IVC Budget Principles, Guidelines, and Priorities

Budget Principles

1. Supports mission and strategic goals: student success, excellence in education, develop resources and increase institutional effectiveness
2. Transparency: as evidenced by college community access to policies related to budgeting process and budgets via website
3. Broad participation: as evidenced by representation from all segments of the shared governance campus community
4. Balanced: as evidenced by draft and final budgets
5. Conservative projections are made for revenues, reserves, and expenses
6. Complete and thorough: as evidenced by a final budget that incorporates all departments and services areas

Budget Overarching Rules

1. The District's Revenues are projected annually based on the enrollment goals set within 3% of the state workload measures.
2. The District's Expenses – on-going expenses shall be less than, or equal to, on-going revenues.
3. The District shall comply with the requirements and guidelines of California Title 5, Division 6, Chapter 9, Subchapter 4 'Budgets and Reports'
4. Expense allocation shall be based on program goals and objectives as stated in Program Review.

Budget Development Guidelines and Priorities

1. Contractual obligations and fixed costs are budgeted first. These will be reviewed annually by the assigned committee
    a. Fixed costs include:
        i. Utilities, rent, and leases
        ii. General maintenance and environmental services supplies
        iii. Maintenance agreements such as Copier machines
        iv. Electronic/technological data bases and software maintenance fees
        v. Athletic Association Fees – compliance issue for all sports
        vi. Memberships – specify mandated, recommended by regulating entity (optional memberships are not fixed)
        vii. Medical directorships – compliance issue for some health programs
        viii. Simulation maintenance / warranty fees
        ix. Taxes and other mandated fees
        x. Ordinary maintenance repairs and grounds
        xi. Security
    b. Contractual obligations include:
        i. All regular salaries and benefits (under and not under collective bargaining units).

ii. Contracted services such as cafeteria, architect, etc.

iii. Debt payments.

2. Year-end balances are not budgeted for ongoing expenses unless as directed by the Board of Trustees.
3. One-time revenues will be allocated to one-time expenses and ongoing expenses shall be funded from on-going revenues.
4. New positions must be fully funded: salary, benefits, and support expenses. Categorical positions may have case by case exception.
5. Protect budget integrity and minimize departmental District budget transfers by budgeting funds where they are expected to be spent. Internal budget transfers assist in maintaining alignment with strategic goals, but must be approved at the vice-president level.
6. External borrowing may add costs and potential conflicts between scheduling of repayment and deferred apportionment.
7. Future risk and cost increases are mitigated by finding external solutions for high-risk administrative services
8. Categorical or restricted programs are aligned with strategic goals and to the degree possible, support on-going District expenditures – make maximum use of pro-offered "flexibility with categorical funds" and indirect rate charged as appropriate.
9. Categorical funding should be sought when possible, and if the program fits with institutional goals.
10. Cash short-falls are accommodated by developing and implementing a disciplined spending plan tied to cash-flow projections with centralized spending controls
11. Cost saving suggestions shall be developed and distributed annually when starting the budget process.
12. California budget will dictate assumptions for apportionment, growth goals, categorical changes, etc.
13. California economic status will dictate assumptions related to increasing costs for utilities, postage, supply and demand, tax revenues, etc.
14. The Cost of Living Adjustment (COLA) will be based on the Governor's proposed budget
15. The lottery revenue will be calculated at the rate projected annually by the California Community Colleges Chancellor's Office.

Annual Budget Administrative Activities

1. Division deans, administrators, budget managers, and their administrative assistant/secretaries will attend annual budget training.
2. Division deans, administrators, and budget managers will ensure all budgets are completed by the deadlines specified in the approved budget calendar.

3. Division deans, administrators, and budget managers must meet with CEO/CIO/CSSO to review budget and any new accounts or deletions or combinations of the existing accounts.
4. Division deans, administrators, and budget managers must meet with CBO and CEO/CIO/CSSO, prior to finalization of the official budget, to identify problem areas and to design improved processes for managing dollars. Adjustments may be made, but the bottom line figure must remain.

Prioritization

1. Each item should be sufficiently explained or those reviewing may consider asking the requestor to provide further information
2. Ranking of Prioritization shall be as follows unless a valid exception is provided

#	BUDGET AND PLANNING PRIORITIZATION CRITERIA GUIDE	EMP Goal
1	Safety, health, and regulatory compliance	2.1, 2.3, 3.3
2	Critical to an approved program or service – may include capitalized equipment / technology. Support multiple programs or services	2.1, 2.3, 3.2, 3.3
3	Confirmed cost or energy savings and/or increased efficiencies. High benefit: cost ratio. Would failure to do this now, cost more money later? Consider initial, operational, and maintenance costs.	2.1, 3.1, 3.3
4	Growth/expansion potential or new program, facility, or service. Quantify long-term and short term FTES potential.	2.1, 3.1, 3.3
5	Recommendations from the Program Review process for approved course, program, or service. Program maintenance	1.1, 2.1, 2.3, 3.1
6	Grant funded (or other than district funded)	2.1, 2.3, 3.1
7	Desired for optimizing existing program or service, modernization of existing facility, or related capitalized equipment including technology	2.1, 3.1, 3.3

3. Additional Priority Considerations
    a. 1000 Category (instructional salaries) – this is a negotiable item, but large increases or decreases in full-time and variations in the part-time and overload could have a statement from HR to help determine status
    b. 2000 Category (non-instructional salaries) – this is a negotiable item, but large increases or decreases could have a global comment from HR to help determine status
    c. 3000 Category (benefits) – these are negotiable items, but large increases or decreases could have a global comment from the HR to help determine status
    d. 4000 Category (supplies): ranking as above

e. 5000 Category (travel, consultant, memberships, advertising, postage): ranking as above and consider the following.

    a. Mandated travel/conference specific to a position, program or service; i.e. accreditation. However, how many are mandated to attend?

    b. Mandated versus opportunity for professional development specific to a position, program or service. Academic senate president conferences versus continuing education on a specific topic. How many are mandated to attend?

    c. 'Training' costs that may or may not be completed locally. Detail is required.

f. 6000 Category (capital and site improvements): Is it funded by other than District and is it recommended or desirable. Project information sheets may be requested and requestor should prepare a presentation with pictures, graphs, figures, etc.

g. Technology – Info Systems: Will it increase creative or expressive instruction and/or functionality of software? Will it increase dissemination of information or knowledge throughout the campus? Is it (should it) be restrictive or collaborative? Does it improve security of information or data integrity?

4. Scoring Criteria
    a. Criteria with definitions shall be developed and reviewed annually, yet should have consistency over time. Projects competing for the same funding should be judged by the same standards.

    b. Shall be used by the committee to score project requests. Scoring is done by committee individually for each project, yet persuasion is allowed and changing individual scores is acceptable

    c. A co-chair leads the committee in generating consensus score for the project under review. Once projected master scores are tallied, all projects are placed on a ranking sheet, sorted by funding source and total score.

    d. Provide an opportunity for input from the requesting program.

Definitions

1. Direct costs expenses that can be identified specifically with a particular project relatively easily with a high degree of accuracy. There may be some fixed and some variable costs under direct costs.
2. Indirect costs expenses that are incurred for common or joint objectives - costs that cannot be specifically attributed to an individual project. (A.K.A. Overhead or Facilities and Administrative costs).
    a. There may be some fixed and some variable costs
    b. Examples include capital expenses associated with laboratory/classroom space, utilities, accounting, human resources, purchasing, security, custodial services, building and grounds maintenance, hazardous material handling, etc.
3. Fixed costs expenses that are not dependent on the activities of the business such as rent, taxes, insurances, maintenance contracts, or mandated memberships. Some salaried positions such as CEO, CIO, CBO, CSSO could be labeled as fixed
4. Variable costs expenses that change in proportion to the activity of a business such as the cost of labor, monthly utilities, paper, ordinary repairs, care of grounds, security, earthquake and disaster preparedness, and hazardous waste disposal
5. Equipment: an item that is non-expendable, tangible, has a useful life of more than one year, and an acquisition cost which equals or exceeds $500
6. Capital equipment : net invoice price of the equipment equals $5,000 or more, including the cost of any modifications, attachments, accessories, installation, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired and has a useful life of more than one year.
7. Special purpose equipment: used only for research, medical, scientific, or other technical activities
8. General purpose equipment: not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment.