

**WARTBURG COLLEGE**  
**DEPARTMENT BUDGET MANAGER'S RESPONSIBILITIES**

Wartburg College utilizes an annual budget process to appropriately allocate our resources. The department dollars budgeted are not owned by an individual, but are resources to be used specifically for college related business.

The Board of Regents expects that expenses charged to department budgets are necessary to carry out the mission of the college. The President's Cabinet has responsibility for allocating the available budget resources to the various departments as well as having over-sight responsibility. Department budget managers are responsible for appropriately managing, reviewing, and monitoring their budgets.

The department budget manager (DBM) is used in this document to indicate the person primarily responsible for a department budget. Generally, there is one person primarily responsible for the department budget. However, some of these responsibilities may be delegated to others within the department.

**UNDERSTANDING THE DEPARTMENT BUDGET:**

Each DBM should have an understanding of how his/her department budget was created and what expenses are anticipated to be incurred. If the DBM understands the detail expenses anticipated to be incurred for the year, he/she can be more pro-active in managing the budget if some unexpected expense arises. This understanding should help make sure actual expenses do not exceed the amount budgeted.

**APPROVAL OF EXPENSES:**

The DBM should approve all expenses to be charged to his/her department budget PRIOR to the expense being incurred. This approval should be in written form, such as the DBM signing off on a department order record form or responding to an e-mail request. In some instances, it may not be practical to have written approval prior to the expense being incurred, in which case verbal approval should be used.

DBMs may allow individuals within the department to incur normal expenses without receiving written approval or specific verbal approval. For example, allowing an individual within the department to obtain supplies from the Bookstore. This should be discussed within the department so there is a clear understanding of the 1> individual(s) authorized to incur such expenses, 2> nature and type of expenses allowed, and 3> maximum amount that can be incurred using this process.

Once an expense has been incurred, it should be reviewed by the DBM to determine if it was appropriate and necessary. If the expense was appropriate and necessary, the DBM should indicate his/her approval by signing the related document or form. When reviewing expenses, the DBM should consider items such as the following:

Was the expense related to the department?  
Was the expense necessary?  
Was the amount of the expense reasonable?  
Is there appropriate documentation regarding the expense (e.g. an invoice attached)?  
Was the correct account number charged? \*  
Was sales tax incurred and if so, could it have been avoided?  
Does the expense relate to the current fiscal year?  
Is a discount offered if the invoice is paid “early” (e.g. within 10 days instead of 30)?  
Was any late fee incurred and if so why?  
Is the expense a form of compensation that must be subject to taxation?  
Was the expense related to travel (see further questions)?

The review of travel expenses often requires the DBM to consider additional questions, such as the following:

Did the travel expense relate only to one individual?  
Do the number of miles reported appear reasonable compared with the business purpose of the trip?  
Is the calculation of mileage reimbursement correct?  
Are there receipts attached for meals, lodging, etc. and do the receipts agree to what was reported on the Travel Expense form?  
Do the hotel night stays correspond to the business purpose days of the trip?  
Are there any personal expenses included on the hotel bill such as phone calls, movies, dry-cleaning, etc.?  
Do the car rental days correspond to the business purpose days of the trip?  
Does any portion of hotel or car rental expenses appear to be personal?  
Do the costs per day add up to the total on the sheet?

\* The expense should be charged to the line item where the expense relates, even if that line item has no remaining budget. For example, if office supplies were purchased, the related object code should be 710, even if there is no remaining budget dollars for that line item. Also, a 12-digit number is required for all account numbers.

NOTE: If travel relates to the DBM, travel expenses need to be approved by the person to whom the DBM reports. This is to protect the individual who incurred the travel expenses as well as provide oversight for these types of expenses.

### **REVIEW OF BUDGET TO ACTUAL:**

The DBM should review, on at least a monthly basis, the summary budget vs. actual as well as the related actual detail. Generally speaking, by the 15<sup>th</sup> of the month, the preceding month’s expenses are closed and no additional expenses are recorded to that month (or any previous months). It is important to have invoices, statements, reimbursement requests, travel expense forms, etc. turned in on a timely manner so expenses can be recorded and reflected in the appropriate month in the department budget.

The review of the summary budget should provide a good overall indication of the amount of funds spent as well as the amount of funds remaining in the department budget. Reviewing the actual detail expenses allows the DBM to determine if any expenses were inappropriately charged to his/her department budget. If this review is not done on a timely basis, the expense might remain in the department budget. The DBM must be aware of expenses that have been incurred but have not yet been recorded. For example, a purchase with the Wells Fargo Purchasing Card might not be reflected in the budget for almost 2 months, depending on the date of the transaction.

Each DBM should have access to the appropriate budget(s) via iNet. Student wages are considered separately from the other department budget line items. A separate iNet report for student wages is available to the DBM.

The DBM is responsible for making sure department expenses incurred for the year do not exceed the department budget. This may mean that the DBM (as well as others in his/her department) has to stop incurring expenses if there are no more budget dollars remaining.

#### **HANDLING OF SPECIAL EXPENSES:**

Approval (either verbal or written) should be received from the DBM before incurring any expense. In addition, certain expenses need additional approval (or pre-approval) or must be run through a different process. The following is a current list of such items

NOTE: Cabinet Members include the President as well as the Vice Presidents:

1. **Purchases over \$2,000** – these purchases must be pre-approved in writing by the appropriate Cabinet Member.
2. **Purchase of alcohol** – this must be approved by the appropriate Cabinet Member.
3. **Travel expenses** – everyone’s travel expenses must be approved. DBMs should have the appropriate Cabinet Member, or direct supervisor approve their travel expenses. The Vice-Presidents should have the President approve their travel expenses.
4. **Purchase of computer equipment and software** – these types of purchases should only be made by ITS. There is a separate process for requesting these types of items each year and approved items are included in a separate budget. See also separate memo that provides some guidance when defining what is included in this category.
5. **Equipment Purchases** – equipment should not be purchased with department budget dollars. There is a separate process for making equipment request each year and approved items are included in a separate budget. See also separate memo that provides some guidance when defining what is included in this category.
6. **Contracts and agreements** – contracts that legally bind the College, including agreed upon payments, should be signed by the appropriate Cabinet Member.
7. **Cell phones** – expenses incurred for cell phones must be pre-approved by the appropriate Cabinet Member. See separate procedure for cell phones.

8. **Office Supplies** – office supplies should be purchased through the Bookstore or the Staples on-line system (see separate procedures for this program).
9. **Copier & printer paper** – most paper should be purchased through the Copy Center. Any questions should be directed to the Copy Center.
10. **Printer & toner cartridges** – such items, when not provided under any other service or lease agreement, should be purchased through the Bookstore.

Contact: Tracy Rucker for additional information

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