

**Budget Management**

The Office of the Treasurer is responsible for facilitating the annual budget process and for overseeing budget management throughout the year. Partnering with the President and Cabinet, the Treasurer’s Office allocates budgetary resources while upholding the College financial policies. Divisions and their departments are responsible for identifying resources needed to achieve the goals set forth in their strategic plans.

The Office of the Treasurer budgetary responsibilities include:

* Prepare the annual budget submission to the State of New Jersey
* Support the President, Cabinet and Board of Trustees on budget matters
* Develop and monitor the College's annual budget
* Link resource allocation to the College’s Strategic Plan
* Approve budget transfers and funding requests for new initiatives
* Provide financial web reports on budgets versus actuals to the campus community

**BUDGET CYCLE**

**Cycle Overview**

The College’s operating budget is developed annually starting with the **State Budget Submission**, followed by the annual **Budget Memo.** The approved budget exists for the duration of a **fiscal year**, July 1 to June 30. Budgets are monitored throughout the fiscal year by division budget managers and the Office of the Treasurer.

<https://treasurer.tcnj.edu/wp-content/uploads/sites/90/2018/09/TCNJ-Budget-timeline-Aug-2018-PDF-1.pdf>

**State Budget Submission**

Every year, TCNJ is required to submit its annual budget request to the State of New Jersey, Office of Management and Budget (OMB). Preparation for the budget request begins in the fall and is typically submitted to the State in November. Following a review by the OMB, the Governor presents the proposed State budget to the State Legislature in January. The State Legislature approves the State budget, including the appropriation for higher education, prior to the beginning of the fiscal year. The budget request format is dictated by the State and includes actual results from the prior year, revised budgets for the current fiscal year and projections for the next fiscal year.

The submission also includes the following requirements:

* President's Overview, highlighting key accomplishments and major changes, and advocating for funding needed to further the institution’s mission
* Financial Summary, which summarizes revenues, expenditures and transfers
* Organization Charts
* Tuition and Fee Projections
* Programmatic Information, such as enrollment, expenditures and salary data
* Budget initiative requests for additional state funding

**Budget Memo – Annual Budget Development Process**

Each spring, divisions and departments across the College submit budgets for the coming fiscal year, based on the guidelines in the **Budget Memo**. Budgets requests are subject to approval by the Deans, Vice Presidents, Treasurer and President.

<http://treasurer.tcnj.edu/wp-content/uploads/sites/90/2019/02/FY2020-Campus-Budget-Communication.pdf>

**ANNUAL BUDGET PROCESS & GUIDELINES**

**Process Overview**

Pending the Governor’s announcement of preliminary State appropriations, TCNJ begins its internal budget development process on or about February each year. The Treasurer distributes a memorandum of guidelines and deadlines to the TCNJ community which includes:

* Operating budget goals, planning assumptions and deadlines
* Strategies and guidelines – Linkage of budget to strategic priorities
* Instructions and links to the budget development system “BudgetPak”

**Tuition and Fees**

The Board of Trustees approves the annual tuition and fee rates. Prior to finalizing rates, the Treasurer’s Office in consultation with the President, prepare models of various proposed rates, taking into consideration several factors such as enrollments, state appropriations, union contracts collectively bargained at the state level, anticipated mandatory cost increases, economic inflationary indicators, cost containments strategies and the level of strategic plan funding. In addition, the State may set guidelines regarding the amount of tuition increase permitted by NJ Public Higher Education Institutions. Prior to adopting new rates, the Board of Trustees conducts a public Tuition Hearing to provide members of the College community with an opportunity to share their perspectives.

All non-standard tuition and special fees related to academic courses (credit and non-credit) are reviewed by the appropriate department and Vice President’s Office. Non-standard tuition and fees include laboratory and special program fees, and other miscellaneous fees required to support student-related services. Upon the recommendation of the President and approval by the Board, the tuition and fees rates are announced to the public via the Office of Student Accounts website. [**https://studentaccounts.tcnj.edu/tuition-fees/**](https://studentaccounts.tcnj.edu/tuition-fees/)

**Mandatory Student Fees**

TCNJ assesses four mandatory fees, the General Service Fee/Capital, Student Center Fee, Card Service Fee and the Student Activity Fee. Mandatory student fees are charged every semester and cannot be waived. Concurrent with the annual budget process, mandatory student fees are reviewed by the Vice Presidents of the areas responsible for using the fees. Recommendations on any rate adjustments for the upcoming fiscal year are based on budgeted allocation (uses of funds) supported by each mandatory fee versus the projected revenue from enrollment and the rate adjustment (if any). Cognizant of the conclusion in the statement of principles on tuition and fees, <https://treasurer.tcnj.edu/wp-content/uploads/sites/90/2017/05/Statement-of-Principles.pdf>, any proposed rate adjustments are reviewed and deliberated with the Business and Infrastructure Committee of the Board of Trustees as part of the College’s budget plan by the Treasurer and President.

Mandatory fees and the purposes for which they are collected are published on the College’s web site. <https://studentaccounts.tcnj.edu/wp-content/uploads/sites/77/2017/07/Description-of-Mandatory-Fees-July-2017.pdf>

**Auxiliary Funds**

Budget managers responsible for auxiliary funds must monitor the relationship between actual revenues and expenditures. Departments are required to submit revenue and expenditure forecasts during the annual budget development process.

**Personnel Budgets**

Budgets for permanent positions are allocated to departments based on where each employee works. Permanent staff may be full-time or a % of full-time. Faculty may be 10-month or 12-month. Budgets for positions that are shared by two or more departments, or funded in part by external grants, will be allocated accordingly. These budgets cover:

* Continuing personnel budgets
* Approved newly authorized personnel
* Annual leave and/or final payments to employees such as lump sum vacation
* Short-term disability and any leave replacements the unit chooses to make
* Reclassification of a position to a new title at a higher salary
* Fringe benefit costs

During the Budget Development process, the Treasurer’s Office develops the budgets for permanent position salaries and fringe benefits for continuing permanent staff; taking into account estimated cost of living and step increases and other information regarding upcoming departures, leaves of absence or position moves to other departments. Changes such as reorganizations, reclassifications, and new positions, should be requested and approved during the budget planning period – ***see the Human Resources process***.

**Fringe Benefits Expense**

Fringe benefits are an integral part of the College’s compensation program and must be included in the budget. Fringe includes contributions to life insurance, disability insurance, retirement plans, and health insurance programs. The College reimburses the State of New Jersey for fringe benefit costs above a fixed number **(859**) of employees, known as the “state authorized positions” within the state-supported budget. The College must also allocate other funding sources **ALL** auxiliary, grants, and other non-state funded positions.

**New Position Requests**

New position requests begin with a justification to the Cabinet during the budget development process. Cabinet will make recommendations to the President and if position is approved, departments must follow the Human Resources procedures including submission of a job description, organizational chart, justification and estimated cost.

**Faculty Positions**

Primary administrative control of the faculty position base resides with the Provost/Vice President for Academic Affairs. The following general policies apply to the faculty position base. Faculty dollars may be assigned as necessary among faculty employment categories (Part-time, full-time, and temporary) to meet instructional demands, regardless of funding source. The Provost/Vice President may approve as necessary the creation of new faculty lines within the budget allocated for faculty compensation if approved by the President. Under special conditions, a faculty position may be re-defined as a staff position. In this case funds may be moved to the staff position base. (The reverse is also true where staff positions may be re-defined and moved to the faculty base).

**Staff Positions**

Primary administrative control of the staff positions reside with the Office of Human Resources (classification) and the Treasurer’s Office (funding and payment). During the course of a fiscal year, managers may find it necessary to revise their position base due to hiring decisions or position restructuring. These actions require the review and approval of the Office of Human Resources with the concurrence of Cabinet. The budget manager and Vice President must ensure that funding is in place to address such changes in the current fiscal year. Also, the recurring impact of such changes must be tracked and funding sources identified so that any permanent base budget change can be address during the annual budget process.

**Salary Turnover Savings**

As part of the position management strategy, annually the anticipated salary turnover savings are budgeted upfront and are monitored throughout the fiscal year. When a permanent position becomes vacant, the remaining salary budget is not available to the department unless there is a demonstrated critical need to **“back-fill”** the position with a temporary employee. In these cases, the department may request “salary savings” budget to cover the temporary hire. The request is made on the Emergency Hire Form that must be reviewed and approved by Human Resources and the Office of the Treasurer. Departments are not authorized to hire temporary staff without sufficient budget.

**Base Budget Adjustments**

Changes to the College’s budget base are to be addressed only during the Annual Budget Development Process. During the fiscal year, budget managers should track budget allocations, the need for permanent reallocations within departments or cost centers. Instructions for permanent base adjustments is address in the annual budget communication memo. All budgetary adjustments that will impact more than the current fiscal year should be considered base budget adjustments and should be submitted during the Annual Budget Development Process.

**Non-salary Expenses**

Non-salary expenses fall into two primary categories, pooled and non-pooled. Pooled expenses encompass numerous expenditure codes (i.e. 53xxx- general supplies) that have been grouped to provide greater flexibility to budget managers in the implementation of the expenditure budget. Although the budget is initially loaded at the commitment account code level, the pooled concept permits fluctuation between the expense lines within the aggregate total of the pooled codes. The balances for non-pooled accounts (i.e. 56xxx – institutional commitments) are track at the individual account level.

**Mandatory Costs**

The operating budget recognizes a class of accounts designated as mandatory costs. These costs are items that offer very limited choice in terms of funding and are budgeted as institutional priority (i.e. debt service, insurance, fuel & utilities). Budget allocation for mandatory cost dollars in excess of actual costs are a central resource and may not be used for any other purposes. Actual costs in excess of the budgeted allocation may be funded by savings in other mandatory cost categories within the College’s budget.

**Supplemental Funding Allocation**

Under emergency or special conditions, a vice president may find it necessary to request funding outside of the annual budget process. This request should be advanced to the Office of the Treasurer using a “One-Time Supplemental Budget Request” form. This request must address whether the funding is also required on a recurring or future year basis. All personnel supplemental requests require review by the Cabinet and final approval by the President.

**Carryforward Requests**

The College budget represents a financial plan for the fiscal year July 1 through June 30. Dollars are allocated to provide for the operation of institutional programs and services, and it is anticipated that those dollars will normally be expended in a prudent and timely fashion. As a means of providing greater budgetary flexibility to budget managers, the College allows for special carry forward of operating funds. In most cases, any outstanding credit balances at year end will be funded from a department’s remaining available operating non-salary funds before consideration in the carry forward process.

**Accountability**

Vice Presidents and Deans have budget responsibility for their division or college. The department manager is responsible for budget management and purchasing approval of one or more specific Peoplesoft Dept IDs or Cost Center. These employees are accountable for financial performance against their budget, and must follow College policies.

**Budget Monitoring Tool**

The financial web reports provide Budget Overview by Schools/Divisions, as well as department budgets vs. actuals with various drilldown capabilities to the detail transaction level. The financial web report system gets refresh on a nightly basis. All budget users have security access to view their department budget reports - [**https://finance.tcnj.edu/financial-web-report-access/**](https://finance.tcnj.edu/financial-web-report-access/)

