

# **Monterey Peninsula College**

## **Introduction**

### **FY 2009-2010 Budget Construction (Basic Forms Package)**

The process for fiscal year 2009-2010 allows budget managers to build their budgets based on the actual historical expenditure data for their respective departments. In a “rollover” budget development process, the same amounts of funds are often allocated to the same object categories without examining actual expenditures. This has led to incorrect distribution of funds in some departments, with similar transfers repeated year to year.

**The intent of the fiscal year 2009-2010 budget development process is to encourage departments to allocate funds based on demonstrated actual expenses.** This would reduce the number of budget transfers requested during the fiscal year. It would also enable budget managers to obtain a more accurate picture of ongoing operating expenses and balances.

#### **This Budget Development Package (Basic Forms) includes:**

- Budget Construction Directions
- The Budget Printout form showing your department’s actual expenditure data for the previous fiscal year and the adopted budget data for three years. You may make adjustments (**not increases**) directly on this form, writing in the FY 2009-10 column.
- A copy of the Increase to Existing Budget Line form, used to cover a *price increase* in a **specific current expense** (see instructions on page 3.) ***NOTE TO VP’S: Remember that any increase needs to be matched by a decrease to a different budget in your area.***

#### **Process/Timeline:**

- All funding requests must be submitted to the appropriate Vice President responsible for your area.
- The Vice Presidents will review the funding requests, based on funds available.

## Directions

### **FY 2009-2010 Budget Construction**

The basic budget development process for fiscal year 2009-2010 involves using **two** forms. The first is to be submitted for every department. The second is needed only for requesting increases.

**The first form** is the Budget Printout form. This form shows your department's past expenditures and current-year budget. This is to be used for making adjustments within your current level of funding. **It must be submitted even if you are not requesting additional funding.**

**The second form** is the Increase to Existing Budget Line form. This form is used only if an increase in an existing expense is being requested.

- I. **The first form:** The Budget Printout form shows your department's adopted budget and actual expenditure data for current and previous fiscal years.

*Please compare* your department's actual expenditure data with the amounts currently budgeted for 2008-2009, as well as your expenses for the current year. You might see that some object categories have been traditionally over-budgeted and other objects/categories under-budgeted. Next, make *adjustments between categories* based on the actual historical expenditures (and any known changes for 2009-10.) Please record your requests under the FY 09/10 column. ***Remember, this form is not for funding increases, but for adjustments within current funding.***

1. All forecast salary and benefits expenses for active and vacant positions will be budgeted by Fiscal Services staff. ***Please take time to review the personnel section*** of the form, to make sure that it agrees with your understanding of staff positions and hours. Make sure that any vacant positions are listed. Indicate if there are any changes in the employee FTE or Mo/Yr assignments for your department. For example, an employee might change from 1.00 FTE in one department to .50 FTE each in two different departments. ***Please note any anticipated changes in color at the bottom of the page.***

- II. **The second form:** The Increase to Existing Budget Line form is to be used for requesting a funding increase due to a price increase in an *existing* service contract, license fee, rental fee or other ongoing expense. The circumstances justifying the request must be explained on the form, and the specific item and vendor identified (see template attached.) *No funding requests for staffing may be placed on this form.*

Any requests for additional funding for *new items or staffing* must be placed in the Action Plans (that template and instructions will be in their own package.)

**PLEASE NOTE:** Be sure that each budget package is identified by department name and number. If you manage more than one department/cost center, please keep the packages separate.

**CONTACT PERSON:** For questions or clarifications of the budget development process, please contact Connie Andrews, by e-mail or at X4045.

**DEADLINES:** The deadline for submission of these Budget Development funding requests to Vice Presidents is March 24, 2009.