

Budget Development Process Manual



Fiscal Services
Finance and Business Services
San Diego Community College District

January 2025



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Introduction



Daniel J. Troy, Vice Chancellor Finance and Business Services

Finance and Business Services (FBS) Division is dedicated to providing quality operational and administrative services in support of the colleges and the District's various divisions and departments. We are committed to operating in a manner based upon integrity, transparency, and equity while recognizing the role of the FBS Division in ensuring the public's trust

Under the direction of the Chancellor, the Vice Chancellor (VC) for Finance and Business Services (FBS), in accordance with the goals of the District, plans, organizes, directs, administers, reviews, and evaluates districtwide fiscal and business services programs. Areas of responsibility include fiscal services, budget and resource allocation models, purchasing, finance, and auditing. The VC provides executive leadership in accordance with the District's Educational Master Plan and strategic goals and objectives.

The FBS division includes the sub-departments of Accounts Payable; Budget, General Accounting, Special Funds, Grants and Contracts, and Purchasing and Contract Services. Fiscal Services is responsible for developing and maintaining the annual budget, which is developed in consultation with the Vice Presidents of Administrative Services, as well as the colleges leadership in a collaborative manner. An allocation model is used for the distribution of state apportionment revenue allocated to the District, which is then allocated to the colleges, Continuing Education, and other District operations. The annual budget is developed with input from the Chancellor's Cabinet, the Budget Planning and Development Council, which is comprised of faculty, classified staff, and administrative leaders throughout the District. Once funds are distributed, the colleges and District administrative departments are responsible for the expenditure and monitoring of funds within the constraints of local, state, and federal laws and regulations. Audits and fiscal controls are the responsibility of Fiscal Services.

The purpose of this San Diego Community College District Budget Development Process Manual is to acquaint you with the budget development process and provide a detailed description of the process used by Finance and Business Services to perform both Budget Development and Financial Management throughout the District.

Finance and Business Services Contacts

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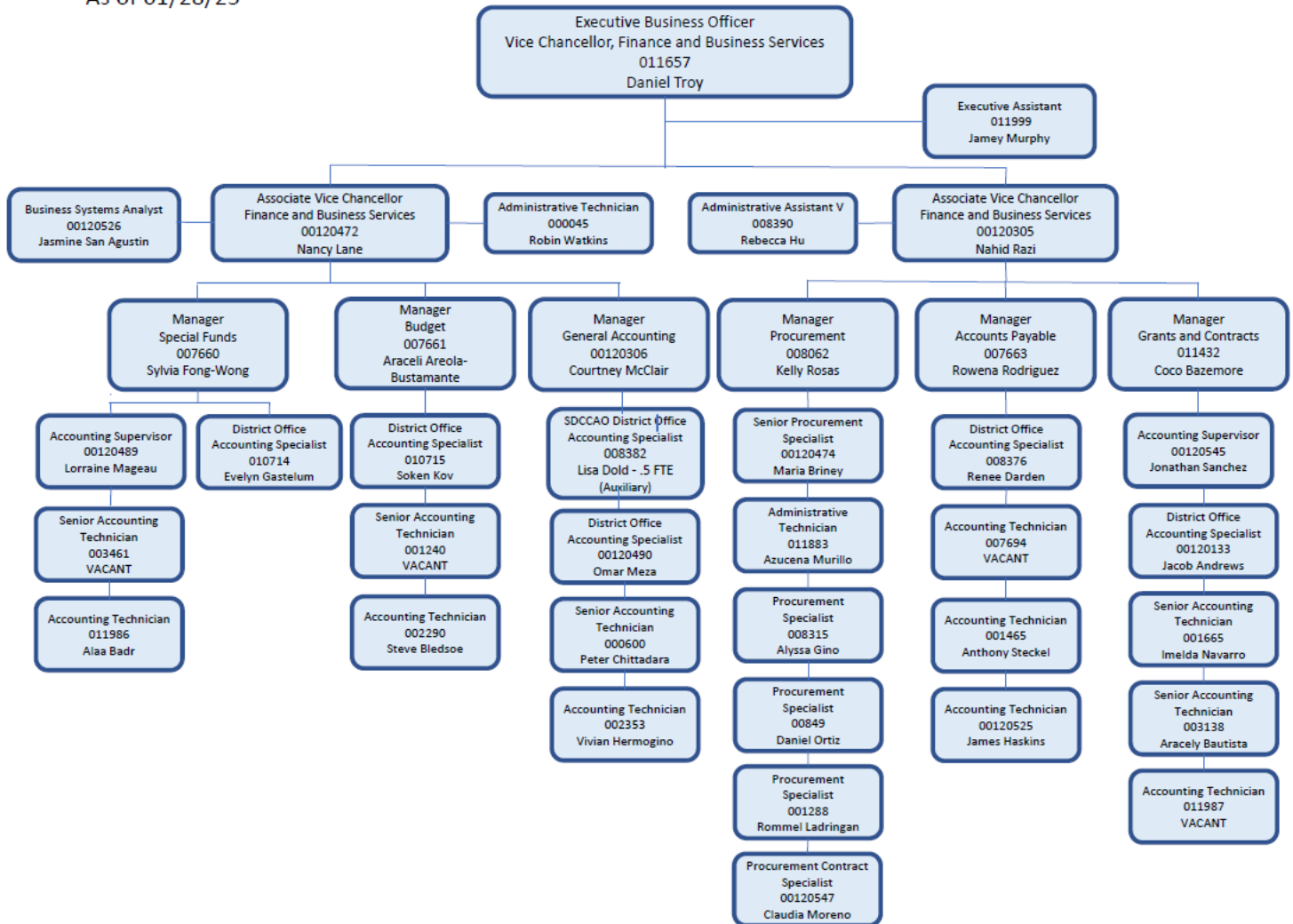
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Finance and Business Services Organizational Chart

As of 01/28/25

Finance and Business Services Organizational Chart



Budget Planning and Development Council

Description

The Budget Planning and Development Council shall be entrusted with the task of reviewing and making recommendations to the Chancellor on districtwide budget and planning issues. This council shall be comprised of representatives from student leadership, faculty, classified professionals, and administration. The council:

- Shall limit its charge to budget and fiscal matters only, and excludes personnel and labor related matters, Board approved capital construction, and contractual matters; and
- Shall establish cooperative working relationships with other college and District standing councils/committees, as is necessary in order that it may carry out its prescribed functions and fulfill its prescribed responsibilities.

Function

- Review and recommend to the Chancellor, districtwide budgetary priorities, as stated in the council's charge.
- Meet, as required, and encourage full participation and communications regarding the state and the District's budget.
- The council shall have access to District financial information as it relates to districtwide budget planning and development and institutional strategic planning.
- Advise and participate in a broad districtwide discussion of fiscal issues and receive timely information regarding budgetary matters to include:
 - Health and welfare cost impacts
 - Campus and Budget Allocation Models
 - Districtwide Budget Development
 - Physical Plant and Instructional Support (equipment and deferred maintenance only) districtwide expenditures
 - Districtwide program improvements
 - Receive reports and provide input regarding Districtwide Strategic Planning goals and objectives.
- Make recommendations on alternative sources of obtaining revenues from external sources.
- Be informed regarding recommendations for adoption of new districtwide educational programs, development of new centers and their budgetary and planning fiscal impact.

Guiding Principles

The main task of the council is to meet the needs of the students by reviewing and making recommendations, as appropriate, to the Chancellor on districtwide fiscal and strategic issues, such that:

- District and college Educational Master Plans shall provide the underlying guidelines for budget development and institutional planning.
- Current revenues should finance current expenditures and general contingency reserves.
- Districtwide budget development shall be a decentralized process, thus allowing maximum input in the budget development of the districtwide community. Participation at the operating unit shows evidence of parties involved.
- Operating units shall be responsible for preparing each unit’s operational budgets.
- Budget development and planning should be viewed as a year-round activity.
- The District’s fiscal planning shall provide for contingencies and reserves as required by law, District policy, and sound fiscal management.

Budget Planning and Development Council		
<u>Membership 2024-2025</u>		
Daniel Troy	Vice Chancellor, Finance and Business Services, Council Chair	District Office
Araceli Arreola-Bustamante	Manager, Budget, Fiscal Services	District Office
Brett Bell	Vice President, Administrative Services	Miramar College
Andrew Hoffman	Academic Senate President	Mesa College
Malia Kunst	Classified Senate President	Miramar College
Sahar King	Classified Senate President	Mesa College
Neill Kovrig	Classified Senate President	College of Continuing Education
Lorenze Legaspi	Vice President, Administrative Services	Mesa College
Jim Mahler	AFT Representative – Appointed	
Paul "Pablo" Martin	Academic Senate President	Miramar College
John Parker	Vice President, Administrative Services	City College
Nancy Lane	Associate Vice Chancellor, Finance and Business Services	District Office
Sean Ryan	Classified Senate President	City College
Jacqueline Sabanos	Vice President, Administrative Service	College of Continuing Education
Susan Topham	Vice Chancellor, Educational Services	District Office
Richard Weinroth	Academic Senate President	College of Continuing Education
Mona Alsoraimi	Academic Senate President	City College

Board Policies and Administrative Procedures

Board Policy 6200 Budget Preparation

Board Policy 6200 provides specific criteria for the District's budget development process.

Administrative Procedure 6200 Budget Preparation

Administrative Procedure 6200 provides procedures the development of the District's annual budget.

Board Policy 6250 Budget Management

Board Policy 6250 provides general information related to budget management and directs that the District's Budget shall be managed in accordance with Title 5 and the California Community College Budget and Accounting Manual. Budget revisions shall be made only in accordance with these policies and as provided by law.

Administrative Procedure 6250 Budget Management

Administrative Procedure 6250 provides procedures for Board of Trustees approval for budget transfers.

Board Policy 6300 Fiscal Management

Board Policy 6300 directs the District Chancellor to establish procedures to assure that the District's fiscal management is in accordance with the principles contained in Title 5 Section 58311.

Administrative Procedure 6300 Fiscal Management

Administrative Procedure 6300 ensures that the fiscal procedures of the District are sound and comply with Title 5 and the California Community Colleges Budget and Accounting Manual. The Chancellor provides a detailed list of fiscal practices that are to be in place at the District.

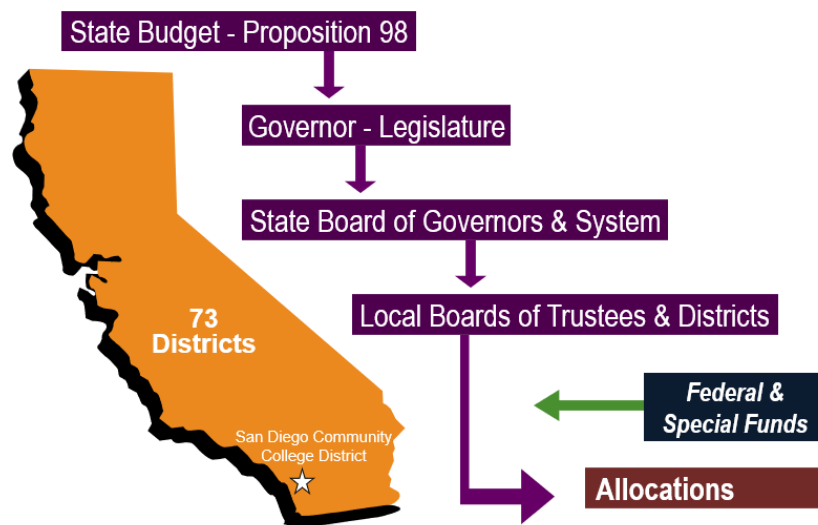
These board policies and administrative procedures can be accessed on the District's website at <https://www.sdccd.edu/about/leadership/board-of-trustees/board-policies/index.aspx>.

Training

Training for Budget Development and other fiscal related topics can be accessed on the District's website at (insert web link here). [Note: The District website is undergoing a complete overhaul. The link will be provided once the website has been updated].

California Community College Budget Process

Proposition 98 Establishes Minimum Funding Level for Schools and Community Colleges. This minimum funding requirement is commonly called the minimum guarantee. The state calculates the minimum guarantee by comparing three main formulas or “tests.” Each test considers certain inputs, such as state General Fund revenue, per capita personal income, and K-12 student attendance. The state can choose to fund at the minimum guarantee or any level above it. It also can suspend the guarantee with a two-thirds vote of each house of the Legislature, allowing the state to provide less funding than the formulas require that year. The state meets the guarantee through a combination of state General Fund and local property tax revenue.



Student Centered Funding Formula (SCFF)

Under the Student Centered Funding Formula (SCFF), San Diego City, Mesa and Miramar colleges are considered medium sized colleges (serving between 10,000 and 20,000 FTES). In addition, the District receives funding for San Diego College of Continuing Education’s five approved education centers (serving 1,000 or more FTES), which is the maximum funding level for centers.

The Base Allocation portion includes the colleges and centers and the FTES funding, which represents 70% of the district’s Total Computational Revenue (TCR) apportionment. The FTES portion is based upon a 3-year average plus the Basic Allocation tied to whether a district is a single or multi-college district, the size of each colleges as determined by FTES (i.e., small medium or large) and the number of approved education centers.

The remaining 30% of the SCFF formula is based upon individual student headcounts as opposed to FTES counts as follows:

- Supplemental allocation representing 20% of TCR apportionment for supporting low-income students identified as AB 540 Students, Pell Grant Recipients and Promise Grant Recipients. (District is currently projected at earning approximately 15.07% of the 20%).
- Student Success outcomes 10% portion is tied to specifically defined metrics (e.g., award of ADT, Associated Degrees, etc.) outcomes defined in SCFF. (District is currently projected at earning 9.65% of the 10%).

Fund Accounting

The primary purpose of fund accounting is to segregate financial information. Accounting for financial transactions related to specific activities or objectives are recorded within separate funds.

A fund is defined as a “fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equity or fund balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions and/or limitations.” (GASB Codification Section 1300, NCGA-1)

Resources are allocated to and accounted for in individual funds based upon the purpose or use of funds as determined by the donors/source of the funds (i.e., resources). For external reporting purposes, there are three broad fund types: Governmental; Proprietary; Fiduciary funds.

Total revenue and total expenditure budget amounts in the same fund/project grant must be equal i.e., a budget must balance as compared to a “for-profit entity”, which ideally has revenue in excess of expenses i.e., “operating at a profit”.

Fund Accounting (Budgets) versus Financial Accounting

Budgets

1. A forecast of what is expected to occur with regard to revenue and expenses.
2. Must have an approved budget before any money can be spent.
3. Represents a spending plan (the authority to spend)
 - a. Unrestricted funds
 - b. Restricted funds
 - c. Designated funds

Financials

1. A reporting of the revenues actually received and expenditures incurred.
2. Actual spending as the transactions are processed.
3. Examples of records to support spending:
 - a. Purchase orders
 - b. Expenditure transfers
 - c. Requisitions
 - d. Time sheets

Timeline and Process for Budget Development

January	<p>January 10th: Governor releases budget proposal</p> <p>Annual ACCCA/ACBO Budget Workshop</p> <p>On a monthly cycle, the Budget Planning and Development Council reviews and revises the budget assumptions as warranted based on new information and updates the District Governance Council on the status of the budget assumptions for the next fiscal year.</p>
March	<p>Tentative Budget Development Begins</p>
May 15	<p>Governor is required to release the May Revise (January proposal revised)</p>
June	<p>Tentative Budget is presented to the Board of Trustees for approval.</p>
July – August	<p>Associate Vice Chancellor of Finance and Business Services and Fiscal Services Budget Manager review state budget changes and incorporate those changes into the Proposed Budget assumptions.</p> <p>Budget Officers analyze year-end results and incorporate these results into local planning processes.</p> <p>Adopted Budget Development Begins</p>
September	<p>Final budget is presented to the Board of Trustees for approval.</p>

Budget Development Calendar Tentative Budget

Date	Item	Site	Dept
Mid March	Complete EPM updates to Position Cube (Update an review of default tables for salary tables, benefits, additional pay, shift differential etc. Budget - Human Capital Management data validation and Total Personnel cost calculation)	District Office	IT/Finance & Bus. Svcs.
Late March - Mid April	Campus to validate updated Position Data on EPM Cloud position Cube	Campuses	Business Office
Mid April	EPM updates/corrections based on feedback from sites	District Office	IT/Finance & Bus. Svcs.
Mid April	Position cube and General Ledger Planning integration (Position data to General Ledger Planning within EPM. Seeding Draft Budget	District Office	Finance & Bus. Svcs.
End of April	Contract Filled FTEF count due in the Budget Department	Campuses	Business Office
End of April	Reassigned Time Worksheet due in the Budget Department	Campuses	Business Office
End of April	Pro-rata FTEF report	Campuses	Business Office
End of April	FTES Targets (to confirm date)	District Office	Finance & Bus. Svcs.
End of April	Categoricals - Distribute Tentative Budget allocations	District Office	Finance & Bus. Svcs.
End of April	Initialize Next FY Chart of Accounts in PeopleSoft	District Office	Finance & Bus. Svcs.
Beginning of May	Distribute Tentative Budget Allocation Model	District Office	Finance & Bus. Svcs.
Beginning of May	Categoricals budgets - Open EPM Cloud for budget input - Campuses to begin entering categoricals budgets	All Sites	Finance & Bus. Svcs.
Mid May	Close Categorical budgets input forms at the campus level in EPM	District Office	Finance & Bus. Svcs.
Mid May	Close GFU budget input at the campus level in EPM Cloud	District Office	Finance & Bus. Svcs.
Mid May	Campus to provide reconciling schedules to support allocation provided in the CAM	Campuses	Business Office
Mid - Late May	Review data input and balance districtwide budget in EPM	DO/Campuses	DO/Campuses
Late May	All Budget Displays due in the Budget Department (Schedules/Tables)	District Office	Finance & Bus. Svcs.
Late May	Complete Displays for the Tentative Budget	District Office	Finance & Bus. Svcs.
Late May	Final Tentative Budget Draft - Power Point (Schedules/Tables)	District Office	Finance & Bus. Svcs.
Mid June	Agenda mail out for Tentative Budget	District Office	Board Office
Mid June	Load Tentative Budget from EPM to the Finance Module in PeopleSoft	District Office	IT
Mid - Late June	Board Meeting: Tentative Budget	All Sites	
Late June	Post the electronic version of the Tentative Budget on the District's web site, no later than June 15.	District Office	Finance & Bus. Svcs. / IT
Late June	Archive copy of 2024-2025 Position Planning in EPM	District Office	Finance & Bus. Svcs.

Budget Development Calendar – Adopted Budget

Budget Development Calendar Adopted Budget

Date	Item	Site	Department
Early July	Run HCM queries and validate against data provided by HR systems. (IT)	District Office	IT/Finance and Business Services
Early July	Due date for receipt of assumptions from HR for budgeted level of vacant positions	District Office	HR
Mid July	Position count reconciliation	District Office	HR/Finance and Business Services
Mid July	Load data to Hyperion Test and validate. (IT)	District Office	IT/Finance and Business Services
Mid July	Load data and validation to Hyperion Production	District Office	IT/Finance and Business Services
Mid - Late July	Complete Hyperion updates including Position Management (HR - Provide salary tables, validate that salary tables match PS, vacant position validation. IT- extract, configure and load Human Capital Management data to Human Capital Planning. Budget - Human Capital Management data validation and Total Personnel cost calculation)	District Office	Finance and Business Services
Late July	Campus to validate updated Position Management in Hyperion	Campuses	Business Office
Late July	End of Accounts Payable accrual	District Office	AP
Late July	Unlink vouchers for Amount Only Purchase Orders	District Office	AP
Late July	Unlink vouchers for regular Purchase Orders	District Office	AP
Late July	Provide Purchasing the list of Purchase Orders to be rolled into FY 23-24	All Sites	All Campuses
Late July - Early August	HCP updates/corrections based on feedback from sites	District Office	IT/Fiscal Services
Late July	Purchase Orders close process	District Office	Purchasing
Late July	Contract Filled FTEF count due in the Budget Department	Campuses	Business Office
Late July	Reassigned Time Worksheet due in the Budget Department	Campuses	Business Office
Late July	Pro-rata FTEF report	Campuses	Business Office
Late July	FTES Targets (to confirm date)	District Office	Finance and Business Services
Late July	End of Budget Transfers between Tentative and Adopted	All Campuses	Business Office
Early August	Human Capital Planning and General Ledger Planning integration (IT - to push Human Capital Planning data to General Ledger Planning within Hyperion. Budget - Human Capital Planning to General Ledger Planning data integration validation.)	District Office	BATS
Early August	Distribute Adopted Categorical Budget Allocations	District Office	Finance and Business Services
Early August	Distribute final list of rolled POs to campuses and District Divisions	District Office	Purchasing
Early August	Open Budget Input Forms in Hyperion - Campuses to begin entering budgets (Categoricals)	All Sites	Finance and Business Services
Mid August	Distribute Adopted Budget Allocation Model	District Office	Finance and Business Services
Mid August	Provide IT with file for FY Districtwide Adjusted Budget	District Office	Finance and Business Services
Mid August	Send Adopted Budget test file to Repro (TBD)	District Office	Finance and Business Services
Mid August	Close Input and Review Budget Forms in Hyperion by District Office Personnel	District Office	Finance and Business Services
Mid August (end of day)	Campus to Provide Reconciling Schedules to Support Allocation Provided in the CAM	All Campuses	Business Office
Late August	Review and Balance Budget Input in Hyperion Districtwide	District Office	Finance and Business Services
Late August	All Adopted Budget Displays due in the Budget Department	District Office	Finance and Business Services/IT
Late August	Complete Displays for the Adopted Budget	District Office	Finance and Business Services
Late August	Complete General Ledger Planning adjustments (IT- to push "adjustments" to final tentative version)	District Office	IT
Late August	Make Final Changes to the Adopted Budget	District Office	Finance and Business Services
Late August	Complete Draft PPT	District Office	Finance and Business Services
Late August	Send Adopted Budget to Printer	District Office	Finance and Business Services
August 31	Notice of Public Hearing San Diego Community College District (SDCCD)	District Office	Finance and Business Services
September - Friday prior to Board Meeting	Agenda Mail out for Adopted Budget	District Office	Board Office
September - Board Meeting Prior to the 15th	Board Meeting: Adopted Budget	All Sites	
September Board Meeting Date	Post the electronic version of the Adopted Budget on the Districtwebsite after the Board meeting	District Office	Finance and Business Services
September Board Meeting Date	Load Adopted Budget from Hyperion to Finance Module in the PeopleSoft	District Office	Finance and Business Services
September Board Meeting Date	Archive copy of the prior FY Position Management in Hyperion	District Office	IT

Budget Preparation

Support for Associated Students: Purpose/Scope

As part of BP 6200, the District provides financial support to the Associated Student (AS) organizations at the campuses in lieu of the AS conducting fund-raising via food sales, the selling of Student I.D. cards, or sharing in the commissions from vending operations.

The selling of food by students, or through the use of vendors was exposing the District to liability issues. In addition, changing technology required the District to control the creation of and issuance of Student I.D. cards. Because of these actions, the District agreed to provide financial support to the campus AS organizations for the lost fund- raising opportunities.

Annual Budget Allocation (Colleges)

Each college AS organization shall receive the following revenue from the District:

- \$1.50 per FTES for loss of revenue from vending commissions and food sales.
- \$2.00 per FTES for loss of revenue from not selling Student I.D. cards.

FTES is defined as the total credit FTES for the prior year Fall and Spring semesters as identified in the Budget Model (Section A. "FTES").

Annual Budget Allocation (Continuing Education)

As Continuing Education (CE) was not involved in fund raising activities or sold Student I.D. cards, they receive an annual allocation of \$5,000 per year.

Ending Balances

To encourage fiscal responsibility, ending balances in the A.S. accounts will be carried over each year.

Allocations for 24-25

As an example, the allocations to the campuses for 2024-25 were calculated as follows:

<u>Site</u>	<u>FTES</u>	<u>Vending Rate/FTES</u>	<u>Vending Allocation</u>	<u>I.D. Card Rate/FTES</u>	<u>I.D. Card Allocation</u>	<u>Total Allocation</u>
City	8,445	1.50	\$12,668	2.00	\$16,890	\$29,558
Mesa	12,780	1.50	19,170	2.00	25,560	44,730
Miramar	7,323	1.50	10,985	2.00	14,646	25,631
C.E.	9,216	N/A	<u>5,000</u>	2.00	<u>18,432</u>	<u>23,432</u>
Totals for 2024-25			\$47,823		\$75,528	\$123,351

Annual Review

As the case with various District funding formulas, this procedure is subject to annual review/modification based on budget limitations, financial need, or a change in existing conditions.

Minor Improvement Projects: Purpose/Scope

As part of Budget Preparation Policy (BP 6200), the District provides financial support to the campuses for Minor Improvement projects. The purpose of these funds is to provide budget to cover costs not covered through the District Maintenance Department, but are considered necessary facility modifications by a campus.

Definitions

- Minor improvement projects would include facility modifications such as:
Installing/replacing curtains and venetian blinds.
- Installing/replacing chalkboards and whiteboards.
- Replacing or upgrading flooring materials.
- Adding electrical outlets.
- Adding new computer or telephone connectivity.

It is not the intended purpose of these funds to be used for significant room remodels or modifications. Such larger projects should be funded through the Capital Projects fund, and with the necessary approval from Operations, Enterprise Services, and Facilities (OESF) and with prior funding approval.

Annual Budget Allocation

Prior to the approval of Propositions S and N, which are funding the replacement of most of the older buildings and facilities. Minor Improvements funds were designed to provide the campuses with funding to help address facility priorities not covered through the regular Maintenance budget. The previous formula for funding Minor Improvements was based on the campus assignable square feet (ASF). However, with the approval of Propositions S and N funding, the old formula was no longer deemed applicable. Therefore, the funding level for Minor Improvements that was allocated in 2007-08, will be maintained in future years. The campus allocations are as follows:

City	\$36,550
Mesa	\$45,284
Miramar	\$23,472
Continuing Education	\$23,722
District Office	\$8,629
Total	\$137,657

Ending Balances

To encourage fiscal responsibility, and to allow for multi-year planning of priority projects, ending balances in the Minor Improvement accounts will be carried over each year.

Annual Review

As is the case with various District funding formulas, this procedure is subject to annual review/modification based on budget limitations, financial need, or a change in existing conditions.

Campus Allocation Model: Purpose/Scope

As part of Budget Preparation Policy (BP 6200), the District provides a method for allocating General Fund resources to each campus. The allocation method is provided through the calculations contained in each year's Campus Budget Model.

In order, to complete the Campus Budget Model and develop the annual budget, the District staff gathers, researches and confirms financial and enrollment data from multiple sources. These include the State Chancellor's apportionment reports, enrollment reports, and the State Governor's budget releases.

Collecting and Summarizing Full-Time Equivalent Student (FTES) Information

- Collecting and Summarizing FTES Information
- Computing Full-Time Equivalent Faculty (FTEF) Allocations and Campus FTEF Budget Plans
- Computing Department Chair Extended Service Unit (ESU)'s, Reassign Time FTEF, and 11-Month Contracts
- Determining Current Year Salary & Benefit Amounts (Contract Positions)
- Computing the Annual Rates for Adjunct, Overload, Substitutes, and ESU's
- Computing Pro-Rata Allocations
- Determining Other Adjusting Contractual Items
- Computing Discretionary Funding
- Funding for Sabbatical Leaves
- Funding for Vacant Positions
- Funding for Faculty Promotions

Computing Department Chair ESU's, Reassign Time FTEF, and 11-Month Contracts

Effective Fall 2023, Appendix V of the Faculty CBA dictates the amount of Department Chair total reassigned time FTEF per department. Changes to the reassign time would be funded through AFT's portion of the RAF and requires Board approval. Calculations for Department Chair ESUs and 11-month contracts are still based on the percentage of Chair reassigned time as indicated in the Faculty CBA.

Included in the funded FTEF calculations are the amounts for Department Chair reassign time, ESU's, 11-month contracts, and other Board Approved reassigned time, based on current contract provisions for each faculty unit. To calculate this additional FTEF, the campuses will provide a worksheet detailing all calculations for Department Chairs. These calculations, per existing contracts, are based on prior year actual FTEF by Department. The other Board Approved Reassigned Time remains unchanged unless the Board or Chancellor's Cabinet approves additional reassigned time.

Determining Current Year Salary & Benefit Amounts (Contract Positions)

Contract salary and benefit amounts for all contract faculty and staff positions are computed using the EPM (Enterprise Planning Management) budgeting system. In January of each year, the campuses are to review and validate all contract positions allocated to their location. As changes are identified and the District Budget Office notified, the database is updated. Each Campus will sign off with their approval, indicating that all positions are included and are valid.

Computing the Annual Rates for Adjunct, Overload, Substitutes, and ESU's

The Budget Office will update the funded rates for Adjunct, and Overload based on the prior year's rate and adjusted by current year COLA. Classroom Substitute Assignments will be updated using a districtwide 3-year average actual salary and benefit costs, and include these rates in the Campus Budget Model.

Computing Pro-Rata Allocations

The Budget Office will calculate annually the funded Pro-Rata FTEF by using districtwide 3-year average actual salary and benefit costs.

Determining Other Adjusting Contractual Items

Other Adjusting Contractual Items include AFT Faculty travel, Academic Senate Stipend, Honors program, Online Faculty mentor, allocations for DSPS match, Apprenticeship, and other special funded services. Each of these items are reviewed and adjusted on an annual basis.

Computing Discretionary Funding

The Discretionary Allocation is determined by credit FTES targets for the current year. Discretionary credit FTES for each campus is funded at \$100 per FTES and Continuing Education is funded at \$141.80 per FTES. Discretionary funding rates may be adjusted annually if a campus chooses to de-fund vacant contract positions and convert the savings to Discretionary funds via the Budget Model formula. Also, reductions in Discretionary funds will occur when a campus, based on a Board approved Agenda Item, gets approval to fund a new activity and/or make a change to a contract position(s), or any action wherein the campus agrees to fund the additional cost. With the recommendation of the President, and approval of the District Budget Office, Discretionary funds, including non-credit FTES funds allocated to the credit campuses, may be used to cover academic non-classroom hourly salaries (1401 and 1402), classroom and non-classroom classified hourly assignments (2301 and 2401), and related benefits.

Funding for Sabbatical Leaves

Refer to current collective bargaining agreements the sabbatical leave allocation per college. Funding for sabbatical leave replacements are provided as follows:

- For full-year sabbaticals, as faculty receive 50% of their pay, the position will be 100% funded and replacement costs will come from the 50% savings.
- For one semester sabbaticals, as faculty receive 100% of their pay, the campus will receive supplemental funding at 50% of the annual adjunct rate per the Budget Model.
- Funding for sabbatical leave replacement shall be budgeted in a districtwide account, and transferred to campus budgets once the employee is on leave.
- Funding for adjunct sabbaticals will be based on what AFT initially set aside as part of their RAF allocation, and any changed would be dependent on AFT increasing the budget with new RAF funds.

Funding for Vacant Positions

Management Unit – Funded at Step C Supervisory Unit – Funded at Step C Classified

Professionals Unit – Funded at Step C

Police Officers Association – Funded at Step A Confidential Unit – Funded at Step D

Faculty Unit(s) – All vacancies are funded at the adjunct rate per the Budget Model. Once a vacancy is filled with a permanent employee, the difference between the adjunct rate and the starting rate for the new employee will be transferred to the campus budget. Funds for the difference between the adjunct rate and the starting rate are calculated by using the current salary schedule. This budget is held in a districtwide account and transferred as the position(s) are filled during the year. HR has been using Class 3, Step C for budgeting vacant contract faculty positions.

Funding for Faculty Promotions

Each year various faculty members are recommended for promotions. Upon notification of approval, the campus will notify the Budget Office with the employee name and ID number. The Budget Office will then confirm the promotion with Human Resources, calculate the difference between the new salary and benefit cost, and transfer that amount of budget to the designated campus account. The budget for these promotions is held in a districtwide account during budget development.

Reconciling Budget Model Allocations and Campus Budget Alignments

As part of developing the Adopted Budget each year, the campuses distribute the funds, provided via the Budget Model, to line item accounts. The campus distributions must be reconciled to the Budget Model as follows:

1000 Object Code (Academic Salaries)

- All funds allocated for academic salaries must remain in 1000 accounts:
 - Academic Classroom (1101, 1102, 1103, 1301, and 1302) funds must remain within classroom accounts.
 - Academic Non-Classroom (1201, 1203, 1401, 1402, and 1403) funds can be allocated to any academic non-classroom or classroom accounts.

2000 Object Code (Classified Salaries)

- Classified classroom (2201, 2202, and 2401) funds can be allocated to any classified or academic classroom accounts.
- Classified non-classroom (2101, 2102, 2301, and 2304) funds can be allocated to any classified or academic accounts.

3000 Object Code (Employee Benefits)

- Funds allocated for employee benefits must remain in 3000 object code accounts until the Adopted Budget is approved.
- Campuses are encouraged to transfer such savings only into classroom salary accounts.

4000-6000 Object Codes (Supplies and Materials, Other Operating, and Capital Outlay) – Discretionary Funds

- Funds for 4000-6000 accounts are provided through the Budget Model from these sources:
 - College Credit Revenue
 - Discretionary Funds Allocation
 - Prop. 20 Lottery (Instructional supplies and materials only)

With the recommendation of the President, and approval of the District Budget Office, Discretionary Funds may be used to cover academic non- classroom hourly salaries (1401 and 1402), classroom and non- classroom classified hourly assignments (2301 and 2401), and related benefits.

Revenue and Expense Projections: Purpose/Scope

As part of Budget Preparation - Policy AP 6200 Budget Preparation, the Budget Office is responsible for producing a 3-page report to determine revenue and expense projections for the upcoming budget year. This 3-page report provides projections for both continuous and one-time revenue and expense allocations for the General Fund Unrestricted budget. The Revenue and Expense report is in summary format; therefore, detail documents need to be prepared prior to completion of this report. The detail documents are compiled by the District Budget Office and include the following:

- Base FTES as reported to the State.
- Growth percentage applied to the base FTES, as projected by the State, for the new year, if applicable.
- Cost-of-Living Adjustment (COLA), as projected by the State, if applicable.
- Collecting and summarizing all other applicable revenue projections.
- Projection of incoming transfers anticipated for the new year.
- Computing set-aside and reserve estimates and commitments.
- Computing District Office department budgets.
- Projection of prior-year ending balance.
- Determining one-time remaining balances for qualified carryover accounts.
- Determining one-time newly approved items.

Base FTES information as reported by the state.

At the end of each fiscal year Student Services files a report with the State of California declaring the number of Credit, Non-Credit, Career Development and the College Preparation (CDCP), and F-Factor FTES earned and reported by the District for the previous fiscal year. This amount can be adjusted and the report can be updated through November of the following Fall semester. The first re-calculation from the State will appear on the P-1 report received in the month of February. The P-1 report will contain the number of Base FTES for Credit, Non-credit Regular, Non-credit CDCP and F-Factor FTES. These base amounts will be used to determine the coming year revenue.

Growth percentage of the following year FTES as projected by the State.

Each January, the Governor of California will release the following year budget. This is an estimation of what is projected to be available for funding, and this is the first public announcement of the proposed statewide growth percentage. The Community College State

Chancellor's Office, then computes each district's calculated growth rates, and determines the maximum growth funding each district can earn, based on the approved total growth funds. This percentage may change over the course of the next several months, and until the legislature passes a budget and the Governor signs it. It is the District's option as to whether it is appropriate to budget an amount of anticipated revenue due to growth. The growth percentage is applied proportionally to the base FTES for credit, non-credit regular, and non-credit CDCP, and maximum growth revenue is calculated assuming proportional growth for each of the categories.

Cost-of-Living Adjustment (COLA) as projected by the State.

After the Statewide Cost-of-Living Adjustment (COLA) is approved by the State, the percentage is applied to each of the three (3) apportionment rates to project the next year's revenue.

Collecting and summarizing all other applicable revenue information.

Other State funds include, Lottery (as determined from State reports), Enrollment Fee Waiver (2% of projected enrollment fees), Apprenticeship Allowance and Part-Time Faculty revenue (reported on State P1, P2 reports), and Mandated cost reimbursement (based on projections using prior years' experience). Other Local funds include: Interest Income; Non-Resident Tuition; and Student fees (all based on current experience).

Projection of Incoming Transfers anticipated for the new year.

Incoming Transfers are a result of other funds covering expenses within General Fund Unrestricted.

Computing set-aside and reserve estimates.

Set-aside amounts are approved expenditure/budget items that will have future impact, either in the current year or future years, and are known at the point of budget preparation. Included are such items as bargained employee unit commitments, and other Board approved agenda items.

Computing District Office Department Budgets.

The District Office budgets are by department. Within each department there are budgets for office operations and custodial, and districtwide budgets. Projections are made based on current position and expense information.

Projection of prior-year ending balance.

Based on current experience and information relating to one-time revenue from the State, the ending balance for the current year is projected. It is finalized after the books are closed for the fiscal year, usually in August or September.

Determining one-time remaining balances.

One-time remaining balances are projected for the Tentative Budget based on current-year estimates. They usually consist of prior-year encumbrances, approved carryover ending balance accounts, and specially funded projects that cross the fiscal year, such as various grants.

Determining one-time newly funded items.

New projects are identified and approved and budget is assigned. These projects are tracked during the new year and a determination is made before the closing of the books as to whether the project is complete and/or if it is appropriate to carryover ending balances.

Campus Budget Document

As part of the annual budget development process, each campus is responsible for developing and publishing a budget document that summarizes the campus General Fund Unrestricted Budget, by department, by program, and by object code. This document is to assist with campus communication related to budget allocations as well as providing historical records on budget allocations.

Preparation of Budget Book: Purpose/Scope

As part of Adopted Budget - Policy AP 6200 Budget Preparation, the Budget Office prepares a detailed agenda item to present to the Board of Trustees for approval. This agenda item contains various displays covering all of the Districts' future year budget and prior year expenses. This report is prepared twice during the Budget Development process. Once for the Tentative Budget, which is presented to the Board of Trustees prior to the beginning of the new fiscal year, and again for the Adopted budget, which is presented to the Board prior to the State deadline of September 15 in the new fiscal year. The detail contained in this report is prepared by the Finance and Business Services Department in the District Office. The various steps required for completion of this report are:

- Preparation of a budget calendar with timelines for completion.
- Updating displays with current information.
- Compile and link displays.
- Review and revise displays.
- Print displays in book format for board meeting mail out.
- Prepare PDF format for web access.

Preparation of a budget calendar with timelines for completion

At the beginning of the Budget Development cycle, a calendar is prepared to inform staff of timelines for completion of board displays to be used in presentation of the District's annual budget.

Updating displays with current information.

The Enterprise Management Planning application is used to produce comparative historical, current budget and actuals data to produce the various reports which are to be incorporated in the different budget presentations and budget book. Each department within Finance and Business Services reviews and confirms the accuracy of the reports produced to the District Budget Office.

Compile and Link reports.

The District Budget Office links the reports, numbers the pages, updates table of contents, prepares resolutions, Gann limit worksheet and other documents as required for approval by the Board of Trustees.

Review and Revise reports.

The District Budget Office will print reports in book format and provide copies to the Vice Chancellor, Finance and Business Services for review. Upon review, revisions are made and final copies are submitted to reprographics for mass printing.

Print reports in book format for Board meeting.

Reprographics will print document(s) for mail out for the Board meeting. Extra copies are delivered to the District Budget Office. The District Budget Office will distribute copies to various managers and supervisors throughout the District.

Prepare PDF format for web access.

Once the Board of Trustees approves the budget, a PDF format of the budget book is prepared by the Budget Office. The PDF format is forwarded to the Associate Vice Chancellor, Information Technology Services who places it on the Finance and Business Services page of the District's website.

Automated Budget System: Purpose/Scope

As part of Budget Preparation - Policy AP 6200 Budget Preparation, the District Budget Office is responsible for updating and maintaining a budget preparation system. This system will calculate the personnel costs for the new fiscal year budget amounts.

Budget Management System

Completed by District Budget Office

- The new fiscal year GL strings validate for active GL strings
- Confirm links for Pool/Umbrella GL strings
- Import data from Position Budgeting System where applicable
- Verify data entered by campus and District Office

Completed by Campus Budget Offices:

- Input budget amounts that agree with the campus budget allocation
 - Review and verify budget amounts

Position Budgeting

Completed by District Budget Office:

- Verify benefit amounts
- Verify salary table updates as applicable
- Run position/benefit updates for all positions
- Run reports for position and benefit amounts
- Input changes as notified by campuses and district department once verified by Human Resources
- After final run for Tentative Budget, archive copy of report

After final run for Adopted Budget, archive copy of report completed by Campus Budget Offices:

- Verify changes throughout the year
- Run reports/compare totals to Campus records
- Notify District Budget Office of any discrepancies

Budget Management

Associated Students Budget

Purpose/Scope

The purpose of this procedure is to implement certain provisions of BP 6250. Associated Students (AS) budgets are prepared for a one-year period beginning July 1 and ending June 30. Both the general student council and each individual club need to develop a budget document with their annual goals, and a plan for achieving those goals, by deciding the following:

- Estimated Revenues
- Estimated Expenses
- Estimated ending balance/reserves

Individual budgets, prepared during the spring of the year, are designed to utilize the income for the coming year, to the benefit of students currently enrolled in the college.

Regulation

- The constitution and bylaws of the AS shall contain rules and regulations for the management of student body funds.
- Budget expenditures are authorized by the governing board of the student body. The approval of the budget by the governing board is considered sufficient authorization to make expenditures for the purposes for which the funds have been budgeted.
- Expenditures not included in the budget must have the prior approval of the governing board of the student body.
- Authorizations for expenditures expire at the end of the fiscal year except those for which funds are encumbered by outstanding purchase orders.
- All groups having funds deposited in the AS account shall be asked to prepare a budget.

Budget Development

- AS budget development shall be completed to coincide with the District's budget development timelines.
- The budget committee will disseminate budget request forms to all approved student activities/clubs.
- Included in this form will be the budget and actual expenditures to date for the current year.
- Student activities/clubs will complete this form with sufficient detail to give the budget committee a full understanding of the request.
- The budget committee will examine all requests to ensure that the plans of various activities and clubs are coordinated and in alignment with each other.
- The budget committee will review the estimates of income, expenses and will note excessive profits or losses. The budget committee may return the request for further

consideration.

- The budget committee will incorporate these requests into a total budget and forward to the Student Governing Board for approval.

Student Governing Board

- Shall deliberate upon completed budget as presented by the budget committee.
- Shall act approving or disapproving budget and supporting documents.
- Upon action the Student Governing Board shall disseminate the approved budget to the following:
 - Activities
 - Clubs
 - Dean of Student Affairs
 - AS Bookkeeper

The Dean of Student Affairs will forward the approved budget to the Vice President of Student Services who will, in turn, forward to the Vice President of Administrative Services. Budget amounts shall be transferred to the accounting books where they become the initial entries and function as the mechanism of administering the AS budget. Expenditures shall be limited to amounts specified in the budget.

Budget Transfers

As part of BP 6250, the District Fiscal Services Office is responsible for maintaining the budget in accordance with Title 5 regulations. Transfers between major objects of expenditure must be approved by the Board of Trustees either through “blanket” authority, or as approved by Board Agenda items. Blanket transfer authority is approved at the beginning of each fiscal year for “Restricted” fund groups only, as part of the approval of the Tentative Budget. “Unrestricted” fund group object code transfers are approved via Board Agenda items during the year, with the exception of the months of April through June and/or as authorized by the Board. Upon Board approval, object code transfers will be input to PeopleSoft making the appropriate changes. Steps to complete budget transfers are as follows:

For Unrestricted Budget Transfer between Major Objects of Expense (July – Mar)

- Campus business office or District department to submit a written request to District Budget Office to make transfers between major objects of expense
- Requests must be approved by a Chancellor’s Cabinet member
- District Budget Office prepares an Agenda item for presentation to the Board of Trustees at next available business meeting
- Upon Board approval, District Budget Office inputs request into PeopleSoft Finance
- Once transfers are posted to the general ledger, the District Budget Office informs the campus or requesting department of completion
- Requesting campus or department reviews and verifies budget amounts
- District Budget Office updates budget reconciliation worksheets with approved item amounts by object code

For Blanket Authority Transfers between Major Objects of Expense

Completed by District Business Services Office

- For Restricted Funds, include Blanket Authority Resolution as part of current fiscal year Tentative Budget display Agenda item
- For Unrestricted Funds, prepare Agenda item requesting blanket authority for the months of April through June of the current fiscal year
- Receive transfer requests from campus or District Office departments and process based on approved budget transfer authority
- Input transfers using PeopleSoft Finance
- Once approved, transactions will post to the General Ledger
- Run reports to verify corrected data

Completed by Campus/Department Business Offices or Authorized Staff

- Submit written requests to move budget, with appropriate Cabinet member signature, to District Budget Office
- Upon notification of posting to General Ledger, review and verify budget amounts

Fiscal Management

Mid-Year Augmentation

Augmentations are provided throughout the fiscal year for Adjunct Health expenditures, applicable COLA distributions based on the Resource Allocation Formula negotiations as well as change in positions due to hiring, terminations, retirements and educational incentives.

Resource Allocation Formula (RAF)

Purpose

The purpose of this Resource Allocation Formula (RAF) is to provide a clearly defined and equitable method for the allocation of resources to employee units (hereafter referred to as “units”) for economic improvements, provide adequate financial resources to cover districtwide operating cost escalations, and to match available resources to ongoing financial commitments. From the increase in qualified RAF apportionment funds made available to the employee units each year, which is provided through continuous unrestricted State apportionment revenues (COLA, and Growth, and other), each unit will have general discretion over how its portion of the funds are distributed, provided they are used for improving the compensation or benefit levels of existing programs and services. If a unit wants to implement a new program or service, modify workload, or make changes that negatively impact the percentage of instructional and non-instructional expenses (as defined in the State 50% law calculation) within the unit, the terms and conditions of such changes will have to be negotiated with the District. The funds may also be used to pay for reassigned time for the purpose of union business, at the discretion of the union following past practice, and this new agreement does not impact any contractually stipulated union related reassigned time in effect as of July 1 of each fiscal year. Faculty reassigned time will be paid for at the contract rate where a contract replacement is made and at the adjunct or hourly rate when the release time is filled with one or more adjunct or hourly staff. It is the District’s discretion as to how reassigned time replacements are filled.

Overview

Community college funding can be categorized broadly as General Fund Unrestricted (general purpose) and General Fund Restricted. For Unrestricted general-purpose funds, an important funding source distinction is between continuing (on-going) and one-time-only resources. Whereas with Restricted funds the nature/source of the revenue defines or limits the type of expenditures that can be funded. Should other new State apportionment or local continuous unrestricted revenues become available during the period covered by this RAF agreement as a result of changes in State or local legislated funding regulations, these new revenue source(s) shall be subject to these RAF distribution rules and calculations. These RAF calculations are only applicable to the Unrestricted General Fund; therefore, they will not address General Fund Restricted revenue other than to state that the District should exercise caution when making ongoing commitments against Restricted funds based upon the funding terms and conditions which will become permanent by application of the annual provisions of this RAF. The parties will endeavor to finalize the calculations below prior to October 31 of each fiscal year.

Distribution of New Continuing Resources

New continuous revenue is defined as revenue which exceeds the apportionment received for the preceding year. Currently, as per the State Principal Apportionment Reports published by the State Chancellor's Office, the primary sources of new continuing unrestricted funds are COLA, base allocation increases, and growth. New continuous resources shall be distributed effective January 1 of each fiscal year. New continuing revenues as defined in this RAF are split 85% to the employee units and 15% to the District. The proportionate share calculation takes the 85% of new continuous unrestricted State apportionment revenues, deducts ongoing financial commitments, and then distributes a proportionate share to each individual bargaining or meet and confer unit.

Distribution of One-Time Resources

A one-time, off-schedule payment shall be made equivalent to the final percentage as calculated above in Section III applied to each employee's gross earnings from the period July 1st through December 31st and will be paid as part of the March 31st / April 10th payroll cycles. Only individuals employed by the District on December 1st of the current academic year shall be eligible to receive the one-time payment.

Automated Budget System: Purpose/Scope

The District Budget Office is responsible for updating and maintaining an automated budget preparation system. This system will feed into the current financial system with new fiscal year budget amounts. This automated system basically involves two (2) different applications. One is the sub-system of the current PeopleSoft Finance (CF) system, Budget Management for PeopleSoft Finance. The second system is a Database called Enterprise Planning Management (EPM). The basic procedure for use of these systems includes the following:

For PeopleSoft – Budget Management System

Completed by District Budget Office

- The new fiscal year GL strings Validate for active GL strings

- Confirm links for Poolee/Umbrella GL strings
- Import data from Position Budgeting Database where applicable
- Verify data entered by campus and District Office

Completed by Campus Budget Offices:

- Input budget amounts that agree with the campus budget allocation
- Review and verify budget amounts

Position Budgeting

Completed by District Budget Office:

- Verify benefit amounts
- Update for collective bargaining agreements changes
- Verify increment dates
- Run position/benefit updates for all positions
- Run reports for position and benefit amounts
- Input changes as notified by Human Resources
- After final run for Tentative Budget, archive copy of database

After final run for Adopted Budget, archive copy of database Completed by Campus Budget Offices:

- Verify changes throughout the year
- Run reports/compare totals to Campus records
- Notify District Budget Office of any discrepancies

Revenue and Expense Projections: Purpose/Scope

The District Budget Office is responsible for producing a 3-page report to determine revenue and expense projections for the upcoming budget year. This 3-page report provides projections for both continuous and one-time revenue and expense allocations for the General Fund Unrestricted budget.

The Revenue and Expense report is in summary format; therefore, detail documents need to be prepared prior to completion of this report. The detail documents are compiled by the District Budget Office and include the following:

- Base FTES as reported to the State.
- Growth percentage applied to the base FTES, as projected by the State, for the new year, if applicable.
- Cost-of-Living Adjustment (COLA), as projected by the State, if applicable.
- Collecting and summarizing all other applicable revenue projections.
- Projection of incoming transfers anticipated for the new year.
- Computing set-aside and reserve estimates and commitments.
- Computing District Office department budgets.
- Projection of prior-year ending balance.
- Determining one-time remaining balances for qualified carryover accounts.
- Determining one-time newly approved items.

Base FTES information as reported by the state.

At the end of each fiscal year Student Services files a report with the State of California declaring the number of Credit, Non-Credit, CDCP and F-Factor FTES earned and reported by the District for the previous fiscal year. This amount can be adjusted and the report can be updated through November of the following Fall semester. The first re- calculation from the State will appear on the P-1 report received in the month of February. The P-1 report will contain the number of Base FTES for Credit, Non-credit Regular, Non-credit CDCP and F-Factor FTES. These base amounts will be used to determine the coming year revenue. Once the base FTES numbers have been reported they are calculated on page one of the Revenue and Expense Projection 3-page report.

Growth percentage of the following year FTES as projected by the State.

Each January, the Governor of California will release the following year budget. This is an estimation of what is projected to be available for funding, and this is the first public announcement of the proposed statewide growth percentage. The Community College State Chancellor's Office then computes each district's calculated growth rates and determines the maximum growth funding each district can earn based on the approved total growth funds. This percentage may change over the course of the next several months and until the legislature passes a budget and the Governor signs it. It is the District's option as to whether it is appropriate to budget an amount of anticipated revenue due to growth. The growth percentage is applied proportionally to the base FTES for credit, non-credit regular, and non-credit CDCP, and maximum growth revenue is calculated assuming proportional growth for each of the categories.

Cost-of-Living Adjustment (COLA) as projected by the State.

After the Statewide Cost-of-Living Adjustment (COLA) is approved by the State, the percentage is applied to each of the three (3) apportionment rates to project the revenue for the coming year. The Foundation Grant, included the apportionment calculation, is also increased by the COLA.

Collecting and summarizing all other applicable revenue information.

Other State funds include, Lottery (as determined from State reports), Enrollment Fee Waiver (2% of projected enrollment fees), Apprenticeship Allowance and Part-Time Faculty revenue (reported on State P1, P2 reports), Mandated cost reimbursement (based on projections using prior years' experience). Other Local funds include: Interest Income; Non-Resident Tuition; and Student fees (all based on current experience).

Projection of Incoming Transfers anticipated for the new year.

Incoming Transfers are a result of other funds covering expenses within General Fund Unrestricted, such as from Parking to cover indirect expenses, and from Enterprise funds for IT support.

Computing set-aside and reserve estimates.

Set-aside amounts are approved expenditure/budget items that will have future impact, either in the current year or future years, and are known at the point of budget preparation. Included are such items as bargained employee unit commitments, Proposition S or N future costs, and other Board approved agenda items.

Computing District Office Department Budgets.

The District Office budgets are by department. Within each department there are budgets for office operations and custodial, districtwide budgets. Projections are made based on current position and expense information.

Projection of prior-year ending balance.

Based on current experience and information relating to one-time revenue from the State, the ending balance for the current year is projected. It is finalized after the books are closed for the fiscal year, usually in August or September.

Determining one-time remaining balances.

One-time remaining balances are projected for the Tentative Budget based on current- year estimates. They usually consist of prior-year encumbrances, approved carryover ending balance accounts, and specially funded projects that cross the fiscal year, such as Military Programs and various grants.

Determining one-time newly funded items.

If funding is available, new projects are identified and approved and budget is assigned. These projects are tracked during the new year and a determination is made before the closing of the books as to whether the project is complete and/or if it is appropriate to carryover ending balances.

Projection of prior-year ending balance.

Based on current experience and information relating to one-time revenue from the State, the ending balance for the current year is projected. It is finalized after the books are closed for the fiscal year, usually in August or September.

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Determining one-time newly funded items.

If funding is available, new projects are identified and approved and budget is assigned. These projects are tracked during the new year and a determination is made before the closing of the books as to whether the project is complete and/or if it is appropriate to carryover ending balances.

Budget Transfers

Purpose/Scope

As part of Budget Management - Policy BP 6250 Budget Management, the District Budget Office is responsible for maintaining the budget in accordance with Title 5 regulations. Transfers between major objects of expenditure must be approved by the Board of Trustees either through “blanket” authority, or as approved by Board Agenda items. Blanket transfer authority is approved at the beginning of each fiscal year for “Restricted” fund groups only, as part of the approval of the Tentative Budget. “Unrestricted” fund group object code transfers are approved via Board Agenda items during the year, with the exception of the months of April through June and/or as authorized by the Board. Upon Board approval, object code transfers will be input to PeopleSoft Finance making the appropriate changes. Steps to complete budget transfers are as follows:

Unrestricted Budget Transfers between Major Objects of Expense (Jul – Mar)

- Campus business office or District department to submit a written request to District Budget Office to make transfers between major objects of expense
- Requests must be approved by a Chancellor’s Cabinet member
- District Budget Office prepares an Agenda item for presentation to the Board of Trustees at next available business meeting
- Upon Board approval, District Budget Office inputs request into PeopleSoft Finance
- Once transfers are posted to the general ledger, the District Budget Office informs the campus or requesting department of completion
- Requesting campus or department reviews and verifies budget amounts
- District Budget Office updates budget reconciliation worksheets with approved item amounts by object code

Blanket Authority Transfers between Major Objects of Expense

Completed by District Budget Office:

- For Restricted Funds, include Blanket Authority Resolution as part of current fiscal year Tentative Budget display Agenda item
- For Unrestricted Funds, prepare Agenda item requesting blanket authority for the months of April through June of the current fiscal year
- Receive transfer requests from campus or District Office departments and process based on approved budget transfer authority
- Input transfers using XGLB in PeopleSoft Finance (XGLB uses the automated approval system and routes transactions through the system for appropriate approvals)
- Once approved, transactions will post to the General Ledger
- Run reports to verify corrected data

Completed by Campus/Department Business Offices or Authorized Staff:

- Submit written requests to move budget, with appropriate Cabinet member signature, to District Budget Office. Upon notification of posting to General Ledger, review and verify budget amounts.

Glossary

AB: Adopted Budget.

AP: Administrative Procedure.

Accrual basis: The method of accounting which calls for recognizing revenue/gains and expenses/losses in the accounting period in which the transactions occur regardless of the timing of the related cash flows.

Administrator: For the purpose of Education Code Section 84362, “administrator” means any employee in a position having significant responsibilities for formulating district policies or administering district programs.

Allocation: Division or distribution of resources according to a predetermined plan.

Apportionment: Allocation of state or federal aid, district taxes, or other moneys to community college districts or other governmental units.

Appropriation: A legal authorization granted by a legislative or governing body to make expenditures and incur obligations for a specified time and purpose.

Appropriation for contingencies: That portion of a current fiscal year’s budget not appropriated for any specific purpose and held subject to intrabudget transfer, i.e., transfer to other specific appropriations as needed during the fiscal year.

ASO: Associated Student Organization.

Audit: An official examination and verification of financial statements and related documents, records, and accounts for the purpose of determining the propriety of transactions, whether transactions are recorded properly, and whether statements drawn from accounts reflect an accurate picture of financial operations and financial status. Audit procedures may also include examination and verification of compliance with applicable laws and regulations, economy and efficiency of operations, and effectiveness in achieving program results. The general focus of the annual audit conducted on the district is usually a financial statement examination and compliance audit.

Balanced budget: A budget in which receipts are equal to or greater than outlays in a fiscal period.

Basis of accounting: A term used to refer to when revenues, expenditures, expenses, and transfers (and the related assets and liabilities) are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

Beginning fund balance: Unencumbered resources available in a fund from the prior year after payment of the prior-year expenses.

BFB: Beginning Fund Balance.

Bond: Most often a written promise to pay a specified sum of money, called the face value, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Bond Interest and Redemption Fund: The fund designated to account for receipt and expenditure of property tax revenue specified for payment of the principal and interest on outstanding bonds of the district.

Bond premium: The excess of the purchase or sale price of a bond, exclusive of accrued interest, over its face value.

Bonded debt: The portion of district indebtedness represented by outstanding bonds.

Bonds authorized and unissued: Legally authorized bonds that have not been sold.

BOT: Board of Trustees.

BP: Board Policy.

Budget document: The instrument used by the budget-making authority to present a comprehensive financial program to the governing authority (form CCFS-311 for California community colleges).

Included is a balanced statement of revenues and expenditures (both actual and budgeted) as well as other exhibits.

Budgeting: The process of allocating available resources among potential activities to achieve the objectives of an organization.

CalPERS (PERS): California Public Employees' Retirement System.

CalSTRS (STRS): California State Teachers' Retirement System.

Capital outlay: The acquisition of or additions to fixed assets, including land or existing buildings, improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or equipment.

Categorical funding: Allocations that are required to be spent in a particular way or for a designated program.

CCC: California Community College.

CCCCO: California Community College Chancellor's Office.

CDCP: Career Development and College Preparation program.

Chart of accounts: A systematic list of accounts applicable to a specific entity.

Classified employee: A district employee who is not required to meet minimum academic standards as a condition of employment.

COLA: Cost-of-Living Adjustment.

Contracted services: Services rendered by personnel who are not on the payroll of the college system, including all related expenses covered by the contract.

Debt limit: The maximum amount of bonded debt for which an entity may legally obligate itself.

Debt service: Expenditures for the retirement of principal and interest on long-term debt.

Deferred revenue: Revenue received prior to being earned, such as bonds sold at a premium, advances received on federal or state program grants, or enrollment fees received for a subsequent period.

Deficit factor: Applied to apportionment revenue based on available funding from the California Community Colleges Chancellor's Office.

Educational administrator: Education Code Section 87002 and California Code of Regulations Section 53402(c) defines "educational administrator" as an administrator who is employed in an academic position designated by the governing board of the district as having direct responsibility for supervising the operation of or formulating policy regarding the instructional or student services program of the college or district. Educational administrators include, but are not limited to, chancellors, presidents, and other supervisory or management employees designated by the governing board as educational administrators.

EFB: Ending Fund Balance.

Employee benefits: Amounts paid by an employer on behalf of employees. Examples are group health or life insurance payments, contributions to employee retirement, district share of OASDI (Social Security) taxes, and workers' compensation payments. These amounts are not included in the gross salary but are over and above. While not paid directly to employees, they are a part of the total cost of employees.

Ending fund balance: Unencumbered resources available in a fund from the current year after payment of the current-year expenses.

Enterprise funds: A subgroup of the proprietary funds group used to account for operations when the governing board has decided either that the total cost of providing goods and services on a continuing basis (expenses including depreciation) be financed or recovered primarily through user charges or that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Estimated revenue: Expected receipt or accruals of moneys from revenue or nonrevenue sources during a given period.

Expenditures: Payment of cash or cash equivalent for payroll, goods or services, or a charge against available funds in settlement of an obligation.

Expense of education: This includes all general fund expenditures, restricted and unrestricted, for all objects of expenditure from 1000 through 5000, and all expenditures of activity from 0100 through 6700. (See also 50% Law.)

Fifty Percent (50%) Law: Education Code Section 84362, commonly known as the 50% Law, requires that a minimum of 50 percent of the district's Current Expense of Education (CEE) be expended during each fiscal year for "Salaries of Classroom Instructors."

Fiscal year: A 12-month period to which the annual operating budget applies and, at the end of which, a government determines its financial position and the results of its operations. For governmental entities in the state of California, the period begins July 1 and ends June 30.

FMP: Facilities Master Plan.

FTEF: Shall mean "full-time equivalent faculty." FTEF is expressed as the percentage of hours per week considered to be a full-time assignment.

FTES: Shall mean "full-time equivalent students." The units of resident FTES are the primary basis of revenue to the college. A single unit of FTES represents 525 instructional contact hours. Annually, the state sets a level of funding for each college, expressed in units of FTES, that constitutes the vast majority of income to the institution.

Full-time equivalent (FTE) employees: Ratio of the hours worked based upon the standard work hours of one full-time employee. For example, classified employees may have a standard workload of 40 hours per week. If several classified employees worked 380 hours in one week, the FTE conversion would be 380/40 or 9.5 FTE.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein.

Fund balance: The difference between fund assets and fund liabilities of governmental and similar trust funds.

GASB: Governmental Accounting Standards Board.

General fund: The fund used to account for the ordinary operations of the district. It is available for any legally authorized purpose not specified for payment by other funds.

General reserve: An account to record the reserve budgeted to provide operating cash in the succeeding fiscal year until taxes and state funds become available.

GFOA: Government Finance Officers Association.

Governmental Accounting Standards Board (GASB): The authoritative accounting and financial reporting standard-setting body for governmental entities.

Governmental funds: Grouping of funds used to account for activities directly related to an institution's educational objectives. These funds include the General Fund, Debt Service Funds, Special Revenue Funds, and Capital Project Funds.

Grants: Contributions or gifts of cash, or other assets, from another government or private organization to be used or expended for a specified purpose, activity, or facility.

Hold Harmless: Ensures no district will receive less than it received in 2017-18. Thereafter, each district would be held harmless through 2021-22 based on 2017-18 TCR grown by COLA annually.

Indirect expenses or costs: Those elements of cost necessary in the production of a good or service, which are not directly traceable to the product or service. Usually these costs relate to objects of expenditure that do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, and supervision.

Instructional service agreement (ISA): An agreement with a third party to provide instruction that is open to all students and is eligible for apportionment, if specific criteria are met.

Interfund transfers: Money that is taken from one fund and added to another fund without an expectation of repayment.

Intrabudget transfers: Amounts transferred from one appropriation account to another within the same fund.

Intrafund transfer: The transfer of moneys within a fund of the district.

JPA: Joint Powers Agreement.

Liabilities: Debt or other legal obligations (exclusive of encumbrances) arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date.

Load: The number of hours assigned to a full-time or full-time equivalent faculty member.

Long-term debt: A borrowing that extends for more than one year from the beginning of the fiscal year.

Modified accrual basis (modified cash basis): The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond-issue proceeds) are recognized when they become susceptible to accrual, that is, when they become both "measurable" and "available" to finance expenditures of the current period. "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All governmental funds, expendable trust funds, and agency funds are accounted for using the modified accrual basis of accounting.

Object code: Revenue or expenditure classification within the system-wide chart of accounts.

OPEB: Other Post-Employment Benefits.

Operating expenses: Expenses related directly to the entity's primary activities. Generally used in proprietary funds and the full-accrual entity-wide financial statements.

Operating income: Revenues received directly related to the entity's primary activity. Generally used in proprietary funds and the full-accrual entity-wide financial statements.

Other Post-Employment Benefits (OPEB): Post-employment benefits that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee.

Other postemployment benefits that a retiree can be compensated for are life-insurance premiums, healthcare premiums, and deferred-compensation arrangements.

P1: First principal apportionment.

P2: Second principal apportionment.

Par value: The nominal or face value of a security.

PBC: Planning and Budget Committee.

PERS: California "Public Employees' Retirement System".

Program: Category of activities with common outputs and objectives. A program may cut across existing departments and agencies.

Program accounting: A system of accounting in which records are maintained to accumulate income and expenditure data by program rather than by organization or by fund.

Program costs: Costs incurred and allocated by program rather than by organization or by fund.

Proprietary Funds Group: A group of funds used to account for those ongoing government activities which, because of their income-producing character, are similar to those found in the private sector.

Reimbursement: (1) Repayments of amounts remitted on behalf of another party; and (2) Interfund transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it, but that properly apply to another fund (e.g., an expenditure properly chargeable to a special revenue fund is initially made from the general fund and is subsequently reimbursed). These transactions are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of expenditures or expenses in the fund reimbursed.

Reserve: An amount set aside to provide for estimated future expenditures or losses, for working capital, or for other specified purposes.

Restricted accounts: Cash or other assets that are limited as to use or disposition by their source. Their identity is therefore maintained, and their expenditure or use is also recorded separately.

Revenue: Increase in net assets from other than expense or expenditure refunds or other financing sources (e.g., long-term debt proceeds, residual equity, operating transfers, and capital contributions).

Salaries of Classroom Instructors: Salaries of classroom instructors, as prescribed in California Code of Regulations (CCR), Title 5, Section 59204, means (1) "that portion of salaries paid for purposes of instruction of students by full-time and part-time instructors employed by a district; and (2) all salaries paid to classified district employees who are (a) assigned the basic title of "Instructional Aide" or other appropriate title designated by the governing board that denotes that the employees' duties include instructional tasks, and (b) employed to assist instructors in the performance of their duties, in the supervision of students, and in the performance of instructional tasks."

SCFF: Student Centered Funding Formula.

Schedules: Explanatory or supplementary statements that accompany the balance sheet or other financial statements.

Self-Insurance Fund: An internal service fund designated to account for income and expenditures of self-insurance programs.

SERP: Supplemental Employee Retirement Plan.

SSCG: Student Success Completion Grant.

STRS: California “State Teachers’ Retirement System”.

Student Centered Funding Formula (SCFF): Funds districts using a base allocation tied to enrollment, a supplemental allocation based on student demographics correlated with higher need students, and a student success allocation based on outcomes. 2018-19 was the first year of implementation of the SCFF.

TB: Tentative Budget.

TCR: Total Computational Revenue.

Total computational revenue (TCR): Describes the calculation of a district’s total entitlement based on full-time equivalent students (FTES), infrastructure factors, and the number of colleges and centers a district operates. The TCR provides the basis for general apportionment funding to be distributed throughout the community college system. It is from this number that the California Community Colleges Chancellor’s Office distributes apportionment as per the allocation process described in Title 5 Section 58770.