

Administrative Policy

Section: Business and Support Operations

Section Number: 3.2.2

Subject: Budgets: Budget Cycle

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POLICY:

Fiscal Year: The Lake Superior State University fiscal year covers a period from July 1 through June 30 of each year, while the state fiscal year covers a period from October 1 through September 30. The University appropriation, as a result, consists of 1/4 of the prior year state appropriation plus 3/4 of the current year state appropriation.

The outline below consists of four steps in the operating budget cycle: preparation, approval, control, and accountability.

1. Preparation

- A. The guidelines and format for the Executive Budget Request are received from the Department of Management and Budget approximately 15 months prior to the start of the LSSU fiscal year. The State Budget Office, in collaboration with various legislative bodies, provides annual guidelines and estimates for the state allocation, MITW funding, TIP funding, tuition restraint, performance funding, and other information between February and July of each calendar year.
- B. The Vice President for Finance & Operations (CFO) at LSSU requests fall occupancy estimates; new student enrollment estimates; concurrent, dual, and early-college enrollment estimates; and any other enrollment specific initiatives from appropriate members of the Senior Management Team (SMT). The CFO estimates returning student counts. Revenue estimates from all General Fund (GF) and Auxiliary Fund (AF) areas are requested from appropriate Budget Managers. The CFO requests revenue estimates from the Charter School Office. The CFO estimates Program & Course Fee Annual revenues for the GF are estimated. Annual revenues for each auxiliary area are estimated.
- C. The CFO builds a master transfer budget for all significant internal transfers and debt service. Revenue estimates and the master transfer budget are reviewed by Business Office staff.
- D. The CFO and Provost review all revenue estimates and make recommendations to the President for the upcoming fiscal year expenditure guidelines that will be provided to Budget Managers. The President determines the final guidelines that will be distributed.
- E. The budget system is opened for Budget Managers. Budget Managers submit budgets within the guidelines determined by the President. The Business Office, CFO, and Provost monitor and support budget entry.

2. Approval

- A. The CFO and Provost prepare final budgets for review/approval by the President. The CFO summarizes the approved budgets for presentation to the LSSU Board of Trustees (Bot).

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- B. Budgets are typically reviewed/approved by the BoT in the summer before the fall semester of each fiscal year. If necessary, a continuation budget is presented/approved by the BoT to support continued operation from July 1 through the time the budgets are approved.
- C. The Business Office notifies Budget Managers of their approved budgets.

3. Budget Control

- A. Approved budgets are entered into BANNER. Budget Managers are responsible for their budgets.
- B. See other LSSU policies for details on acceptable purchases, reimbursements, contracts, etc.
- C. See Business Operations procedures which ensure adequate controls are in place. All policies and procedures are reviewed annually by Business Operations staff and external auditors.

4. Accountability

- A. Monthly budget accounting reports are prepared and furnished to Budget managers who control and monitor day-to-day expenditures. Monthly reports are monitored by the CFO. Any irregularities are reported to a member of the SMT.
- B. Annual financial reports are prepared by the LSSU accounting department and audited by a certified public accountant.
- C. The Auditor General's Office of the state performs an audit of LSSU records every two to three years.
- D. The University internal audit staff conducts audits on various University activities and programs on a continuing basis.