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POLICY STATEMENT

The Grossmont Healthcare District Board seeks to maintain a strong financial condition, and achieve a prudent balance between District revenues, expenses, and reserves. This document addresses those objectives by setting forth policies to guide and support the development and implementation of the District’s annual budget.

BALANCED BUDGET

The District will maintain an annual balanced budget. This means that operating revenues are equal to or exceed operating expenses. However, under this policy, operating revenues in certain years can fall short of operating expenditures, as long as there are sufficient beginning balances in the District’s reserve funds for unanticipated operating expenditures.

BUDGET DOCUMENT

The budget will serve as the annual financial plan for the District. It will represent the annual policies of the Board of Directors for implementing goals and objectives. The budget defines the resources necessary to accomplish Board determined service levels.

The CEO shall annually prepare and present a proposed budget to the Board of Directors no later than the last regular Board meeting in May of each year; and the Board will adopt such budget no later than June 30 of each year. Funds may not be expended or encumbered for the following fiscal year until the budget has been adopted by the Board.

A budget document will be presented for discussion and review by the Board and the public. This document will summarize expenditures at the department level and on a cash basis.

BUDGET PROCESS

The budget process is participative, with department heads soliciting input from all staff to develop budget requests. The Chief Administrative Officer and accounting staff join department meetings periodically to assist in the development of department budgets. Budget requests are subject to CEO approval before being presented to the following Board committees for review and consideration:

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1. The Healthcare Workforce Development Committee recommends a budget amount for specific workforce-related initiatives and/or a provision for opportunities that may arise during the budget year to advance the Committee’s initiatives.
2. The Community Grants and Sponsorship Committee recommends community grant, sponsorship, and scholarship budget limits.
3. The Community Health Committee reviews and considers all Community Health Support department budget requests other than community grants, sponsorships, scholarships, and strategic grants (grants provided to achieve strategic plan initiatives other than community grants awarded in the normal course of business).
4. The Facilities Committee reviews and considers the Facility Department budget requests.
5. From March through May, the Finance Committee receives updates, reviews and considers all budget requests, including those of the Administrative Department and for the Debt Service Fund, as well as anticipated reserve transfers and the Reserves Budget. The Finance Committee makes the recommendation for the full Board to consider and adopt the budget no later than June each year.

BUDGET CONTROL AND ACCOUNTABILITY

Budget control is maintained at the departmental level. The CEO has the authority to approve appropriation transfers within departments. In no case may total expenses of the District exceed what is appropriated by the Board, without a budget adjustment.

Budget accountability rests primarily with the CEO of the District.

BUDGET ADJUSTMENTS

Staff includes budget status throughout the year in the Monthly Financial Reports presented to the Board.



During the year, if expenditures are needed that fall outside the adopted budget, the item(s) will be presented at the next Finance Committee and placed on the next Board meeting agenda. The Board will consider the allocation of additional funds from the Reserve Funds to cover the costs, if approved.