Policy Number 04.02.001

Allegany College of Maryland

BUDGET POLICY

Formally Approved by BOT: 10/17/2022
Implementation: Various
Type of Policy: Finance – State Mandated

BACKGROUND AND PURPOSE

As an entity that receives both State and County appropriations, it is imperative that annual budgets are prepared to help manage the projected financial inflows and outflows to ensure appropriate fiscal stewardship of college funds.

POLICY

I. SCOPE OF THE POLICY

This policy pertains to the annual budgeting process for both the general operations of the college (operating budget) and the special longer-term infrastructure or capital needs of the college. The creation of annual budgets helps the college to estimate revenues coming into the college including State and County revenue appropriations or allocations as well as student tuition and fees revenues and the outflow expenses such as faculty and support staff salaries and benefits, grounds and building maintenance costs, and technology hardware and software costs.

II. POLICY STATEMENT

Pursuant to the Education Article of the Maryland Annotated Code, § 16-30, the college is responsible for annually preparing and submitting an operating and a capital budget to the County and State

The operating budget shall show:
(1) All revenues estimated for the next fiscal year classified by funds and sources of income, including:(i) Any funds from federal, State, and local sources; and (ii) Any surpluses;
(2) All expenditures requested, including the major functions; and
(3) Any other information or supporting data required by the county governing body.

The capital budget shall contain a statement of all anticipated capital revenues and expenditures.

The capital and operating budgets shall be prepared and considered in accordance with county fiscal procedures consistent with State law.

The capital requests and operating budgets are presented to the County each spring for review and approval, so that the College Board of Trustees can approve the final budget booklet that includes the various approved budgets and any changes in tuition and fee rates before June 30th.

Allegany County reviews the submitted budgets and informs the college if they can provide any additional support for the upcoming fiscal year. In each fiscal year, for a college to receive an increase in the State share of support or a hold harmless component amount, the county share, in the aggregate, that supports the community college shall equal or exceed the aggregate amount of operating fund appropriations made to the college by the county supporting the college in the previous fiscal year.

III. Administration of Policy

The Budget Coordinator in conjunction with the Vice President of Finance & Administration is responsible for administering and updating this policy.

IV. Changes

Substantive changes to this policy require approval by the Board of Trustees; editorial changes, title/position changes, and/or changes to its implementation procedures may be made as required by federal or state mandate and/or institutional need with timely notice to students and employees.