

Easy, Breezy, Budget Basics

Presented by: The Budget Office

Alejandra Collazo Gonzalez, Deja Grant

Agenda

- Part One
 - Review basic terms
 - Insight into Oregon Budget law
 - Budget Process
- Part Two
 - Understanding your budget



What's a budget?

It's a plan

More specifically it is a financial plan that contains estimates of revenues and expenditures for a specific period of time.

LCC's budget is a financial plan that outlines the estimated revenues and expenditures needed to carry out our Vision and Mission.



What are revenues?

It is money that is generated and earned from operational activities.

Examples of some of LCC's revenues:

- Tuition
- Student Fees
- State revenue

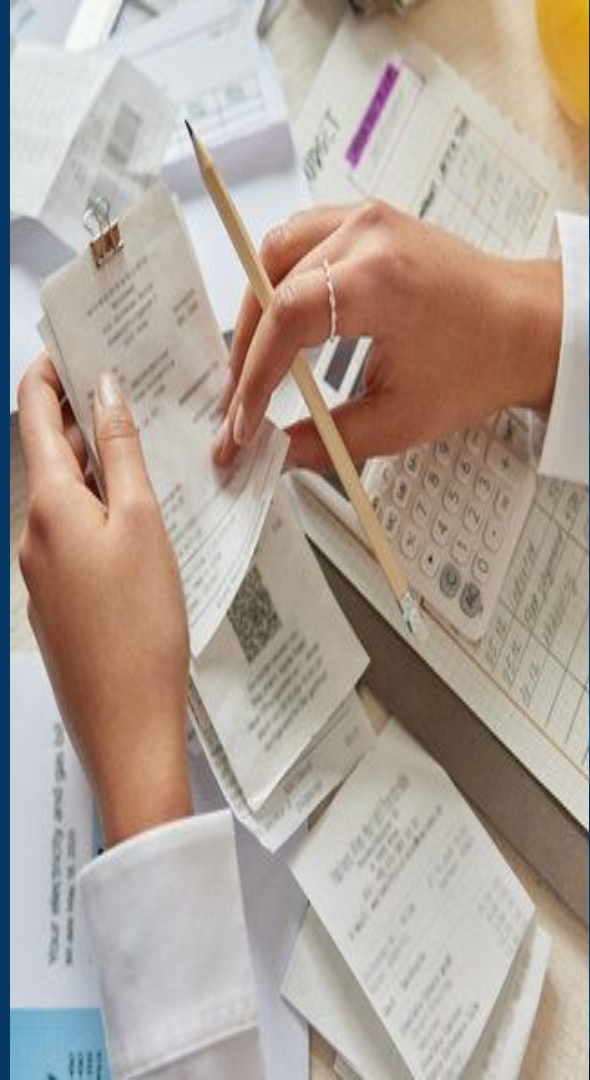


What are expenditures?

They are costs generated in the process of earning revenue.

Examples of some of LCC's expenditures:

- Utilities
- Personnel costs
- Operational supplies



In Summary

A budget is a financial **plan** that outlines **expected revenue and expenditures** for a **set period** of time. It helps **predict** how much money ***might be*** earned and what costs are needed to support that revenue.

Major Fund Category	FY25 Proposed Budget	FY25 Approved Budget	FY25 Adopted Budget
General Fund I	108,465,401	107,818,976	107,818,976
Internal Service Fund II	678,960	678,960	678,960
Debt Service Fund III	27,276,805	27,276,805	27,276,805
Capital Projects Fund IV	76,584,450	76,584,450	76,584,450
Financial Aid Fund V	47,082,500	47,082,500	47,082,500
Enterprise Fund VI	2,204,682	2,204,682	2,204,682
Early Retirement Fund VII	5,580,000	5,580,000	5,580,000
Special Revenue Fund VIII	15,167,324	15,167,324	15,167,324
Administratively Restricted Fund IX	22,700,549	22,700,549	22,700,549
Total All Funds	305,740,671	305,094,246	305,094,246



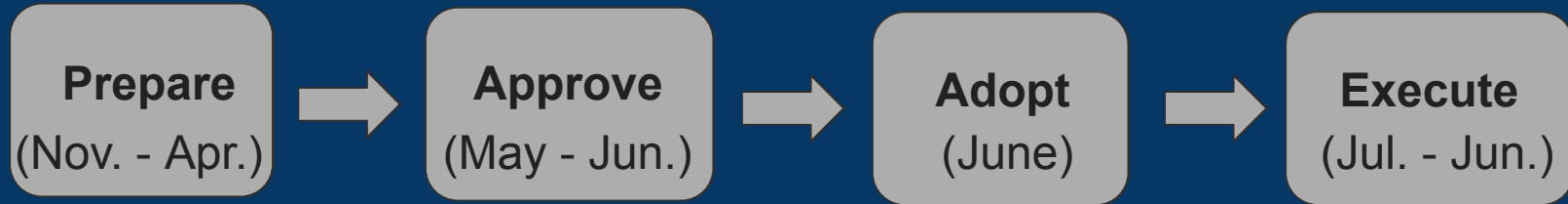
Oregon Budget Law

- Establishes standard procedures for preparing, presenting, and administering the budgets of Oregon's local governments, while setting a method for control of revenues and expenditures when using public funds.
- Gives all institutions the same framework to help compare similar operations.
- Encourages citizen involvement.
- Oregon Revised Statutes (ORS) 294.305 to 294.565

How does this influence our budget at LCC?

- Our budget is a financial plan containing estimates of revenues and expenditures for a single fiscal year. It is our guide for financial management of LCC.
- Oregon Budget Law sets forth the standards that we need to follow and meet.
- It specifies;
 - WHEN - by June 30th = Adopted Budget. AND public notices published.
 - WHO - Board of Education and the Budget Committee with opportunities for input by the public.
 - HOW - by high level functional programmatic areas AND proper methods for adjustment when needed.
 - WHERE - Through public forum.
 - WHY - legislative framework to oversee and guide use of public funds.

The budget process at a glance



Preparing the budget

- The Budget Office gathers data and input from stakeholders (e.g. institutional Divisions and State)
- Create estimates for ALL revenues and expenditures
 - These estimates must be made in good faith
 - Reasonable and reasonably likely to prove correct, based on the known facts at the time.
 - Expenditures are organized by fund and program
- Must be a balanced budget (Oregon Budget law requirement)
 - Revenues = Expenditures
 - Applies to all funds



Examples of a balanced budget

Revenues:

Student Fees: 40,000

Bad Debt: -1,200

Total revenues: 38,800

Expenditures:

Operational supplies: 38,800

Total expenditures: 38,800



Examples of a balanced budget

Consolidated Schedule of Revenues, Expenditures and Changes in Fund Balance - All Funds			
SUMMARY			
Total Revenues	305,740,671	305,094,246	305,094,246
Less: Total Requirements	(305,740,671)	(305,094,246)	(305,094,246)
REVENUES OVER-(UNDER) REQUIREMENTS	-	-	-
All Funds Resources	FY25 Proposed Budget	FY25 Approved Budget	FY25 Adopted Budget
REVENUES			
State Support	45,922,097	45,922,097	45,922,097
Federal Support	40,235,442	40,235,442	40,235,442
Local Support	425,000	425,000	425,000
Property Taxes	39,651,068	39,651,068	39,651,068
Tuition	29,351,377	29,351,377	29,351,377
Student Fees	12,101,340	12,101,340	12,101,340
Other Sources:			
Beginning Fund Balance	99,396,320	98,749,895	98,749,895
Sale of Goods and Services	2,791,620	2,791,620	2,791,620
Other Revenues	30,302,338	30,302,338	30,302,338
Transfers In	5,564,069	5,564,069	5,564,069
TOTAL REVENUES	305,740,671	305,094,246	305,094,246

Examples of a balanced budget

REQUIREMENTS			
All Funds Requirements	FY25 Proposed Budget	FY25 Approved Budget	FY25 Adopted Budget
Instruction	65,884,412	65,440,527	65,440,527
Instructional Support	9,812,682	9,666,110	9,666,110
Student Services	19,511,922	18,934,683	18,934,683
Community Services	6,325,240	6,325,240	6,325,240
College Support Services	25,947,120	26,274,219	26,274,219
Plant Operations & Maintenance	8,262,480	8,033,192	8,033,192
Plant Additions	80,084,450	80,084,450	80,084,450
Financial Aid	46,532,500	46,532,500	46,532,500
Debt Services	27,276,805	27,276,805	27,276,805
Contingency	7,536,749	7,960,209	7,960,209
Unappropriated Ending Fund Balance (UEFB)	3,002,242	3,002,242	3,002,242
Transfers Out	5,564,069	5,564,069	5,564,069
TOTAL REQUIREMENTS	305,740,671	305,094,246	305,094,246
ENDING FUND BALANCE	-	-	-

Approving the budget

- A proposed budget is prepared and presented to the budget committee
 - At the request of the committee, changes may be necessary for approval.
- Budget is approved by the budget committee



Adopting the budget

- The Board of Education adopts the budget prior to June 30th, to be in effect on July 1st (beginning of fiscal year).
 - Our legal limitation on the amount of expenditures that can be made during the fiscal year and on the purpose for which expenditures can be made. ORS 294.435(6) This will be in effect from July 1st - June 30th of that fiscal year.

Executing the budget

- Budget is loaded to Banner
 - The plan must be followed without overspending.
 - The penalties for unlawful spending of public money are established by ORS 294.100, which states, “*It is **unlawful for any public official to expend any money in excess of the amounts, or for any other or different purpose than provided by law.***” The public official “*shall be **civilly liable for the return of the money by suit of the district attorney of the district where the offense is committed, or at the suit of any taxpayer of such district, if the expenditure constitutes malfeasance in office or willful or wanton neglect of duty.***”

Budget changes after adoption

- A budget can be amended
 - The method is determined by the change needed
 - The Budget Office will determine if an amendment is needed and what method is required while following standards set forth within Oregon Budget Law.
 - Requires Board of Education approval

Part TWO



Understanding your budget

FOAPs.....What are they?

They are LCC's account numbers. FOAP stands for: Fund, Organization, Account Code, Program

- Each section of the FOAP is 6 digits long for a total of 24 digits per FOAP.
- FOAPs are used to enter, track and organize transactions of many types into our accounting system, Banner.

Fund

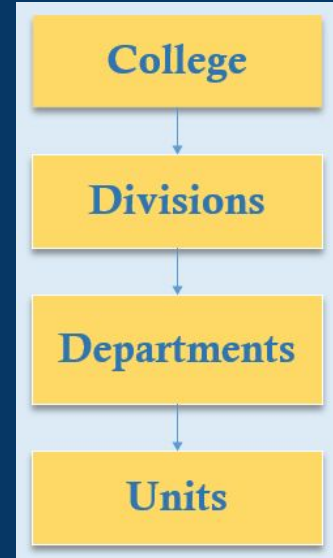
The Fund is the first segment of the 6 digits that make up the EOAP

It is an accounting entity with a set of self-balancing accounts. This way Lane can separate each fund to organize, manage and ensure observance of limitations and restrictions placed on the use of resources.

- Lane has 9 funds
 - Fund I: General Fund
 - Fund II: Internal Services Fund
 - Fund III: Debt Service Fund
 - Fund IV: Capital Projects Fund
 - Fund VI: Enterprise Fund
 - Fund VII: Early Retirement Fund
 - Fund VIII: Special Revenue (grants) Fund
 - Fund IX: Administratively Restricted Fund

Organization

Organization (ORG) is the second segment of 6 digits that make up the FOAP. This segment identifies where the budget authority lies and is used to organize and manage revenues and expenditures.



Account codes

Account codes are the third segment of 6 digits that make up the FOAP. It is the identifier of the type of transaction taking place.

- Revenue accounts start with a 4
 - 441000: Student Fees
- Personnel accounts start with a 5
 - 520300: Classified Unit Employees
- Materials & Services (M&S) start with a 6
 - 611100: Office Supplies
- Capital account codes start with a 7
 - 757500: Library Books
- Transfer account codes start with a 9
 - 912300: Transfer Out to Debt Service Fund

Program

The Program is the fourth and final segment of 6 digits that make up the FOAP. It groups expenditures and other financial uses according to its purpose.

LCC has 10 main programs:

- **Instruction: Start with a 1**
 - 111000: Lower Division Tran/Gen Academic
- **Instructional Support: Start with a 2**
 - 210000: Instructional Support
- **Student Services: Start with a 3**
 - 310000: Student Services

Program List


- Community Services: Start with a 4
 - 410000: Community Services
- College Support Services: Start with a 5
 - 510000: College Support Services
- Plant Operations & Maintenance: Start with a 6
 - 610000: Physical Plant Opts
- Plant Additions: Start with a 7
 - 710000: Planning Projects
- Financial Aid: Start with a 8
 - 810000: Financial Aid
- Debt Service: Start with a 91
 - 910000: Debt Service
- Contingency: Start with a 98
 - 980000: Contingency

The role of programs within budgeting

Programs

REQUIREMENTS			
All Funds Requirements	FY25 Proposed Budget	FY25 Approved Budget	FY25 Adopted Budget
Instruction	65,884,412	65,440,527	65,440,527
Instructional Support	9,812,682	9,666,110	9,666,110
Student Services	19,511,922	18,934,683	18,934,683
Community Services	6,325,240	6,325,240	6,325,240
College Support Services	25,947,120	26,274,219	26,274,219
Plant Operations & Maintenance	8,262,480	8,033,192	8,033,192
Plant Additions	80,084,450	80,084,450	80,084,450
Financial Aid	46,532,500	46,532,500	46,532,500
Debt Services	27,276,805	27,276,805	27,276,805
Contingency	7,536,749	7,960,209	7,960,209
Unappropriated Ending Fund Balance (UEFB)	3,002,242	3,002,242	3,002,242
Transfers Out	5,564,069	5,564,069	5,564,069
TOTAL REQUIREMENTS	305,740,671	305,094,246	305,094,246
ENDING FUND BALANCE	-	-	-

Trivia Time!

- What is a type of revenue at LCC?
 - What is a type of expenditure at LCC?
 - What are the four budgeting phases?
 - What entity sets forth the budgeting standards LCC must follow?
 - How do we organize our expenditures to meet standards set by Oregon Budget Law?
 - Name a FOAP element and its purpose.
- 

Sneak peak alert!

Axiom software is coming!



Questions?



How to reach us

Email: budgetoffice@lanecc.edu

Additional resources:

LCC site: [Budget Office](#)

<https://www.lanecc.edu/administration/budget-office>

Oregon Budget Law: [Oregon Budget Law](#)

<https://www.oregon.gov/dor/programs/property/pages/local-budget.aspx>

Thank you!

