

**POLICIES AND PROCEDURES
OUACHITA TECHNICAL COLLEGE**

SUBJECT AREA: Finance and Administration
POLICY/PROCEDURE: Cost Information Study
DATE: March 1, 1993
REVISION(S): 7/27/10

NUMBER: 3.02

The cost information study is completed each year for internal use and every other year as part of the legislative biennial budget request. This Cost Information Study integrates the College Assessment and Strategic Plans to the budgeting process.

Purpose of the Cost Information Study

The Cost Information Study is a system that allows for the description of actual expenditures in a common and comparable activity structure. This activity structure provides detail for the primary and support functions of the College. The instructional function costs are described in terms of student programs (CIP coding) and delivery or organizational units.

Uses of the Cost Information Study

1. Budget Preparation and cost justification for both internal and external requests
2. Resource allocation and reallocation
3. New program cost estimation, curriculum development and modification
4. Accreditation self studies
5. Enrollment projections
6. Productivity ratios
7. Planning in terms of degree/certificate programs and organizational units or departments serving these programs

Summary

The College is a community-based institution of higher learning created by the General Assembly of the State of Arkansas. General operating revenues are provided by student tuition and fees, general tax revenues from the State of Arkansas, and grants.

Generally, revenues of the College are classified by type (i.e. source) and accounted for in college-wide accounts attributed to the various organizational units of the College. Financial control is established by projecting the total revenues that will be available to the College in a given fiscal year, together with available fund balances, and developing a budget which specifies

the limits of expenditures (i.e., salaries, other expenses, and capital outlay) for each organizational unit and the College as a whole. The budgetary system focuses primarily on expenditure items for each budgetary unit.

1. Process

The President directs the budgetary process with coordination assigned to the Vice President of Finance and Administration. The process follows an annual budget development plan and calendar proposed to, and adopted by, the Finance Committee of the Board of Trustees.

2. Approval

The Board of Trustees must approve the annual operating budget and the biennial budget request. Minor reallocations of funds within the total operating budget do not require approval of the Board of Trustees.

AUTHENTICATION (Signature):		COPP
_____	7/27/10	
President	(Date)	3.02