

Policy: **Financial Management**
Responsible for Policy: Administration & Finance

Policy Number: **G-8**
Most recent approval date: July 2015

Policy Statement

Finger Lakes Community College shall administer its operating budget control function through a system of line item appropriations. Actual line item expense must not exceed the line item authorization.

Department managers shall be provided with a weekly, year-to-date ledger summary of line item expenses. Managers must be familiar with the ledger information.

Reason for Policy

This policy is intended to ensure proper and legal administration and management of the College's operating budget in compliance with NYS Education Law.

Applicability of the Policy

All members of the College administration and department managers should be familiar with this policy.

Definitions

None

Related Documents

NYS Education Law

Review date/action taken (requires Board of Trustees approval):

May 2010: original approval date

Fall 2012: no revisions

July 2015: no revisions

Procedures

Transfers

Authority to appropriate and expend funds in support of approved activities identified in the college budget is granted by the Board of Trustees. Subject to approved policy, trustees authorize the Vice President of Administration & Finance to cause transfers between and among those activities. All budget transfer requests must document the new use of funds. Written requests that do not adequately describe the need for the transfer may not be approved.

The treasurer shall provide a report of budget transfers to the Board of Trustees Finance & Facilities Committee and Ontario County on a monthly basis.

Transfer requests that do not materially change the intent of the original authorization may be forwarded directly to the treasurer for immediate approval. Examples may include the need to address budget errors, pricing changes or to provide additional support for unanticipated operating problems.

Subject to approved policy and practice, any request to change the intent of original appropriation may be subject to varying levels of review and approval. Such requests must first be approved by the supervising college officer.

Line Surpluses

Consideration to commit any line surpluses to other activities should be reviewed in advance with the Vice President of Administration & Finance. Personal Service Line surpluses generated through vacancies should not be considered available for general operations. Equipment surpluses are not available for the purchase of other non-budgeted items without prior approval. Equipment transfers are routinely approved to correct pricing errors or changes.

Subject to the availability of funds, transfers to replace equipment that has been stolen, deemed obsolete or damaged are generally processed without delay. Depending on the urgency of a request, the treasurer may authorize the transfer and/or purchase of new priority equipment items not included in the original budget

Overdrawn Lines

Unit managers are responsible to stay within authorized budget appropriations. The Controller's staff is responsible for monitoring all accounts for overdraft conditions and take appropriate action when necessary.

Voucher requests that may result in an overdrawn line may be sent back to the unit manager with a request to review the account and to request a transfer, if necessary.

In the event the accounting system identifies an existing overdrawn line, it shall be the responsibility of the Controller's Office to send an overdraft notice to the unit manager, requesting an explanation for the overdraft and a plan for corrective action.

The college is required to satisfy all payroll transactions that are processed through the system regardless of funding availability. It is the unit manager's responsibility to insure that sufficient funding is available before contracts are approved and work is started. If there is insufficient funding, the manager is responsible for requesting a transfer of funds. The Human Resources Office may not approve contracts for personnel services when not assured by the unit manager that funds are available.

Additional Transfer Notes

Department heads are responsible for operating within the financial limitations authorized by the trustees. Department heads are encouraged to contact the Vice President of Administration & Finance for assistance any time where there is an indication that a budget line may be overdrawn or where there is a circumstance that cannot be addressed with current resources. It is the mission of the Vice President of Administration & Finance's office to provide advice and assistance for finding a reasonable solution to any particular problem.

At the discretion of the treasurer, additional justification or approvals may be requested before a transfer is approved. At no time will a transfer request be denied without consultation between the Vice President of Administration & Finance and the appropriate supervising college officer.

Forms/Online Processes

None

Appendix

None

Review date/action taken:

May 2010: original effective date

Fall 2012: no revisions

July 2015: no revisions