

## Budget Center Manager Financial Role and Responsibilities

(Who can be a BCM?)

Budget Center Manager (BCM) is a special employment designation that means acceptance of both authority/empowerment to act in behalf of the College in regard to certain financial responsibilities and accountability for such actions. As a general rule, only those individuals in administrator level positions, such as administrators, deans, chairs, directors or managers may be designated and approved as a BCM.

The role of BCM is integral for the financial stability and well being of the College and requires an in-depth understanding of department activities or operations and financial principles. This is because College funds (budgets) and assets are entrusted to a BCM who is empowered to make purchases, receive funds and safeguard fixed assets in behalf of the College. The BCM monitors activities to reduce risks and potential liability to the College. With this empowerment, a BCM must give appropriate, full time attention to and act prudently in all financial matters in order to protect the College's financial interests. For example, a BCM must act wisely and prudently in determining that purchases are appropriate and reasonable to accomplish department purposes and that the expenditures comply with all internal or external policies, restrictions and regulations. They see that all expected revenues are properly received, accounted for and deposited. Plus, they continually monitor department operations for efficiencies and see that established internal controls and procedures (including employee separation of duties as appropriate) continue to function as intended, thereby reducing the risk of financial loss.

Consequently, non-administrative staff as well as instructors (includes part-time staff and adjunct instructors) as a general rule are not given the role of BCM with its attendant financial responsibilities. An exception may be granted by the Controller's Office and Human Resources in certain circumstances such as for an individual assigned to be the principal investigator of a grant or contract. However, being a principal investigator does not automatically imply that the person is also a BCM.

Furthermore, BCM accountability may not be delegated. However, financial duties may be assigned to another person when the BCM is temporarily absent and financial tasks or duties may also be assigned to an administrative assistant who helps the BCM fulfill his/her role. But the BCM is still ultimately responsible and accountable for the tasks assigned to others.

The following is a list (not all inclusive) of the duties and responsibilities pertaining to the role of BCM:

- 1) Manage assigned budgets. In addition to receiving an E&G budget(s), all revenue indexes require the BCM to create and submit a revenue budget at the beginning of each year. Subsequent to establishing a budget, the BCM is responsible to review the budget throughout the year (compare actual to budgeted amounts) to ensure the budget is not exceeded at year end, or see that any negative balances are properly resolved and caught up at year end. For revenue indexes, yearend fund balances should be reviewed for reasonableness and that the balance is not excessive in light of future needs.
- 2) Authorize purchase and travel requisitions, and all cash disbursements. Authorization means that the purchase has been deemed to be an appropriate College expense that the purchase complies with College policy and any other applicable regulations and restrictions such as grants or contracts. (Refer to the College Purchasing Policy and Procedures, Small Dollar Purchasing Guidelines, P-Card Procedures Manual and A/P Check Request Procedures). To help determine that expenditures are appropriate, the BCM should perform a detailed review of all purchase receipts or invoices that show specifically what was purchased.

- 3) Authorize payroll time entries and other employee compensation payments. This means that such entries are accurate representations of time worked or services rendered and of leave taken.
- 4) Review all transactions posted to indexes to see that they are valid and authorized transactions belonging to that index and that the entries are correctly classified. This is referred to as “reconciling” Banner detail to other information such as copies of paid invoices, check requests or service center order forms and the periodic Labor Distribution Reports received from the Payroll Office. The BCM is responsible to identify and report errors or unidentified entries to the Controller’s Office.
- 5) Ensure that expected cash receipts are handled and deposited properly in accordance with the College Cash Receipting Policy and Procedures. Promptly forward any received unidentified checks to the Controller’s Office to be researched.
- 6) Ensure that billing invoices (accounts receivable) are accurate, mailed out and amounts due are collected on a timely basis. In addition, ensure that any inventories of products on hand for resale are appropriately accounted for and safeguarded.
- 7) Be familiar with and understand College policies and procedures, and any other applicable regulations pertaining to department operations and budgets/indexes. Ensuring departmental compliance with all applicable policies and regulations prevents potential financial liability due to non-compliance.
- 8) Be aware of tax implications associated with various department activities or transactions (e.g. sales tax, unrelated business income tax, nonresident taxable compensation, etc.). The BCM coordinates with the Controller’s Office to implement procedures to ensure the College is complying with all applicable tax regulations.
- 9) Comprehend department operations, internal controls and procedures in order to properly assess and evaluate the effectiveness of such. To reduce the risk of financial loss due to inefficiencies or improprieties, in coordination with the Controller’s Office, the BCM periodically monitors established business controls and procedures to ensure they continue to function as intended.
- 10) Account for and protect College assets. The BCM is not only responsible for completing an annual physical inventory of capital assets and computers, but should be conscientious of safeguarding all department assets of value on a continual basis. The BCM also ensures that assets which are no longer needed are disposed of properly in accordance with College surplus property procedures.
- 11) Be aware of activities that pose special financial risks or liability to the College. For such activities, the BCM must consult with the College’s Risk Administration Office in order to mitigate/reduce or eliminate such risks. In addition, the BCM must understand and follow the College policy and procedures related to contracts and agreements in order to reduce inherent financial risk.
- 12) Manage employee travel in a prudent manner. Employees travel at the convenience and direction of the College. Therefore, the BCM maintains control over and directs travel decisions (such as the choice of airline, hotel and whether a rental car is justified) rather than the employee/traveler in accordance with the College Travel and Reimbursement Policy and Procedures.

As indicated above, this is not an all inclusive list but it does disclose the many responsibilities BCMs are accountable for. The BCM does not perform these financial related tasks alone, but receives training and answers to questions from staff in the Controller’s Office, Budget Office, Human Resources and other Business Service departments. These Business Services departments offer assistance and support to BCMs and to their administrative assistants.