

# **BURRELL COLLEGE OF OSTEOPATHIC MEDICINE**

## **STANDARD OPERATING PROCEDURES**

<b>Budget Development, Reporting and Control Process</b>		<b>SOP #: FIN.003.04</b>
Effective Date	1/15/16	
Last Revision/Review	11/16/21, 4/28/23, 7/1/23, 5/31/24	

### **1. Purpose**

The annual budget must be developed and administered in compliance with Board policy and all applicable external requirements; this procedural document identifies the steps required to achieve compliance, including regular budget-to-actual financial reporting.

### **2. Related Policy/Authority**

Policy B3010 Financial Planning & Budget

Federal and state requirements for budgetary control; debt indenture requirements for budgetary development, reporting and control; accrediting body requirements for budgetary development, reporting and control; BCOM Investment Partners LLC operating agreements and Board of Trustees Bylaws requirements for budgetary development, reporting and control.

### **3. Faculty/Staff Responsibilities**

Vice President of Administration/CFO is responsible to ensure that an overall structure of sound budgetary controls is implemented, and that all external regulations and requirements for routine budgetary planning and approval of actions and transactions are addressed in the control and reporting structure. The VP of Administration/CFO is responsible to periodically review the structure and implementation of budgetary controls, and to regularly review all financial reports presented to the BCOM Investment Partners Members, the Board of Trustees, the Debt Trustee, and any governmental agency or accrediting body.

The Controller is responsible for the implementation and oversight of these procedures.

### **4. Definitions/Abbreviations**

GP = Microsoft Dynamics GP, the current financial accounting system

### **5. Procedural Steps**

1. Budgets are prepared prior to the start of each fiscal year, in the following manner; sponsored project budgets are exempted from this process, and are subject to the process documented below
  - a. The VP of Administration/CFO, with assistance from the Controller, prepares the revenue budget, including proposed tuition and fees rates and estimated enrollment, by the end of December, for the review and approval of the Dean/CAO and President. The Board of Trustees Budget, Audit and Compliance Committee approves the proposed tuition and fees rates for the upcoming academic year, and subsequently presents the tuition and fees rates to the full Board of Trustees, during January.

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- b. Department Heads charged with budgetary responsibility submit expense budget requests to the Controller or Assistant Controller by the end of January, and participate in formal budget meetings with the Dean, CFO, Controller and Assistant Controller during February, at which time submitted requests may be modified.
  - c. The Controller prepares a summary of the overall revenue and expense budgets drawn from these processes for the approval of the CFO, Dean/CAO and the President within the month of February.
  - d. Once approved by the Dean/CAO and President, the summary level budget is presented to the Board of Trustees Budget, Audit and Compliance Committee no later than April, and subsequently by the Committee to the full Board of Trustees, for approval within April.
  - e. The fully approved budget, including approved tuition and fee rates, is shared by the Controller through distribution lists of required external parties and those internal parties assigned budgetary authority at the Department Head or above level.
2. Sponsored project budgets are developed in accordance with SOP RSP.020 Grant Submission Process. All budget reporting and controls outlined in this document will be applied to sponsored project budgets and transactions.
3. Timely and accurate financial reporting will be provided through GP.
  - a. The reporting of revenues and expenditures will include a cost object line-item level comparison of budget to actual results for each established account within the financial reporting system, will be provided to all designated budget managers by the Finance Office.
  - b. Project-based budgets for sponsored or capital projects will be compared in the financial reporting system with actual results on a multi-year basis, as appropriate.
  - c. Finance will hold responsibility for timely and accurate financial reporting to budget managers and will hold responsibility for development of institutional-level financial reporting which will include detailed budget-to-actual performance reports at both the cost object line item and functional summary level. The VP of Administration/CFO will hold responsibility for all required external financial reporting, including reporting members of the Board and the Debt Trustee.
  - d. Internal financial reporting will be provided on a monthly basis and external financial reporting will be provided on a quarterly basis, or subject to special request.
4. Funds may not be committed for expenses without sufficient budget resources allocated via a fully approved budget.
  - a. All proposed commitments of funds will be approved in accordance with stated procedures; e-Requester will ensure adequate budget availability prior to processing any disbursement transaction.
  - b. Commitments which do not follow the approval process may become the personal liability of the employee initiating the transaction.
  - c. Purchase requisitions will be processed in accordance with established purchasing procedures; there is an automatic budget check and encumbrance as a part of the requisition process. Requisitions not submitted on purchase requisitions are submitted through a manual budget review process overseen by the Finance Office.

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5. During a given year, budget revisions within an approved fiscal year budget may be requested. A Budget Revision Form should be completed by the Department Head and submitted to the Controller for processing; the Controller can assist the Department in considering how best to approach the request for a revision. Approval is required as stated below for the following budget revisions, via a signed budget revision form.
- a. Proposed increase in, or transfer between, the following summary external budget lines: personnel budget, operating budget, capital budget: Board of Trustees approval is required for any amount of increase.
  - b. Personnel budget (salary and fringe benefits) reallocation without net overall increase or decrease: Dean/CAO and President approval required, depending on the reporting line of the department.
  - c. Operating (non-personnel) reallocation without net overall increase or decrease: Department Head approval required if within a Department Head's approved budget; Dean/CAO and President approval required if between multiple departments, depending on the reporting line of the department.
  - d. Capital budget reallocation without net overall increase or decrease: Department Head approval required if within a Department Head's approved budget; Dean/CAO and President approval required if between multiple departments.
  - e. No changes are allowed regarding debt or the debt service budget without the approval of the Board.

### **6. Reports/Charts/Forms/Attachments/Cross References**

Budget Revision Form [[Finance Forms - Burrell College of Osteopathic Medicine](#)]

Financial Planning & Budget [[1 \(burrell.edu\)](#)]

SOP RSP.020 Grant Submission Process [[RSP.020.01 Grant-Submission-Process.pdf \(burrell.edu\)](#)]

### **7. Maintenance**

Office of the Controller; updated whenever an internal or external reporting requirement is added or changed.

### **8. Signature**

Approved by

VP Administration/CFO

5/31/2024

Date

### **9. Distribution List**

Internal/External

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### **10. Revision History**

Revision Date	Subsection #	Summary of Changes	New/Cancellation/ Replacement Procedure? (if applicable)	Approval Date
11.16.2021	5	Added information about budget revision form and approval process.		11.30.2021
4.28.23		Updated titles and clarified processes		4.28.23
8.30.2023	All	Updated information for sponsored projects.		8.30.2023
5.31.24	5	Updated Committee name		6.4.2024