OPERATING BUDGET, FINANCIAL REPORTS, AND AUDITS

I. BACKGROUND and/or LEGAL REFERENCES

TASB Policy Manual, CC, Annual Operating Budget, 3-7-94; CD, Accounting, 7-1-82; CDA, Accounting: Financial Reports and Statements, 3-7-94; CDC, Accounting: Audits, 3-7-94.

II. POLICY

A. Budget Planning

Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District’s Master Plan programs and activities and provides the resources to implement them. In the planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered. Budget planning and evaluation are continuous processes and should be a part of each month's activities.

B. Schedules

The College President or designee shall supervise the development of a budget calendar and a specific plan for budget preparation that ensures appropriate input from all levels of operation within the District. The budget shall balance projected expenditures against anticipated revenue and shall conform to Texas Higher Education Coordinating Board requirements and meet the standards of the Commission on Colleges of the Southern Association of Colleges and Schools.

C. Availability of Proposed Budget

After it is presented to the Board and prior to adoption, a copy of the proposed budget shall be available for inspection during regular business hours.

D. Budget Hearing

The annual public hearing on the proposed budget shall be conducted as follows:

1. The Board President shall request at the beginning of the hearing that all persons who desire to speak on the budget give their names to the secretary. Only those who sign in with the secretary shall be heard.

2. Prior to the beginning of the hearing, the Board may establish time limits for speakers and may determine the number of speakers for group presentations.

3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget.

4. No officer or employee of the District shall be required to respond to questions from speakers at the hearing.

E. Budget Adoption
The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the District's approved purchasing procedures. The expenditure of funds shall be under the direction of the College President or designee who shall ensure that funds are expended in accordance with the adopted budget.

F. Budget Amendments

The budget may be amended at any time during the fiscal year. The District shall develop procedures for budget amendments.

G. Accounting: Financial Reports and Statements

Monthly financial reports shall be submitted to the Board outlining the progress of the budget to that date and reporting on the status of all District funds and District accounts. These financial and budget progress reports shall indicate all receipts and their sources for the period, expenditures and their classification for the period, and the various fund balances at the beginning and the end of the period.

H. Accounting: Audits

1. The Board shall select an auditing firm for a designated period through a Request for Proposal (RFP) or an engagement letter that outlines the Board's expectations for the annual audit and ensures that the audit firm follows the guidelines and standards of the American Institute of Certified Public Accounts (AICPA) and the Governmental Accounting Standards Board (GASB).

2. The annual audit of all funds shall be made to determine:
   a. The adequacy of the Board's fiscal policies.
   b. The execution of those fiscal policies.
   c. A check and review of the District's fiscal actions for the preceding year.

3. A comprehensive audit report of all funds and accounts of the District including a management letter shall be submitted annually to the Board. A copy of the independent audit shall become a part of the Board's official minutes and shall be available to the public for inspection during regular office hours.

I. Internal Audits

All District accounts shall be subject to internal audit as deemed appropriate. The objective of internal accounting control is to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and to evaluate the reliability of financial records for preparing financial statements and maintaining accountability for assets. Findings of such audits shall be reported to the Board.

(POLICY APPROVAL: 2-17-92, Board of Trustees, amended 1-15-13)