



NOORDA COLLEGE
of OSTEOPATHIC MEDICINE

Policy Name:	Budget Management and Oversight Policy
Approval Authority:	Board of Trustees
Responsible Executive:	President
Responsible Office(s):	Office of Finance Office of the Dean
Effective:	March 2019
Expires:	January 2023
Last Revised:	September 2021
Next Review Date:	N/A

Budget Management and Oversight Policy

Policy Statement

The Noorda-COM will utilize a consistent budgeting process, aligning the strategic plan and initiatives with faculty, staff and student needs, while addressing overall financial sustainability. Written policies of the College drive the amounts and methods by which items are paid. References to specific policies will be listed, when applicable.

Entities Affected by the Policy

Faculty
Staff
Credentialed Instructional Staff
Students

Policy Procedures

The following is an outline of the budget process and projected cycle target dates:

Base Budget Template from Finance to Budget Directors Target Due 12/15

The Office of Finance is responsible for providing the Base Budget template to all budget directors (executives and directors with budget authority). The base budget template includes the following:

- Staffing Pattern - A line-item detail of current staff and contractual agreements based on current hourly/salary rates, benefits and a preliminary annual COLA increase, (actual COLA to be approved upon budget consolidation and approval). The staffing pattern includes all consultants, whether via purchased services, accounting & legal, public relations, computer services or similar services.

- For new staff proposals (non-replacement) submit a completed Pre-Approval Cover sheet. See related document.
- Professional Development / Travel & Meetings - A line-item detail by employee based on contractual agreements and/or Noorda-COM policy. This amount is subject to overall approval and/or adjustment based on overall budgetary constraints.
- Other Budget Detail - For any department line items greater than \$10,000, Finance will project the account by the review of past year's detail by vendor or sub-category and discuss any variances to the current year projection, such as applying increases based on student enrollment, COLAs, etc.

The overall focus with the budget directors is to focus on expenses he/she has control over. For example, budget directors have minimal control over utilities or similar infrastructure accounts, but he/she may have substantial control over staffing or setting policies that drive the expenditures, such as what student expense items will be paid by the Noorda-COM.

Budget Director Review

Budget Authorization for current Budget Director (See Related Documents) Due February 1

Budget Directors are responsible for the following:

- A line-item review of the Base Budget template, with corrections if any
- Input as to changes from one year to the next, including significant vendor price increases, increased usage, etc.
- Proposed new programs, staffing or other expenses summarized with the appropriate supporting documents (see below).
 - Internal Proposal - All new requests for programs or services > \$10,000 must include a completed Internal Proposal.
 - Pre-Approval Cover Sheet - Requests for new staff proposals (non-replacement).
 - Capital Equipment Request: Equipment requests > \$5,000 and a useful life of > one year must include a completed Capital Equipment Request).

The Budget Authorization list is updated and approved annually with the budget narrative.

Return to Finance for Corrections / Updates

Ongoing Back to Budget Director for Pre-Consolidation Review (Quick) Final to Finance by February 21

Finance Consolidates Budget for Review by the President, Chief Officers, & Deans by February 28

- The budget collaborative team (President, Chief Officers, Dean, and CFO) review the overall budget for the Noorda-COM to ensure the budget:
 - Aligns with the Noorda-COM mission, vision, and initiatives

- Is in accordance with existing policies and procedures, and
- Is sustainable financially.

This collaborative team meeting requires all participants to work together to come to reasonable compromises with the given constraints or opportunities. The team presents recommendations for new programs, proposals, cuts, or re-allocations. Additional supporting documentation is requested regarding proposals or missing information, such as bids for Capital Equipment Requests, an Internal Proposal, or other comparisons. The pros and cons of the various options are to be summarized and supported by applicable documents.

Budget Director Comments March 1

- Recommendations are presented to Budget Directors for review and comment.

Budget Collaborative Team March-April

- Responds to review by Budget Directors and addresses open items.
- Upon completion, changes are rolled into Master Budget for presentation to Finance Committee with recommendations for Final Budget

Finance Committee April 15

Provides input and approves or disapproves with action items.

- Executive Team and/ or individual Budget Director responds to action item.
- Finance Committee approves and recommends to full Board of Trustees.

Board approves final Budget by May 1

Board Review and Approval May 15

Final Budget is implemented July 1

Other Budget Policies and Procedures:

Budget Director Authority

- Budget directors have the authority to shift funds from one line to another provided certain criteria are met:
 - The shift is consistent with Noorda-COM policies and procedures.
 - See Pre-Approval Cover Sheet procedures. Any new hires must be approved by the positions listed on the Pre-Approval Cover Sheet.
 - See Contract Approval Procedures via the Pre-Approval Cover Sheet.
 - The overall department budget is the same or less.
 - Directors are encouraged to share budgets and collaborate with other budget directors when overlap exists.
 - Any change affecting other departments must be approved prior to the change.

- For example, any implementation of software requires IT approval. Having the money for software in a budget does not ensure IT has the necessary resources to implement and support the requested change.
- The applicable budget director of the affected department must approve the change.

Budget Changes

- Proposals to reclassify expenses within Noorda-COM policies do not require the approval of the Board of Trustees' Finance Committee unless the dollar amount of the change is greater than \$100,000 and causes the Noorda-COM to be over budget in total by greater than \$100,000, or is a substantive change to the original budget (i.e. new program).
- Proposals reclassifying expenses costing \$50,000 to \$100,000 require approval by the President.
- Proposals reclassifying expenses involving \$25,000- \$50,000 must be approved by the Dean Noorda-COM. In addition, all interdepartmental budget transfers require the Dean's approval.
- Consideration must be given to the impact on cash flows.

Procedures for Budget Directors to Submit a Mid-year Budget Change

- The budget director must complete a Budget Change Form along with the applicable support (see the Internal Proposal template), including but not limited to the following:
 - Pre-Approval Cover Sheet
 - Internal Proposal Form
 - Capital Equipment Request

Definitions

N/A

Responsibilities

Board of Trustees
Office of the President
Office of the Dean

Policy Violations

Violations of this policy may result in the delay of the budget approval process or a budget director's oversight of departmental budget.

Interpreting Authority

President
Chief Financial Officer
Dean

In the event there is a conflict between interpreting authorities, the President will make the final interpretation decision.

Statutory or Regulatory References

N/A

Relevant Links

Budget Authorizations
Pre-Approval Cover Sheet
Capital Equipment Request
Internal Proposal Budget Change Form

Policy Adoption Review and Approval