



## Policies and Procedures Manual

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Title: Financial - Operating Budget Policies  
Policy Administrator: Director of Finance  
Effective Date: Feb-01-2012  
Approved by: Vice President for Administration and Finance

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### **Purpose:**

This document is intended to inform the College Community of present policies and procedures regarding the use and requesting of operating budget funds. It is the responsibility of all managers assigned college funds to conform to these policies.

### **Policy:**

#### **1.0 Compensation**

##### **1.1 New Positions**

The College maintains strict guidelines for approval of all employee hiring. All new exempt or nonexempt positions must be submitted for evaluation to the Director of Human Resources after completion of a [Position Justification Form](#) and either a [Position Content Document](#) for exempt employees (including faculty positions with an administrative component) or a Job Description Form prepared with Human Resources for nonexempt employees. It is the submitting departments' responsibility to identify all incremental needs required to support this position (to include furniture, computer equipment, operating expenses, etc.). Human Resources will determine the appropriate salary recommendation based on the position content/job description provided. This form should also identify the proposed source of funding for the position.

Once the department receives division level approval for the request, the position justification form should be submitted to Human Resources for evaluation. Only after funding has been authorized by the Budget Office may recruitment efforts begin. Ideally, these requests should be initiated to coincide with the annual budget process.

##### **1.2 Modifications to Existing Positions**

Similar to the process for new positions, a [Position Justification Form](#) must be completed with the same approvals. Examples of changes to positions include a modification to the number of hours per week, months per year, grade level assigned, title (and associated responsibilities). The source of additional funding must be

identified at the time of the request. Any savings from a permanent position change will be returned to the college salary reserve pool.

### **1.3 Temporary Positions**

Occasionally it may be necessary to hire a temporary employee to cover staffing shortfalls within a department – due to long term vacancies that cannot be filled, special projects that take permanent employees away from their job responsibilities for an extended period of time, short term staffing requirements, etc. With the exception of floater coverage for these positions (see Floater section below), the same ‘new position’ Position Justification process should be followed as outlined above.

### **1.4 Student Employment**

Additions to existing student employment budget lines must be approved by the divisional vice president. The request for supplement can be forwarded via memo to the Director of Finance for Administrative departments or the Director of Academic Budgets and Operations for Academic departments, who will coordinate approval review. Source of funds must be identified by the requesting department. New student employment budget line requests should also include a description of work responsibilities and estimated hours per week and weeks per year of coverage needed.

### **1.5 Floaters**

The Human Resource department provides clerical and administrative support temporary employees to Holy Cross departments for short-term assignments to assist with peak staffing requirements, coverage for extended employee absences, FMLA, and special projects. Temporary employees (floaters) complete a thorough screening process, including reference checks and technical assessment (when requested). A department wishing to request a floater should complete and submit a [Request for Personnel Substitute Form](#) to Human Resources. Upon approval of the request by the Director of Human Resources, an HR representative will coordinate with the department to assign a floater based on the needs of the department and the skill set of the individual. The temporary employee’s wages will be funded from unused department payroll budgets; if unavailable, wages from a small pool of funds managed by the Human Resource department may be used.

### **1.6 Temporary Compensation Savings Due to Delay in Hiring**

One-time savings associated with the delay in hiring for a permanently funded position will be transferred to a college contingency reserve. This reserve will be allocated at the direction of the President (exempt and faculty) or the VP for Administration and Finance (non-exempt) on an ‘as needed’ basis. It will only be available for budget requests that are for one-time funding and not for any ongoing initiatives.

### **1.7 Permanent Compensation Savings Due to Turnover of Positions**

Unless a department is undergoing a re-organization, permanent savings from rehires to funded positions will return to the College salary reserve pool – to be reused as needed for new positions or market adjustments that cannot be funded from within the requesting department. These funds will be used with the approval of the President to handle College wide resource funding priorities. Faculty savings from retirements will be returned to the faculty salary reserves to be reallocated to academic positions as approved by the President and Vice President of Academic Affairs and Dean.

### **1.8 Market Adjustments to Existing Positions**

Occasionally it may be determined that an existing position is not funded at an appropriate salary or hourly rate to keep pace with changing market conditions. If this occurs, the Human Resource department will perform a market evaluation and benchmark review. If deemed appropriate, an adjustment will be recommended and funding provided from the College reserves, if available, or from divisional reallocation of budgets.

### **2.0 Recruiting Expenses**

Staff recruiting expenses are the responsibility of the Human Resource Department. They will guide policy on placement of advertisement, travel of candidates and entertainment expenses associated with interviews. In consultation with the Human Resource department, Faculty recruiting expenses are the responsibility of the Vice President of Academic Affairs and Dean.

### **3.0 Equipment**

#### **3.1 Office Furniture / Equipment**

All office furniture and equipment will be routinely funded as one-time supplements to departments as needed. Requests should be provided at the time of annual budget preparation. This will allow bulk ordering of standard office furniture to maximize discounts available. Should departments need additional items after the annual budget allocations are made, they may utilize departmental funds if available with permission from the Budget Office. Additionally, any new position that is approved will receive standard office set up funds from the college equipment pool managed by the Planning and Budget Office.

#### **3.2 Formula Funded Equipment**

Departments that require regular annual investment in equipment will receive a guaranteed allotment of funds each year that can be utilized to meet departmental priorities (with the exception of office furniture or equipment needs). These funds are made available to academic departments and service departments with large equipment needs. This budget allotment will be split between operating and capital funding to coincide with the equipment capitalization policy in place.

#### **3.3 Copiers**

Copier needs are centrally evaluated by the Manager of Graphic Arts. This allows consistent evaluation methods and selection of equipment based on usage requirements. The Manager of Graphic Arts will purchase all copy machines.

#### **3.4 Personal Computers / Printers / Scanners**

With the exception of grant funded computer equipment, the Information Technology Services (ITS) department has responsibility for all office and most laboratory computing equipment needs. Current policy provides for purchase of personal computers to be paid for by the ITS department with replacement every four years. As

incremental machines are needed, funds equivalent to the initial purchase and 1/4 of the annual purchase amount will need to be identified by the requesting department for permanent transfer to the ITS budget.

### **3.5 Audio Visual Equipment**

Both the Audio Visual and Conference Services departments are provided annual equipment funds to stock audio visual equipment that can be used to support academic and administrative needs. Due to the great expense and security issues associated with much of this equipment, it is current policy that departments coordinate their short term needs through those offices if usage levels allow.

### **3.6 Specialized Equipment**

Employees may qualify for specialized equipment (e.g. cellular phone, PDA/Smartphone) only if their Department Head, as approved by their Division Vice President, has determined it to be required for the performance of their job. Authorized expenses are paid from the departmental operating budget. Refer to the [Cell Phone Stipend Policy](#) for additional information.

## **4.0 Other Operating Expenses**

### **4.1 Advertising / Donations**

Departments should not use their operating funds to purchase advertisements or make charitable contributions. All College sponsored advertising / contributions should be made through the Division Vice President's Office and President's office to assure that duplicate contributions from various areas are not being made.

### **4.2 Gifts**

Gifts to employees or those providing free services to the College should not be made without prior division head approval.

### **4.3 Entertainment**

Reasonable entertainment expenses essential to the transaction of College business may be charged to departmental budgets. Faculty and Staff may be reimbursed for expenses incurred as a result of entertainment of students and/or colleagues in their homes. Permission of the appropriate Vice President is required.

Refer to the [Travel and Expense Policy](#) that contains information regarding allowable entertainment expenses and procedures for reimbursement.

## **Procedures:**

### **1.0 Financial System Setup**

Each entity requiring separate budget tracking will be assigned a unique Department Code to which all budget and actual activity will be posted. The budget for this Department will be at a pooled level (non-salary items budgeted at a fairly high level – equipment, travel, and other operating expenses). The Department budget will be a Tracking Budget – i.e., spending is not controlled (stopped) at that budget level. The Control budget – referred to in PeopleSoft as the Appropriation Budget – is the budget

level that will stop actual transactions from flowing through the system if funding is exceeded. An additional budget type, Revenue Estimate, is used to track revenues associated with the Department budget.

The Appropriation budget may represent one or more Department budgets. It is merely a budget equal to the sum of the Department budgets that it is to control. Whether it represents one Department budget or many is determined for each entity based on the level at which control is needed. For example, all Department Budgets assigned to Chemistry – (Chemistry, Chemistry Research, and Chemistry Tutors) are combined to one Appropriation Budget. This allows the responsible manager to transfer funds among the three Department's non-salary budget lines without receiving Budget Office approval. The system will also process activity against a Department budget that is out of funds as long there are funds available in one of the three. The system will not allow overspending among that grouping. Departments are strongly encouraged to do budget transfers among their Departmental budgets rather than overspending in some and under-spending in others. At the Appropriation level – compensation is controlled separately from all other budget funds, prohibiting use of compensation funds without Budget Office involvement.

## **2.0 Responsibility for Operating Budgets**

It is the responsibility of all managers assigned budget funds to keep spending levels within their allotted funds. Monthly actual to budget reports will be provided to assist in fiscal management. Budget managers should take an active role to insure their allocations are not exceeded. Extraordinary circumstance may arise that require supplemental funding. Procedures related to supplemental funding requests are outlined below. No commitment of College funds should be made until the source of funding is known.

## **3.0 Handling Budget Shortfalls**

Should a department project a shortage of funds for the year, the following steps should be followed **PRIOR** to incurring the additional expense:

- 1) Transfer funds from another budget under the department's control using a Budget Transfer Form. The [Budget Transfer Form](#) can be sent to the Budget Office for processing.
- 2) Seek support or direction from the divisional Vice President related to the item causing the overage. If divisional support is unavailable, the divisional Vice President should seek supplemental support or approval for an overrun from the President. This should be done via explanatory memo to the Associate Director of Budgets with a copy to the President. Transfers of this nature will need to be processed through the Budget Office.

## **4.0 Requesting One-Time Funding Supplement**

Occasions may arise when funds are needed to support a one-time initiative that is very focused in scope and non-repetitive. A limited pool of funds is available to assign at the

President's discretion each year. Often these funds are used to study a particular issue, hire a consultant, etc. Please send a memo to the Budget Office, after discussing the request with the Divisional Vice President, with a copy to the President, describing the need for one-time supplemental funds. Approval and a transfer of funds are needed before any external commitment should be made by the sponsoring department.

## 5.0 Requesting Permanent Addition of Funds

Ideally, these requests should be made during the fall planning cycle so that permanent allocation requests can be prioritized, approved and funded through budget discussions with the President's Cabinet, Finance and Planning Council and Finance Committee. A list of items requiring permanent supplemental funding will be requested from each division head in September of each year for the subsequent and future year needs.

Should a need arise for permanent funding outside the fall planning cycle, temporary funding may be granted. This will assume that the first draw on new monies in the next budget cycle must be dedicated to permanent funding for this "pre-approved" initiative.

## 6.0 Quarterly Projections

Division heads will be required to provide quarterly estimates of fiscal year spending to the Planning and Budget Office. These forecasts will be reviewed and summarized into a College operating budget projection for presentation to the President, Finance Committee and Board of Trustees. Additionally, these estimates will be the source of funding identification when one-time or temporary funds are needed during the fiscal year. When surplus funds are identified within a division, they may not be used to fund large temporary initiatives without seeking the appropriate approvals as outlined in the above scenarios. If approval is granted, the Budget Office should be notified to document and transfer funds if needed.

### Forms:

Title: <a href="#">Budget Transfer Form</a>
Title: <a href="#">Position Justification Form</a>
Title: <a href="#">Position Content Document</a>
Title: <a href="#">Request for Personnel Substitute</a>

### Related Information:

Title: <a href="#">Travel and Expense Policy</a>
Title: <a href="#">Cell Phone Stipend Policy</a>
URL

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