology and/or services provided. You may need more now, or you could need less, depending on your situation. All budget proposals will have to be justified in the light of your department's configuration, staffing and services that you provide (or wish to provide). Departments are provided with monthly printouts, so you will have to determine who has those printouts to gather the information you need. Again, don't limit yourself to the past; we are looking for new ideas and better ways of doing things. This is your opportunity to make requests, and you need to take advantage!

Guidance on various line-item requests:

Revenue: Revenue **will need to be budgeted for accounts in the special revenue, enterprise, internal service, and agency funds (see coding string above).** Revenue should be based on grant or contract amounts, when applicable, and on estimates for fund raising, donations, tuition, sales or other revenue types you have received in this account in the past.

Expenditures:

1. Salary-
    1.1. Existing Positions: No entry needed
    1.2. New Positions: **NO ELECTRONIC SUBMISSION REQUIRED. SEE ATTACHED POSITION REQUEST FORM.**

2. Supplies: List supplies needed for the entire year **EXCEPT OFFICE SUPPLIES for General Fund accounts -- these will be budgeted collectively again this year.** Anticipate the number of items you will need and the cost per item. Be sure to include freight expense, and/or "hazard" fees, for transporting certain chemicals, etc.

3. Copies: **FOR NON-GENERAL FUND ACCOUNTS ONLY (General Fund accounts will be budgeted collectively as we did this year).** Provide an estimate – should be supported by prior experience or known changes. (Cost to make copies at local copiers is $.05/copy; copies in Copy Center are currently $.03/copy)

4. Travel: List the number of trips, purpose of the trips, location of travel (if known) and the anticipated cost per trip. Travel should be listed by individual and by trip. It may be beneficial for a department to develop a travel plan to accommodate the entire department.

For example: "X dept has 5 classified staff; our goal is to send each staff member on one applicable training trip every other year."

5. Contracted Services: List service and the approximate rate for the year. Review prior year actual expenditures to determine what services you have used in the past. Get quotes as needed to support your requests.

6. Postage/UPS: **Do not include postage expense if you have a general fund account and mail items from the Pendleton campus.** Postage is charged centrally for general fund accounts. Otherwise, estimate your postage/UPS requirements.

7. Phone: Phone charges are billed to a central account for Pendleton campus users. Branch campuses need to include a budget request for regular phone usage as well.

8. Maintenance/ Repairs: If you use maintenance contracts or anticipate repairs during the budget year, include proposals for those expenses.

9. Equipment: List equipment needs, supported by documented quotes obtained over the phone, Internet or written. Provide this documentation to the next person in the approval hierarchy. Be sure to include freight expense, and/or "hazard" fees, for transporting certain items, etc.

   Note that equipment object codes vary depending on the cost of the equipment:

   - Equipment < $1,000 – Use object code 6200
   - Equipment $1,000 - $4,999 – Use object code 6250
   - Equipment > $5,000 – Use object code 8410

Budget Approval Hierarchy and Responsibilities

Responsible Person 1:

This person is critical to the success of the budget process. You have been selected by the administrator responsible for this account (known in this process as Responsible Person 2), to carry out these important tasks:

- Meet with or otherwise provide information to all individuals supported by the accounts for which you are responsible. Explain to them that they are encouraged to submit budget proposals.

  ➢ Includes providing training on submitting the requests electronically – This must be done as soon as possible to allow sufficient time for budget submission.
  ➢ You may copy anything in this packet for use in training. If you need assistance with training, contact Shannon Franklin.
  ➢ Provide information on prior year actual activity as requested
  ➢ Make available a copy of the current year's adopted budget for their account, but be clear that this is only for reference and that *the budget is being built from the ground up*!
  ➢ The clearer you are on your expectations for participation, the easier the approval process will be.
  ➢ **Be sure to reinforce the deadlines outlined here for submission.**
  ➢ Let them know that each budget proposal has a tracking number that will follow the proposal through the system (even if it has been modified)

- Accept all proposals that come to you. You must be open-minded about these requests and give consideration to all. Conduct unit discussions to prioritize proposals. As Responsible Person 1, you can approve, reject, or modify requests that come to you. Be very open with constituents as to how you have handled their request.

  Modifications to requests can be varied:
  1) Change in Priority ranking
  2) Change in Goal attachment
  3) Adjustment in scope and/or dollar amount
  4) Clarification of request or augmentation to justification

  You will have to decide in which cases you want to send the request back to the requestor and ask for modifications, and when you will make the modification on your own and send them forward. The most important aspect will be open communication, so that the person who submitted the proposal knows that their proposal was considered.

- Once proposals have been reviewed and modified (if needed), forward the budget proposal forms that you have approved to next level supervisor for similar action. You will want to be certain that a complete budget package is being requested for each department under your responsibility. Use the summary forms from the database for this purpose.

- You are responsible to see that deadlines are met so that the next level of approval has sufficient time to do their work.

Responsible Person 2:

You are ultimately responsible for having a budget proposal to submit to the Budget Office. As such:

- Provide support and guidance during the development and prioritization of proposals.

- Be clear on deadlines to your Responsible Person(s) 1

- Meet with Responsible Person(s) 1 during the process to answer questions and to keep on track

- Conduct final review and prioritization of proposals for budget development.

- Print out and ready the document you will submit to the Cabinet for final review

Budget Timeline

1. **December 1** - Guidance forms distributed

2. **December 1-January 10 –** Individuals submit Budget Requests

3. **January 13-February 7 –** Budget Item Proposals reviewed by RP1. Submission by February 7

4. **February 8-March 1 –** Budget Item Proposals reviewed by RP2. Due to Budget Office by March 1

5. **March 1 Review by Budget Office begins and continues** as needed until early April 3

6. **April 3 –** Proposed Budget document completion