

NRCC Budget Development Process

The Budget Model

The budget process at New River Community College is fully automated through a budget model that was developed and implemented by the college. The model simulates the operations of the college in terms of the college's organizational structure using the VCCS Chart of Accounts and has the flexibility to support "what-if" scenarios for developing budget guidelines.

The model links to the VCCS/State personnel, payroll, and accounting systems to initialize the model with critical data. When the budget is finalized and approved by the President, the model is linked to the college's Personnel and Payroll Support System (PAPSS) for generating administrator and faculty contracts. Finally, the model is linked to the Financial Records System (FRS) to initialize the fiscal year's budget for accounting, reporting, and control purposes.

The budget process is monitored and evaluated by the President's Staff.

The Operating Budget Development Process

Through the use of the budget model, an initial draft of the college budget is prepared for review by the President's Staff. The initial draft reflects budget requirements to support current operations and is used as a starting point for budget development. Budgeted amounts to be held in reserve for supporting the strategic initiatives of the college are of primary consideration.

Upon completion of the review, draft versions of the departmental budgets are distributed to each President's Staff member for review at the department level. Departmental recommendations are then made to the President's Staff for consideration.

The budget model is used to evaluate the impact that these recommendations will have on the college budget. The President's Staff considers all budget recommendations and reaches consensus. The President's Staff then reconciles the budget with the college's appropriation. The final step in the budget development process is the determination of amounts to be held in reserve to support the strategic budget of the college.

A final report is produced for all budgetary units of the college and the college board. (See NRCC Budget, FY 1995-96.)

The Strategic Budget Development Process

The strategic budget process is a system for allocating dollars from the Maintenance and Operations (M&O) budget and other sources to support the Strategic Plan for Instruction and Student Services. The first step in this process begins with the Vice President's Staff (division

chairs and directors) working with their respective departmental faculty to develop a non-personnel needs assessment that supports their functional area strategic plan. These needs are expressed in a computerized spreadsheet with estimated costs and assigned a priority by the appropriate Vice President's Staff member. This spreadsheet is then used by the Vice President's Staff to establish overall priorities. After these priorities have been negotiated, the spreadsheet is used to monitor expenditures and assure that as additional funds become available, subsequent needs (as prioritized) are met. In addition, each division's strategic budget account in FRS is initialized to reflect its respective allocation.

The strategic budget spreadsheet can be found in the Instruction and Student Services Strategic Budgeting and Planning Manual, which is updated annually and published for members of the Vice President's Staff.

[Top of Page](#)
