

BUDGET TRANSFERS

In the General Fund, the method of appropriation determines the level of the College's budgetary compliance with the requirements of the Oregon Revised Statutes governing budgets. For all program areas, a total amount is appropriated for each of the following cost centers:

- Office of the President
- Office of the Executive Vice President
- Academic Affairs Division
- Student Affairs Division

Generally, budget changes do not increase the overall spending authority for a program or department; they simply move spending authority from one account to another. Pathways, Programs, and Departments may transfer spending authority between and within categories of expenditures (personal services, materials, services and supplies, and capital outlays) without further formal budget action. Note: No permanent transfers are allowed between MS&S and personnel expenses without Executive-level approval and the approval of the Budget Manager.

POLICY REGARDING EFFECTIVE BUDGET TRANSFERS

OBJECTIVE:

To provide the most efficient means of managing budget transfer transactions processed during the budget period; to provide better control in managing the budget; and to limit budget transfers to transactions that have a material effect on the cost center/department/division budget.

BACKGROUND:

In order to efficiently and effectively manage and monitor the pathway/division/department's budget, the following policy guidelines have been implemented:

- 1) Record the expense where it is incurred. For example, if the expense is for supplies, record it in supplies. Do not use a line item with a budget that will accommodate the charges. Recording an expense in the proper account code will create historical information on the level of expenditures required for the program, and this will help managers determine the amount of annual budget needed to operate the program. This will also help justify the need for any budget augmentation requests.
- 2) Do not follow over-expenditures with budget transfers. Check the organization code's bottom-line total for sufficient unencumbered funds to accommodate the expenditures. If funds are not available, check the budget at the roll-up level. If you believe a budget transfer might be required, contact the Budget Office first to discuss.
- 3) If two or more departments pool their purchase for savings and/or to use discounts, put the applicable account codes in the requisition. Do not transfer funds between departments.

4) Evaluating your budget needs is the beginning of the biennial budget process. This process is your opportunity to budget funds where you plan to spend them. After the budget is adopted, it is established for two years. Therefore, when evaluating your current fiscal year's needs, it is advisable to monitor and check your budget on a monthly basis, especially if you find a need to do budget transfers to realign your line item expenditures.

5) Consider the materiality of the amount being transferred. As a general rule, the Budget Office limits temporary budget transfers to amounts greater than \$5,000. Call or email the Budget Office if you need assistance regarding the use of the form or to discuss a potential budget transfer.

6) As a reminder, we operate on a base budget principle, meaning your current year budget is the same as last year's budget, adjusted only for globally approved augmentations such as cost of living increases, benefit rate changes, or any new initiatives approved by the President and/or Cabinet. This means the amount in your line item budget last year is carried forward to your current year's budget. Therefore, any budget transfers processed and posted during the current year are temporary in nature. If the intent is to make the budget transfer permanent, notify the Budget Office so that your next year's budget will be adjusted to reflect the change(s).