



Policy

Policy Title: Budget Forecasting, Development, & Adoption **Number:** B3005
Policy Type: Board - Executive Limitations
Responsible: Vice President of Finance & College Operations
Related Policies: [B2001](#), [B2002](#), [B2203](#), [B3006](#), [B3007](#), [B3008](#), [B3009](#)
Linked Operating Standards: PXXXX Budget Development & Adoption
Related Laws: [ILCS 805/3-20](#)
Related External Standards: Government Finance Officers Association (GFOA)
HLC Criterion: 5B

Policy Statement

The Board has a fiduciary responsibility to ensure public funds are used in a transparent, ethical, and fiscally responsible manner. As such, the Board shall adopt an annual legal budget prior to the start of the fiscal year, if possible, but no later than September 30 of each fiscal year.

The budget is a tool that allows the Board to make resource allocation decisions and monitor institutional performance based upon institutional strategic priorities focused on achieving the College's mission and legislative purposes defined in the Illinois Community College Act. In addition, the budget is a resource deployment plan that can be amended by the Board throughout the fiscal year to improve strategic outcomes.

To assist with these functions, the Board directs the President to prepare and present a proposed budget for Board review no earlier than the April Board meeting, but no later than the July Board meeting. Once presented with a proposed budget, the Board can accept the proposal as tentative or the Board can request additional information. Once the Board accepts the budget as tentative, the College will make the tentative budget available for public inspection for at least 30 days. Further, the Board Secretary will arrange for a public hearing so the public can provide comment on the budget. Notification for the public hearing shall be given at least 30 days prior to the time of the hearing.

Once the Board adopts a final legal budget, the President will operate the College within the budget parameters approved by the Board and provide the Board with quarterly monitoring updates that demonstrate compliance with the Board's direction.

Accordingly, the President shall not present a proposed budget that fails to:

1. Support the accomplishment of the College's mission and strategic plan.
2. Support the continuous improvement of student learning, student success, and the operational effectiveness of the College.
3. Anticipate emerging factors (such as the influence of technology, demographic shifts, and globalization) on College programs and services.
4. Consider input from College employees.
5. Reasonably project cash flow, income, and expenses.
6. Provide a projection of facility maintenance and improvement projects.
7. Ensure projected fund balances are consistent with the administrative Management of Financial Reserves policy.
8. Provide adequate support for Board Development activities.
9. Comply with applicable law.

In addition, the President shall not present a proposed budget document that fails to:

1. Provide written budget assumptions.
2. Provide an explanation of the proposed budget's impact on each Fund.
3. Provide a budget in the GFOA format.
4. Provide a detailed comparison of the budgeted revenue and expenditures to prior fiscal year actual revenue and expenditures.
5. Provide a list of Capital Equipment.
6. Provide a list of Capital Projects.
7. Provide a list of Employees recommended for funding.
8. Include anticipated impact of proposed strategic initiatives on the key performance areas noted in the Board's Monitoring policy.

Change Log		Governance Unit: Board of Trustees
Date	Description of Change	
05-03-21	Initial Adoption	
03-07-22	Review - Grammatical Edits	
06-15-23	Review - Grammatical Edits	
08-15-24	Board Reviewed, Expanded Language on the Proposed Budget Document	