

# Mandatory Expense Budget - Requests

Type: Procedure  
Category: Finance  
Department: College Finance  
Phone: (541) 463-3005  
Primary Contact: Rose Ellis, Budget Director  
Contact Email: [ellisr@lanecc.edu](mailto:ellisr@lanecc.edu)  
Responsible Executive Authority: Chief Financial Officer

Purpose: This procedure describes the specific method and timing of requests for potential annual budget adjustments for the main General Fund (111100).

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Narrative: In January departments will be notified to submit Mandatory Requests as part of preparing the upcoming fiscal year's Proposed Budget. The notification will include a listing of the Mandatory items approved for the current fiscal year.

Only expenses that are in the main General Fund (111100) and cover expenses that serve the entire college and meet established criteria qualify for this process (see the COPPs policy called "Mandatory Expense Budget" for a fuller definition of Mandatories and examples of what is, or is not, considered a Mandatory).

Departments may request increases or decreases to existing approved Mandatories or ask that a new item be added for the upcoming fiscal year. Documentation that needs to be included:

Increasing: Actual cost of one full budget-year and the current year Actuals to-date (and the FOAP lines where the Actuals are posted). Also include the dollar amount to increase and the reason behind the increase. Acceptable documentation can include a copy of a contract, letter, memo, quote, report, or the methodology used to project the increase.

Decreasing items: The dollar amount to decrease and the reason behind the decrease.

New: New Mandatory items are very unusual; please consult the Budget Office in February if you anticipate a new Mandatory item.

Requests are due back to the Budget Office on the first working day of March.

The requests are reviewed by the Budget Office. If needed, departments will be contacted for additional information. A listing of pre-approved Mandatories will be submitted to the Vice President of College Services for final approval and included in the upcoming fiscal year's Proposed Budget.

There are two ways a Mandatory request might not be approved: (1) it does not fall under the definition of what constitutes a Mandatory item; or (2) the college's financial condition is such that the Executive Team has set a dollar limit on how much Mandatories can increase overall.

Departments are notified of approval/disapproval in later April (after the Proposed Budget has been prepared and balanced).

Also see "Mandatory Expense Budgets – Policy" for additional information.

Date Adopted:  
Date Last Reviewed:

# Mandatory Expense Budgets

Type: Policy

Category: Finance

Department: College Finance

Primary Contact: Rose Ellis, Budget Director

Contact Email: [ellisr@lanecc.edu](mailto:ellisr@lanecc.edu)

Responsible Executive Authority: Chief Financial Officer

Purpose: This policy identifies the types of General Fund (Main - 111100) expenses that are considered Mandatory in nature.

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Narrative: As part of preparing the upcoming fiscal year's Proposed Budget "Mandatory" items will be reviewed within the following parameters:

Mandatory Expense (definition): Mandatory expenses are college-wide expenses that are legally, contractually, or operationally required. Additional criteria: 1) the expense must be in the main General Fund (111100) only; requests for other General Fund subfunds or from non-General funds will not be considered; and 2) the expense must serve the entire college (not just one area of the college). Since the expense must serve the entire college most (but not all) mandatory expenses fall under College Services.

Examples of mandatory expenses: natural gas, heating oil, water, electricity, bad debt, bank charges, liability and property insurance, annual financial audit services, elevator service contracts, fire alarm and security monitoring contracts, fire systems testing and inspections, HVAC contracts, Public Safety Law Enforcement Data System contract, and the Lane County Sheriff's Office dispatch services contracts.

Examples that are not mandatory expenses: any expense outside of the main General Fund (111100), divisional/departmental labor, materials, supplies or capital outlay expenses, costs to start a new program or enhance an existing program, or any request outside of the definition outlined above.

When the next fiscal year's Proposed Budget is being prepared a notice will be sent to divisions in January asking if there will be cost increases or decreases to existing Mandatories, or if any of the Mandatories included in the current fiscal year budget that can be eliminated, or if there are any new Mandatories.

Also see the "Mandatory Expense Budget Request – Procedure."

Date Adopted:

Date Last Reviewed:

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