

# LUTHER COLLEGE

## POLICIES AND PROCEDURES

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Department:	Administrative Services
Subject:	Budget Development and Reporting
Date Issued:	September 27, 2005
Updated and Reviewed By:	Finance & Administration Team – September 3, 2025
Approved By:	VP for Finance & Administration – September 3, 2025

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### **I. Policy**

Budget Managers across campus work with their Cabinet representatives to develop departmental budget requests. The Cabinet, with input from the Budget Advisory Council, compiles the operating budget to be submitted by the President to the Board of Regents for approval. Budget Managers are responsible for monitoring and approving all activity within their departmental budgets.

### **II. Scope**

This policy applies to all departments at Luther College.

### **III. Terms and Definitions**

- Cabinet – the executive team led by the President.
- Budget Advisory Council – the Budget Advisory Council is a group of faculty and staff representatives who provide input into the construction of the budget, both in the spirit of shared governance and because the budget and the priorities it represents are central to the educational mission of Luther College.
- Budget Manager – 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 for each fiscal year that runs from June 1 to May 31. The budget for each year should align with a multi-year financial plan that prioritizes the financial sustainability and vitality of the institution.
  - In April, the Vice President for Finance and Administration and the Vice President for Enrollment Management lead the Cabinet in the development of a comprehensive fee increase proposal for the academic year following the subsequent year. The comprehensive fee proposal is informed by anticipated operating costs, market positioning in relation to peer institutions, and strategic goals for a robust student experience.
  - In May, the Board of Regents approves the comprehensive fee for the academic year following the subsequent year.
  - In November, the Cabinet launches a collaborative process to construct operating expense and revenue budget requests for the following year. Budget Managers are asked to prioritize activities based on departmental and institutional goals, and endowment spending allowances and restricted gifts should be incorporated into strategic operating plans.

- In February, the Cabinet reviews consolidated operating budget requests, along with plans for centralized budgets such as enrollment revenue, financial aid, compensation, and capital renewal.
- In March and April, the Cabinet updates key budget estimates used to budget for net student enrollment revenue and makes adjustments to the initial budget as needed to support institutional priorities and meet financial targets established in the current multi-year financial plan.
  - The Budget Advisory Council reviews budget reports and provides feedback throughout the budget construction process.
- In May, the Cabinet brings a final budget proposal to the Board for approval.

#### B. Budget Manager Responsibilities

- Review budget reports monthly. The Office for Financial Services sends out a message informing Budget Managers when all activity related to a month has been posted.
- Verify that transactions are valid, amounts are accurate, and appropriate account numbers are used. Correction requests including the account number, date, transaction reference number, and the amount of the transaction involved should be sent to [budgeting@luther.edu](mailto:budgeting@luther.edu).
- Transactions should be charged to the “user” of the expense (e.g. Financial Services) and to the proper expense category (e.g. travel) – regardless of the funding source.
- Budgets may be transferred from one account line to another to help fund a transaction. If a departmental budget is overspent in total, determine where operating budget, endowment spending allowance, or restricted gifts can be transferred from to cover the deficit balance. Transfer requests should be sent to [budgeting@luther.edu](mailto:budgeting@luther.edu).
- The director of budgeting, financial planning, and analysis performs quarterly, comprehensive budget reviews and communicates with the appropriate budget managers to resolve any questions.

#### C. Budget Reporting

- Luther College financial data is maintained in the Colleague software system.
- The primary budget management and reporting tool is the Finance Query function available on Norse Hub.
  - The web address for Norse Hub is <https://norsehub.luther.edu/>.
  - Instructions for Finance Query can be found on the [Technology Help Desk web page](#).
  - Finance Query allows access to activity from the current year and the five previous years.
  - Finance Query reports can be exported into Excel.
- Budget Managers with reporting needs that are not met by Norse Hub should contact [budgeting@luther.edu](mailto:budgeting@luther.edu) to discuss potential alternative reporting solutions.

### V. Confidentiality and Record

General ledger data is stored on secure, Luther servers and backed up daily to onsite and offsite, storage systems. Paper and electronic transaction documentation is kept by the Office for Financial Services and maintained for seven years before confidential destruction.