I. Policy

The Cabinet and College Resource Council participate in planning the College budget to be submitted by the President to the Board of Regents for approval. Budget center directors are responsible for monitoring and approving all expenditures charged to their department’s budget.

II. Scope

This policy applies to all departments that receive institutional funding to support their programs.

III. Terms and Definitions

- **Cabinet** – the executive team made up of the President, Vice Presidents, Deans and the Executive Assistant to the President.
- **College Resource Council** – the College Resource Council shall consist of the President of the College as chairperson; the Vice President for Academic Affairs and Dean of the College (who shall chair meetings in the absence of the President); the Vice President for Finance and Administration; three tenured members of the faculty, nominated by divisions and elected by faculty, who shall also serve as representatives to the Board of Regents; one faculty representative from the Faculty Interests Committee; two appointed staff who have budget center responsibility; and one appointed member—nominated by the faculty and staff—who holds a position at the college with expertise directly related to diversity.
- **Budget center director** – the appointed department head or department manager who is responsible for monitoring the department’s allocated budget.

IV. Procedures and Guidelines

A. Budget Timeline

- Luther College budgets on a fiscal year that runs from June 1 to May 31. The budget development timeframe varies from year-to-year. However, the general process is as follows.
- During October through December the major budget parameters are reviewed for the following fiscal year. These parameters include: enrollment, comprehensive fee, financial aid, compensation, and uncontrollable cost increases. Budget center directors are given an opportunity via budget worksheets or via communication with their Vice Presidents, to provide information on significant uncontrollable cost increases or budget adjustments that are needed for the budget year being developed.
- College Resources Council and Cabinet review the budget parameters and cost increases to recommend budget priorities and the comprehensive fee increase.
The Board of Regents approves a comprehensive fee for the following academic year in October.

During March and April, budget center directors can request reallocations of budget between budget lines to reflect current spending patterns.

The Board of Regents approves the preliminary budget at the May Board meeting and the final budget at the October Board meeting.

During September and October, fall budget adjustments are made to the approved budget for changes based on additional information gained regarding major budget parameters such as enrollment, financial aid, and compensation.

B. Budget Center Director Responsibilities

- Review budget reports monthly.
- Verify that transactions are valid, amounts are accurate, and are posted to the appropriate account. Correction requests including the account number, date, transaction number, and the amount of the transaction involved should be sent to the Office for Financial Services.
- Journal entries to make corrections are reviewed by the Accounting Manager.
- Transactions should be charged to the “user” of the expense and to the proper expense category – regardless of the funding source.
- Budgets may be transferred from one account line to another to help fund a transaction. If a budget line is overspent, determine where budget can be transferred from to cover the deficit balance.

V. Confidentiality and Record

Luther College financial data is maintained in the Datatel software system. Budget center directors have access to budget reports in several different forms as described below:

- my.luther – Budget center directors can access their budget reports online via the web by logging into “my.luther.edu.” Under Financial Information, click on Budget Selection.
- Directions for using my.luther can be found on the Financial Services’ webpage under Faculty and Staff Information/Accounting and Budgeting/my.luther manual. A link to my.luther can also be found on the Financial Services’ webpage, www.luther.edu/financialservices.
- Datatel Reports Online – Budget center directors can request access directly to Datatel by contacting the Controller. A budget center director can then view data and run reports for the department(s) to which they have security access. These reports can be viewed and printed as needed.

A final year-end budget report will be distributed after the audit is completed, typically the first part of August. However, quarterly interim financial statements are generated for the months ending September, December and March.