

## SECTION II

### PART B FISCAL RESPONSIBILITIES AND BUDGET INSTRUCTIONS

#### **1.00 Fiscal Responsibilities**

The Commission has statutory fiscal responsibilities to establish distribution formulas for general fund and tuition cash fund appropriations among the governing boards; to make funding recommendations to the governor and the general assembly and submit a budget request; and to design and prepare the forms and instructions to be used in preparation of budget requests by the governing boards and the institutions.

In carrying out its fiscal responsibilities, the Commission's main goals are to make efficient use of state resources provided to public higher education; to implement legislative policy goals for higher education, including efficiency, cost control and productivity; and to work collaboratively with the governing boards in implementing its fiscal responsibilities.

The governing boards of the institutions of higher education have the fiduciary and operational responsibilities to manage appropriated and other funds in accordance with Colorado statutes, Commission policies, and other applicable laws, rules and restrictions. Included is the responsibility to establish financial reserves in an amount that gives consideration to recent trends in state financial support, trends in student tuition and other revenues, and potential adjudicative judgments against the boards and the institutions they govern.

#### **1.01 Financial Reporting Requirements**

The Commission has statutory responsibility to create a uniform financial reporting policy for use by governing boards and institutions of higher education. This policy shall apply to all public institutions. The purpose of this policy is to ensure uniform financial reporting and review of institutions complete financial condition by governing boards.

The Commission requires that institutions of higher education produce uniform consolidated financial statements. These include income, balance sheet, and other financial statements required by the Commission. The financial statements shall accurately reflect the institutions complete financial condition. The consolidated income statement will include other information columns as required by the needs of the Commission and governing boards. The Commission also requires that a consolidated balance sheet statement be produced with every income statement.

The Commission reserves the right from time to time to revise the format of the consolidated financial reports to meet the needs of the Commission and the governing boards.

Once per year, the income and balance sheet statements produced by institutions of higher education under this section shall reconcile to the Financial Audit of the institution performed by the Colorado State Auditor's Office.

The audited financial statements shall be produced in accordance with relevant requirements of the Governmental Accounting Standards Board (GASB), the State Controllers Office, the State Auditor's Office, the Higher Education Accounting Standards Committee, the department, and any other official entity which has authority to set accounting practices for higher education.

The Commission recommends each governing board of an institution of higher education include in their policies a schedule for board members to review the consolidated financial statements. Each institution shall be required to annually notify the Commission in writing that the governing board has reviewed the information produced under this section.

Consolidated financial accounting statements shall be produced by the institutions of higher education at least four times per year. **They are however encouraged to produce them monthly.** The schedule for the production of these documents shall be set by each governing board, and should be in accordance with their current financial review process.

The Colorado Community College and Occupational Education System shall produce these statements for each community college institution under their control. A copy of the statements shall be shared with the Commission.

## **2.00 Budget Instructions**

The Commission issues annual updates to the Manual of Instructions, College and University Budget Data Formats. The Manual is designed to guide governing boards and the institutions they govern in the preparation of consistent budget data books using common formats, definitions and categories of revenues and expenditures.

The Manual is developed in cooperation with the governing boards and is subject to approval by the Office of State Planning and Budgeting. The governing boards and the institutions they govern are required to follow the Manual in preparing their budget data books for submission to the Commission and the Office of State Planning and Budgeting.