

<b>Expenditure of Funds and Budget Amendments</b>	<b>BOT Approved:</b> November 14, 2017; Title Updates July 2020.
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**PURPOSE:**

To clearly define roles and approval paths for budget amendments and transfers.

**POLICY:**

The Board of Trustees will follow its adopted budget as closely as possible in expenditure of funds. The total amounts which may be expended during a fiscal year for the operation of the college will be set forth in the Approved Operating Budget adopted annually by the Board of Trustees.

**PROCEDURES:**

The President shall approve:

- a. All transfers of funds within budget function

The Board of Trustees shall approve:

- a. An annual operating and capital budget
- b. All budget amendments
- c. All transfers of funds between budget functions

The County Commissioners shall approve:

- a. Transfer of funds between budget functions
- b. All budget amendments

Cost center budget managers are expected to not exceed the budget cost center total. In the normal course of business, some individual line items may exceed budget while others are under. Garrett College expects cost center managers to charge expenditures to the line items where expenditures should be charged and not to line items just because budgetary dollars are available.

The Chief Financial Officer should be consulted regarding potential business amendments and transfers. Budget amendments and transfers will be made for material changes to individual cost center line items to an individual cost center total.

**Definitions**

Budget Amendment – A proposed action that changes the total amount of the budget or the total amount of a budget function.

Budget Transfer – A proposed action that changes individual budget accounts but the action does not change the total amount of the budget or the total amount of a budget function.

Budget Function – A summary of expenditures as defined by the Maryland Higher Education Commission. Budget functions are defined as instruction, scholarships, academic support, student services, operations and maintenance of plant, institutional support, and public service.

Cost Center – An assigned unit by college staff to college revenues and expenditures. Cost centers are components of a budget function and they are usually synonymous with a department.