

3.5 Preparation and Submission of Institutional Budget

Last Revised: July 2023

Policy: The Board of Trustees of Piedmont Community College shall approve the submission of a budget request on forms provided by the State Board of Community Colleges.

Purpose/Definitions:

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This policy outlines the procedure for preparation and submission of the annual budget to the State Board of Community Colleges.

Definitions

Categorical funds—funds appropriated to the College from any state government source that are targeted for particular categories of projects, students, special programs, or special purposes. These funds may not be used for any other purpose than the purpose for which they were allocated.

County funds—funds appropriated to the College by the local tax-levying authorities, the Person County Board of Commissioners and the Caswell County Board of Commissioners.

Institutional funds—funds budgeted and expended through college accounts that are not allocated to the College by the State Board of Community Colleges, nor appropriated to the College by the local tax-levying authority.

Plant fund—acquisition of land; erection of all buildings; alterations and additions to buildings; purchase of automobiles, buses, trucks, and other motor vehicles; purchase or rental of all equipment necessary for the maintenance of buildings and grounds and operation of plants; and purchase of all furniture and equipment not provided for administrative and instructional purposes.

State funds—all funds that are allocated to colleges by the State Board of Community Colleges, regardless of the revenue source.

Trust and Agency funds—funds held by an institution as custodian or fiscal agent for others such as student organizations, individual students, or faculty members.

Approval Authority/Monitoring Authority: Piedmont Community College’s Board of Trustees has approval authority for this policy. The Vice President, Administrative Services/CFO has monitoring authority for this policy.

Procedure:

Section 1: Funding Sources

- 1.1. The budget shall be based on estimates of available funds if provided by the funding authorities or as estimated by the College.
- 1.2. The State Current Fund shall be based on available funds.
- 1.3. All other funds shall be based on needs as determined by the Board of Trustees and shall include the following:
 - 1.3.1. State Current Fund
 - 1.3.2. County Current Fund
 - 1.3.3. Categorical Fund
 - 1.3.4. Institutional Fund
 - 1.3.5. Plant Fund

Section 2: State Current Fund Budget

- 2.1. The budget request shall contain the items of current operating expenses as provided in N.C.G.S. 115D-31 for which State funds are requested.
- 2.2. The approving authority for the State current fund budget request shall be the board of trustees and the State Board of Community Colleges.

Section 3: County Current Fund Budget

- 3.1. The budget request shall contain the items of current operating expenses, as provided in N.C.G.S. 115D-32, for which county funds are requested.
- 3.2. The approving authority for the county current fund budget request shall be the board of trustees and the local tax-levying authority.
- 3.3. The State Board of Community Colleges shall have approving authority pursuant to N.C.G.S. 115D-33 with respect to required local funding.

Section 4: Institutional Fund Budget

- 4.1. The budget request shall contain the items of current operating expenses, ~~loan funds~~, scholarship funds, auxiliary enterprises, state, private, and federal grants and contracts and endowment funds for which institutional funds are requested.
- 4.2. The approving authority for the institutional fund budget request shall be the board of trustees of the institution.

Section 5: Categorical Fund Budget

- 5.1. Colleges receiving categorical funds from any state government source must report the receipt and use of such funds annually to the North Carolina Community College System in accordance with the System's Annual Reporting Plan.

Section 6: Plant Fund Budget

- 6.1. The budget request shall contain the items of capital outlay, as provided in N.C.G.S. 115D-31 and N.C.G.S. 115D-32, for which funds are requested, from whatever source.
- 6.2. The board of trustees shall submit the budget to the local tax-levying authority.
 - 6.2.1. The local tax-levying authority shall approve or disapprove, in whole or in part, that portion of the budget requesting local public funds.
 - 6.2.2. After approval by the local tax-levying authority, the board of trustees shall submit the budget to the State Board of Community Colleges on a date designated by the State Board.
- 6.3. The State Board may approve or disapprove, in whole or in part, that portion of the budget requesting state or federal funds.
- 6.4. Plant funds provided for construction and major renovations shall be permanent appropriations until the conclusion of the project for which appropriated.

Section 7: Other Funding Provisions

- 7.1. No public funds shall be provided an institution, either by the tax-levying authority or by the State Board of Community Colleges, except in accordance with the budget provisions of Article 4A Budgeting, Accounting, and Fiscal Management of N.C.G.S. 115D-54.
- 7.2. The preparation of a budget for, and the payment of interest and principal on indebtedness incurred on behalf of an institution, shall be the responsibility of the

county finance officer(s) of the administrative areas, and the Board of Trustees of the institution shall have no duty or responsibility in this connection.

7.3. Trust and agency funds need not be budgeted.

Legal Citation: [N.C.G.S. 115D-5](#), [N.C.G.S. 115D-31](#), [N.C.G.S. 115D-32](#), [N.C.G.S. 115D-33](#), [N.C.G.S. 115D-54](#); [1H SBCCC 100.1](#), [1H SBCCC 200.1](#), [1H SBCCC 400.1](#)

History: Effective January 1988; October 2001; reviewed September 2010, May 2021, July 2023