

Table of Contents

[Article 1. Purpose](#)

[Article 2. Limitations](#)

[Article 3. Categorical Definitions](#)

[Article 4. Funding](#)

[Section 1. Core Funding](#)

[Subsection 1. Revenue Tiers](#)

[Subsection 2. Revenue Tier Contingencies](#)

[Establishing Revenue Tier](#)

[Excess Revenue](#)

[Revenue Rollover](#)

[Section 2. Categorical Funding](#)

[Subsection 1. Financial Review Form Dissemination](#)

[Subsection 2. Financial Review Form Completion](#)

[Subsection 3. Analysis](#)

[Subsection 4. Financial Review form Reporting](#)

[Subsection 5. Financial Review Appellate Process](#)

[Subsection 6. Categorical Funding Approval](#)

[Subsection 7. Town Hall Agenda Submission](#)

[Section 3. Discretionary Funding Balance](#)

[Section 4. Discretionary Funding](#)

[Subsection 1. Requesting Discretionary Funding](#)

[Subsection 2. Discretionary Funding Request Approval](#)

[Subsection 3. Reporting of Discretionary Funding Request](#)

[Subsection 4. Discretionary Funding Request Appellate Process](#)

[Article 5. Budget Development](#)

## Article 1. Purpose

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This document is intended to provide a clear and well defined process by which the 2SRF (\$2 Student Representation Fee) and all other sources of revenue are to be allocated. The SSCCC Budget Policy is to serve in the capacity of a governing document and will, therefore, be subject to all appropriate requirements and accountability measures. This document shall be Appendix F of the SSCCC Bylaws.

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## Article 2. Limitations

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**TBD (Pending Service Provider)**

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## Article 3. Categorical Definitions

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To ensure that both a minimum standard of professionalism and discretion are maintained throughout the budget development process, four (4) “fundable” categories shall be observed. These four (4) categories and their comprising entities are the only recipients eligible to receive funding. Below can be found definitions for each of these categories and their comprising entities.

### Categorical Definitions

#### Core

Accounts for funding of baseline expenditures and operating costs as required by the MOU between the SSCCC and CCCC [found here], these expenditures are stipulated under “start up” and “continuing services” within the MSA between the SSCCC and Foundation for CCC [found here].

#### Departmental

Accounts for funding to the following departments:

- Regional Affairs
- System Affairs
- Legislative Affairs
- Communications

#### Events

Accounts for the funding of all events being held and sponsored by the SSCCC.

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**Page: 2**

## Article 4. Funding

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### Section 1. Core Funding

Maintaining crucial operational and functional elements is key to the SSCCC's continued progress. As turnover is necessarily high within the SSCCC given the transitional nature of Community Colleges, the need arises to prioritize core funding which ensure that crucial operational and functional elements survive the high turnover of SSCCC board membership. Core funding is integral to the welfare of the SSCCC and is required for continued recognition by the Board of Governors, therefore core funding retains *Priority I* status under budget development. Core funding varies according to "revenue tiers". As the SSCCC grows and develops the need for an increase in core funding will become necessary to support the organization's expansion. Each revenue tier correlates to a range, these ranges provide guidance and stability in accounting for the appropriate amount of core funding.

### Subsection 1. Revenue Tiers

**Tier 1 | Up to \$200,000**

All Funds to Core Funding managed by the Foundation

**Tier 2 | \$200,000 - \$1,000,000**

\$200K to Core Funding managed by the Foundation. After \$200K in Core Funding, any amount above \$200K raised will be evenly split between funds managed by the Foundation and funds managed internally by the SSCCC.

**Tier 3 | Above \$1,000,000**

\$200K to Core Funding managed by the Foundation. Any revenue in excess of \$200k will be evenly split between funds managed by the Foundation and funds managed internally by the SSCCC. Any revenue in excess of \$1,000,000 will be split with 1/4 going to funds managed by the Foundation and 3/4 going to funds managed internally by the SSCCC.

\*Important Note: Expenditure of revenue dispersed to the Foundation as dictated by the above tiers are subject to SSCCC executive scrutiny as codified under "Section 4. Management Fee, part E." of the Management Service Agreement [\[found here\]](#).

### Subsection 2. Revenue Tier Contingencies

As revenue may not be static between budget development periods, the need to clarify what occurs under certain circumstances arises.

#### *Establishing Revenue Tier*

Revenue tiers may be surpassed and then returned to, due to a drop in revenue between budget development periods. As revenue tiers function as a "measure of revenue", it is entirely possible to fluctuate between revenue tiers. To control for this, and to provide clarity on when to observe current revenue for consideration of tier placement, the following statute shall be held to:

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Page: 3

The revenue level used during budget development shall be the current revenue level as of October 1st of each year.

### ***Excess Revenue***

All revenue in excess of the required core funding amount shall be subject to the following statute:

All revenue remaining after *Priority I* budget development requirements have been accounted for shall be subject to *Priority II* budget development requirements.

### ***Revenue Rollover***

All revenue remaining from the previous budget (funds which have not been spent by the SSSCC) will be subject to the following statute:

All funds remaining from the previous budget will be transferred to the balance managed by the Foundation.

## **Section 2. Categorical Funding**

Categorical funding is determined through a Financial Review process. This ensures that each categories unique financial needs and circumstances are properly addressed. Categorical funding holds priority II status under budget development.

### **Subsection 1. Financial Review Form Dissemination**

Financial Review forms are to be disseminated on November 15th through email to the following personnel: Vice President of System Affairs, Vice President of Regional Affairs, Vice President of Legislative Affairs, Vice President of Communication and Events Chair.

### **Subsection 2. Financial Review Form Completion**

VPSA, VPRA, VPLA, VPC, and Events Chair will use the FR form to conduct a financial review that will assist in determining what funding will be required on the next SSSCC budget. All of the above stated personnel must act in accordance to the following statute.

All Financial Review forms must be sent through SSSCC email to the VPF no later than December 15th. In the event that a Financial Review form is not received by December 15th the Finance Committee will assume responsibility of conducting the financial review and completing the Financial Review Form for the respective category or sub category.

### **Subsection 3. Analysis**

FR forms are to be used as a source of analytics in an effort to ensure the objective, constructive and equitable management of SSSCC's financial resources. To guarantee all FR forms are being appropriately vetted, ensuring that proper FR form completion and feasibility has been accounted for, the Finance Committee will carry out the following:

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Page: 4

Finance Committee shall establish a “Financial Review” task force no later than **December 7th**, chaired by the VPF, the purpose of which shall be to thoroughly vet all Financial Review forms for proper completion, accountability and financial feasibility. Vetting of all Financial Review forms must be completed no later than **January 15th**.

**\*Important Note:** Please see the Finance Department Operational Reference Guide for suggested “Internal Financial Review” Ad-Hoc operations.

#### Subsection 4. Financial Review form Reporting

Upon the completed analysis of a Financial Review form, the Vice President of Finance will disclose within 24 hours through SSSCC email to the personnel from which the Financial Review form originated, providing notice of the Financial Review task force’s conclusion.

#### Subsection 5. Financial Review Appellate Process

After receiving the Financial Review task force’s conclusion the personnel responsible for conducting the Financial Review will have 72 hours to submit an appeal through SSSCC email to the Vice President of Finance. This appeal must include a counter proposal for the respective categories or subcategories funding to be considered valid. The appellate process will proceed according to the steps below.

The Vice President of Finance will be responsible for placing on the next Executive Committee agenda, “Financial Review Appeal” with the appropriate description and will include the Financial Review form and the counter proposal alongside the agenda.

The Executive Committee will discuss and vote on upholding or overturning the decision of the Finance Committee. If upheld then the category or sub category will be receive funding according to the Financial Review task force’s conclusion and the appellate process will conclude.

If the Executive Committee overturns the decision of the Financial Review task force then the category or sub category will receive funding as stipulated within the counter proposal and the appellate process will conclude.

**\*Important Note:** The Executive Committee shall retain the right to amend the counter proposal.

#### Subsection 6. Categorical Funding Approval

The Financial Review task force’s determination of funding for each category and subcategory must be placed on the Finance Committee’s agenda by **February 1st**. Funding for each category and subcategory must receive a 2/3’s vote in the affirmative to be approved. In the event that a 2/3’s is not received, the category or subcategory will remain unfunded until the Finance Committee through a regular meeting comes to a 2/3’s consensus.

#### Subsection 7. Town Hall Agenda Submission

All Financial Review forms must be fully vetted and submitted along with the Budget Town Hall agenda.

### **Section 3. Discretionary Funding Balance**

A discretionary funding balance shall be determined by **February 15th**, according to the remaining balance after all categorical funding has been accounted for.

### **Section 4. Discretionary Funding**

Discretionary funding applies to the balance remaining after all matters occurring under budget development priorities I and II have been fully addressed. Discretionary funding holds priority ~~under~~ budget development. Discretionary funding is an ongoing process that allows for adjustments ~~to~~ made throughout the year upon the applicable funds. This provides a degree of utility to the organization when addressing changes in previously understood circumstances, or when encountering all together new information that requires financial attention.

#### **Subsection 1. Requesting Discretionary Funding**

Discretionary funding, unlike Core or Categorical funding may be requested at anytime for expenditure towards any category or sub category. This is done by way of a Discretionary Funding Request form (DFR form). The ongoing nature of DFR form eligibility throughout the year ensures that an appropriate level of liquidity is maintained. All requests for discretionary funding shall be subject to the following statutes.

Any member(s) wishing to request discretionary funding must submit a Discretionary Funding Request form to the operating committee which the request concerns. The Discretionary Funding Request form must receive a majority vote from the respective committees membership to be forwarded onto the Finance Committee.

#### **Subsection 2. Discretionary Funding Request Approval**

Discretionary Funding Request forms must receive a 2/3's vote in the affirmative from the Finance Committee for funding to be approved.

#### **Subsection 3. Reporting of Discretionary Funding Request**

The Vice President of Finance will disclose within 24 hours through SSCCC email to the operating committee chair from which the request originated and the President; informing of the Finance Committee's decision on the Discretionary Funding Request. If the request did not receive approval the Vice President of Finance must include in this correspondence a brief statement providing clarification on the Finance Committee's decision.

#### **Subsection 4. Discretionary Funding Request Appellate Process**

The President and/or the Chair of the operating committee from which the request originated will have 72 hours to submit an appeal through SSCCC email to the Vice President of Finance. The appellate process will proceed according to the steps below.

Vice President of Finance will be responsible for placing on the next Executive Committee agenda, "Discretionary Funding Request Appeal" with the appropriate description and will submit the Discretionary Funding Request form along with the agenda.

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Page: 6

The Executive Committee will discuss and vote on upholding or overturning the decision of the Finance Committee. If upheld then the Discretionary Funding Request will be handled according to the Finance Committee's decision and the appellate process will conclude.

If the Executive Committee overturns the decision of the Finance Committee then the Discretionary Funding request will be handled contrary to the decision of the Finance Committee and the appellate process will conclude.

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## Article 5. Budget Development

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Budget development is the full process by which the SSSCC's budget comes to be established. The processes which constitute "Budget Development" are varied in nature and span a number of months. This detailed and drawn out approach is designed to ensure that a minimum degree of thoughtful consideration is maintained throughout the budget development process. Budget development is separated into three distinct prioritized periods, each of which contain specific criteria necessary to move the budget development process forward. Each priority has a rank (I, II or III) which correspond to a given month or range of months within which the priorities criteria apply.

### Priority I.

#### **October 1st:**

Revenue level is determined for tier placement

#### **November 1st – November 14th:**

Core funding and tier splits are accounted for. Eligible balance is determined.

### Priority II.

#### **November 15th:**

Financial Review Forms are disseminated.

#### **November 15th – December 15th:**

Financial Review Forms are completed by respective categories/subcategories.

#### **December 7th:**

Deadline for establishment of Financial Review Task force.

#### **December 15th:**

Deadline for Financial Review form submission to the Vice President of Finance.

#### **December 7th – January 15th:**

Financial Review Task Force conducts vetting of all Financial Review forms.

**January 15th:**

Deadline for Financial Review Task Force's vetting of Financial Review Forms.

**January 15th – February 1st:**

Finance Committee will take action on categorical funding.

**February 1st:**

Deadline for Finance Committee to take action on categorical funding.

**February 15th:**

Deadline for discretionary funding balance to be determined.

**Month of March:**

All Financial Review Forms are submitted along with the Budget Town Hall agenda.

**Priority III.**

Discretionary funding may be requested at anytime according to the statutes under "Section 4. Discretionary Funding". All discretionary expenditures will be limited to the amount of funds contained in the most recent discretionary funding balance.