

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT

Business and Financial Affairs Operating Procedures & Processes

Budget Adjustments/Cost Transfers

Scope

This procedure documents how to reallocate the budget and expenditure activity within an existing budget. The Budget Adjustment document is used to modify the current budget. This is a fiscal planning instrument that allows the District to adjust the current budget amounts as situations may change throughout the fiscal year or grant year. An Expense Transfer form is used to transfer costs as appropriate within a fiscal year or grant period.

Responsibilities

It is the responsibility of each Budget Manager to allocate funds per department needs, contracts or agreements, to plan and conduct assigned operations so as not to exceed more than the approved funds. Monthly, the Budget Manager should run BUXS on Colleague WebUI (SWC’s Fiscal Accounting System) and save to excel to review budgets and monitor expenditures. In cases where reallocation or adjustment of funding or expenditures is needed, it is the responsibility of the account Budget Manager to request the transfers as detailed below.

For Restricted funds, the Budget Manager must also ensure all budget and expenditures are allowable within the specific grantor’s regulations and guidelines. The Budget Manager must also ensure all transfers are submitted and completed within the grant reporting timelines.

Process for Budget Adjustments or Cost Transfers

<u>Responsibility</u>	<u>Action</u>
Department	<ol style="list-style-type: none"> 1. Budget Managers review budget and expenses at least monthly. Submit Budget Adjustment Form or Expense Transfer Form to Dean/Director for review. Transfers should be submitted within 30 days of the review and within the grant reporting timelines, if applicable.
Dean/Director	<ol style="list-style-type: none"> 1. Review Request for Budget Adjustment or Expense Transfer. 2. Determine the validity of expense or budget transfer. If allowable, submit the form to Finance Department for processing. 3. If additional review and approval are required, Budget Managers must contact the grantor for approval. Once approved, attach a copy of grantor’s approval to request and submit to Finance Department for processing.
Finance Department	<ol style="list-style-type: none"> 1. Accountant reviews to ensure the correct budget accounts are being used and transfers are substantiated with appropriate documentation. 2. Account Technician/Senior Account Clerk enters the data into the accounting system. 3. Accountant reviews for accuracy then posts to the general ledger.

Budget Manager	1. Continue to monitor account monthly and confirm requested budget or cost transfers have been completed.
Vice President for Business and Financial Affairs (VP BFA)	1. VP BFA reviews all budget transfers. 2. VP BFA submits transfers for Governing Board consideration monthly.
Governing Board	1. All budget transfers are approved by the Governing Board, either by ratification or advance approval.

SWC Policy & Administrative Procedures References:

- BP/AP 6200 Budget Preparation
- BP/AP 6250 Budget Management
- BP/AP 6300 Fiscal Management

Updated 5-4-21

Reviewed & Approved by VP BFA  5/6/2021