



Title: Notification of Potential Deficit

Effective Date: 02/10/08

Date of Last Revision: 02/10/08

Review Date: 02/10/08

Cancellation:

Office: Financial Services (300)

Notification of Potential Deficit

In compliance with Louisiana Revised Statute 39:77 which states that if an entity expends more than the amount budgeted and authorized by the Legislature, this action "... shall constitute reasonable cause for removal from office of the officer or officers, whether elected or appointed, responsible therefore in accordance with the provision of Article X of the Constitution of Louisiana."

To operate in accordance with State law, if a Campus Dean or Regional Director becomes aware of an impending deficit, they are responsible for immediately notifying the Louisiana Community and Technical College Office of Finance and Administration both verbally and in writing of the impending deficit. The written notice to the LCTCS Director of Finance and Administration must include a list of proposed and recommended actions to eliminate the deficit. For purposes of this policy, a deficit is defined as a situation in which expenses exceed anticipated revenues, or spending exceeds anticipated annual budget authority by the end of a fiscal year.

This practice of immediate notification will allow the LCTCS Office of Finance and Administration to assist the Region in taking appropriate measures to avoid the potential deficit. In situations where this policy is not followed, appropriate disciplinary measures will be applied.

To operate in accordance with State law and LCTCS Policy, if the Regional Director of the LTC Region becomes aware of an impending deficit, the Regional Director and/or Director of Finance and Administration is responsible for immediately notifying the LCTCS President both verbally and in writing.

This practice will allow the LCTCS to assist the college in taking appropriate measures to avoid the potential deficit. In situations where this policy is not followed, appropriate disciplinary measures will be applied.

Policy Reference: Louisiana Revised Statute 39:77
LCTCS Policy # 5.020 Notification of Deficit

Review Process:

X	Reviewing Council/Entity	Review Date	Effective Date
X	Financial Services Committee	02/10/08	
X	Vice President for Career & Technical Education Approval	02/10/08	02/10/08

Distribution: Distributed Electronically via College's Internet
Hard Copy Distribution to LTC Regional Directors

SIGNATURE



James R. Sawtelle, III
Vice President for Career & Technical Education



**Notification of Potential Deficit
Procedures & Specific Information**

340.1 PURPOSE

To establish a policy for Louisiana Technical College to comply with the LCTCS Policy # 5.020

340.2 SCOPE AND APPLICABILITY

This policy memorandum applies to all Regional and campus budgets within the Louisiana Technical College.

340.3 DEFINITIONS

340.3.1 *Deficit* – a situation in which expenses exceed anticipated revenues, or spending exceeds anticipated annual budget authority by the end of a fiscal year.

340.4 RESPONSIBILITY

340.4.1 The Campus Dean must immediately notify the Regional Director of the impending deficit both verbally and in writing.

340.4.2 The Regional Director must immediately notify the Office of LCTCS Finance and Administration of the impending deficit by campus both verbally and in writing.

340.4.3 The Office of LCTCS Finance must immediately notify the LCTCS President of the impending deficit both verbally and in writing.

340.5 REQUIRED DOCUMENTATION

340.5.1 The written notification of the anticipated deficit must be in the form of a letter. An original document must be forwarded from the Campus Dean to the Regional Director and at a minimum include: the date, original signature, all supporting documentation, and a list of proposed actions to eliminate the impending deficit.

340.5.2 The Regional Director must forward written notification to the LCTCS Director of Finance and Administration. The original document must include, at a minimum, the date, original signature, all supporting documentation (including the Campus Dean's notification), and a list of proposed and recommended actions to eliminate the impending deficit.

340.5.3 The LCTCS Director of Finance and Administration must forward written notification to the LCTCS President. The original document must include, at a minimum, the date, original signature, and a list of proposed actions to eliminate the impending deficit.

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