Auditing & Budgeting Procedure

Purpose

To outline the standard process for preparing, reviewing, and finalizing institutional budgets and ensuring financial accountability through periodic internal and external audits.

1. Budget Development Cycle

A. Initial Planning

- A budget calendar is developed annually to guide the process.
- Departmental leads are notified of timelines and expectations for budget requests.
- Strategic priorities and enrollment projections are reviewed to inform planning.

B. Departmental Input

- Each division or program submits a projected budget including:
    - Operational costs
    - Equipment or capital outlay requests
    - Program-specific goals or initiatives
- Templates and guidance are provided to ensure consistency.

C. Administrative Review

- Submitted budgets are reviewed by the administrative leadership team.
- Adjustments are made based on:
    - Funding availability
    - Alignment with strategic goals
    - Compliance with regulatory or grant requirements

D. Draft Budget Compilation

- A draft institutional budget is compiled.Comparative analysis is done with prior-year data and current-year actuals.
- Preliminary figures are prepared for stakeholder feedback.

2. Budget Approval

A. Presentation and Feedback

- The draft budget is presented to the appropriate governing board or oversight committee.
- Revisions may be requested based on feedback.

B. Final Approval

- The finalized budget is formally adopted and entered into the financial management system.
- Notification of approved budgets is sent to each department.

3. Budget Monitoring & Adjustment

A. Quarterly Review

- Budget-to-actual reports are reviewed at regular intervals.
- Departments receive updates and may be asked to explain variances.

B. Mid-Year Adjustments

- Reallocations may occur based on unforeseen needs, under-expenditures, or external funding changes.
- All adjustments are documented and reviewed by the administration.

4. Audit Process

A. Internal Controls and Preparation

- Periodic internal audits or financial checks are conducted to ensure compliance with fiscal policies.
- Documentation is collected in advance, including:
    - Purchase orders
    - Receipts
    - Payroll records
    - Grant expenditures
- Any noted discrepancies are reviewed and addressed internally.

B. External Audit

- Conducted annually by an independent auditor.
- Full access is provided to financial records, procedures, and reports.
- The auditor issues a formal report, typically including:
    - Findings
    - Recommendations
    - Compliance notes

C. Post-Audit Review

- The audit report is presented to the administration and governing boards.
- Any corrective actions are documented and implemented.
- Lessons learned are used to improve future financial practices.

5. Recordkeeping and Compliance

- All financial records are retained per federal and state regulations.
- Budget documents, audit reports, and related correspondence are stored securely and made available for future reference or compliance reviews.

Reviewed: June 8, 2026 by TCR Administration & TCR Business Office