

## TRINITY INTERNATIONAL UNIVERSITY

**TIU BOARD POLICY:** Budget Planning and Control Policy

**TIU BOARD POLICY #:** P-103

**STATUS:** Approved, June 2015

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### **I. PURPOSE:**

To specify policy for Board of Regent (the Board) oversight of Trinity International University (University) operational budget planning and control.

### **II. SCOPE:**

Approval and monitoring of the annual University operating budget by the Board.

### **III. POLICY:**

#### **A. Operating Budget Philosophy**

Per the requirements of the Board, the annual operating budget will:

1. Reflect the vision, mission and strategic plan of the University.
2. Show a general level of foresight and not risk financial jeopardy.
3. Be developed by the President, with consultation from the Chief Financial Officer and members of the University Leadership Team, and presented to the Board annually.

#### **B. Operating Budget Requirements**

The annual operating budget will:

1. Contain enough detail to enable accurate projection of revenues and expenses.
2. Demonstrate separation of capital and operational items, cash flow and subsequent audit trails, and disclosure of planning assumptions.
3. Plan for the expenditures in any fiscal year to be no more than carefully projected revenues for that period.

4. Aspire that current assets be no less than 100% of current liabilities.
5. Not deviate materially from Board-stated priorities and Board-approved budgets (except for grant or gift revenues received during a fiscal year to support related expenditures) without counsel from the appropriate Board committee.
6. Review expectations regarding the funding of cash resources and depreciation, as well as limits and guidelines regarding indebtedness.
7. In his or her discretion, the President may exceed the expense budget by 2% in any fiscal year. An additional 2% excess expenditure in any fiscal year may be approved by the Finance, Audit and Operations Committee of the Board of Regents.

### **C. Financial Conditions**

With respect to the actual, ongoing condition of the University's financial health:

1. The President, with guidance from the Board, shall plan so as to prevent financial jeopardy or loss of allocation integrity.
2. The Finance, Audit and Operations Committee shall be authorized to provide guidance to the President to develop financial and budgeting strategies to ensure the financial health of the University.
3. An annual audit shall be conducted, which shall be reviewed by the Finance, Audit, and Operations Committee and reported to the Board.