

LAKE SUPERIOR STATE UNIVERSITY PROCEDURES MANUAL

Administrative Policy

Section: Business and Support Operations

Section Number: 3.2.2

Subject: Budgets: Budget Cycle

Date of Present Issue:
6/25/2025

Date of Previous Issues:
12/78, 05/88, 07/00, 07/20

Policy Statement:

Lake Superior State University shall follow an established timeline and order of events in its annual budget cycle.

Scope:

Budget Managers in all university departments are affected; members of Senior Management; LSSU President; LSSU Board of Trustees.

Definitions:

- Budget Manager – person who manages the budget for a particular department/Organization.
- Senior Management Team – direct reports to the President.
- Budget Pak – budgeting software used in university budget process. Accessible by all Budget Managers.
- 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 budget year, as a result, consists of 1/4 of the prior year state appropriation plus 3/4 of the current year state appropriation.

Procedures:

There are four major 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, Michigan Tuition Waiver (MITW) funding, Tuition Incentive Program (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

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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, and works with appropriate SMT members to estimate annual revenues for each auxiliary area.

- 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 (currently Budget Pak) 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).
- 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 formally approved.
- C. The Business Office notifies Budget Managers of their approved budgets.

3. Budget Control

- A. Board approved budgets are loaded 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.

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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 the appropriate member of the SMT.
- B. Annual financial reports are prepared by the LSSU Business Operations 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 accounting staff conducts audits on various University activities and programs on a continuing basis.

Responsibilities:

- Budget Manager – Monitors and controls budgets in their area.
- Senior Management – Work with CFO to estimate revenues and expenses in respective area. Follow up on any irregularities identified in monthly reports.
- CFO – Work with SMT to estimate revenues and expenses; create budget for major annual internal transfers; monitor monthly budget reports.
- President – Determine guidelines for budget managers drafting annual budgets. Submit budget to Board for approval.
- Board of Trustees – Approve budgets, with or without edits; approve major project and program changes.
- Business Operations – Notify Budget Managers of approved budgets; prepare annual financial reports.

Review Cycle:

Policy should be reviewed and evaluated for needed updates annually by Business Operations staff and external auditors.