Jackson COLLEGE

Administrative Policy

Policy Type:	Expenditure Policy – Priority of General Funds for Operations
Policy Number:	EC-1219
Date Adopted:	3/18/2026
Version:	1.0
Review Cycle:	Annual
Date Last Reviewed:	3/18/2026
Office Responsible:	Business Office
Reviewing Committee:	Executive Council
Related Policies:	EC-1204 Audit Certification; EC-1215 allowable/Unallowable Purchase Policy; EL-04 Financial Conditions and Activities
Related Laws:	N/A

Policy Summary:

Jackson College (JC) receives operating revenue primarily from State appropriations, tuition and fees, local property taxes, and other revenue sources. Because funding levels fluctuate annually, this policy establishes a priority of funds framework to ensure continuity of instruction and other mission-critical operations and to support internal documentation related to State appropriation guidance.

Scope:

This policy applies to all College departments, programs, facilities, faculty, and staff that utilize General Fund dollars.

Policy Statement:

General Fund revenue sources and operational expenditures shall be prioritized in accordance with this policy, approved procedures, and applicable State and Federal guidelines and rules.

Priority of General Fund Revenue Sources:

For internal planning, budgeting, and monitoring purposes, General Fund revenue sources will be expended in the following order to align with their purpose and future planning:

1. State Appropriations
2. Tuition and Fees
3. Other General Fund Revenue
4. Local Property Taxes

Sequential Application of Revenue Sources:

For planning, budgeting, and documentation purposes, General Fund revenue sources shall be applied sequentially and fully exhausted, in priority order, before the next funding source is

utilized. State appropriations shall be applied to operational expenditures in accordance with the priority sequence established in this policy. Once state appropriations are fully consumed, remaining expenditures within the same priority sequence shall be funded by tuition and fees.

Upon exhaustion of tuition and fees, other General Fund revenue shall be applied, and finally local property taxes, until all prioritized expenditures are fully funded.

Priority of General Fund Operational Expenditures:

Operational costs as defined by the Center for Educational Performance and Information (CEPI) and reported using Michigan Postsecondary Data Inventory (MPDI) functional expense classifications will be expended in the following order:

1. Instruction
2. Instructional Support
3. Student Services
4. Information Technology
5. Operations and Maintenance
6. Public Service
7. Institutional Administration

Operational expenditures are prioritized and applied first in accordance with the General Fund revenue sequencing established by this policy. Transfers and other non-operational items (e.g., debt service, plant operations, or capital purposes) are included in the Board-approved General Fund budget and supported by General Fund revenues not required for operational expenditures; therefore, they are not subject to the operational expenditure prioritization established by this policy.

Compliance and Monitoring:

The Business Office shall maintain schedules demonstrating the sequential application of General Fund revenue sources to prioritized functional expenditures and shall perform an annual review using budgeted and/or actual results in accordance with the College's record retention policy. Because revenue is received throughout the fiscal year, application of this policy is determined on a cumulative fiscal-year basis (not cash-receipt timing) using accounting records and functional expenditure classifications and may be supported by year-end and, where applicable, audited financial statements. All implementation, monitoring, documentation, and ongoing application of this policy are the responsibility of the Business Office and do not require additional action by College departments, programs, faculty, or staff. The schedule structure shown in Appendix A reflects this sequential and cumulative application.

Review:

This policy will be reviewed upon changes to CEPI/MPDI functional classifications or material changes in State appropriation guidance.

Appendix A: General Fund "Priority of Funds" Schedule Structure

Application Rule: Revenue sources are applied from left to right (A → D) and fully exhausted for each operational expenditure category from top to bottom before the next revenue source is utilized.

Expenditure Category (Priority Order)	Total Expense	A – State Appropriations (Used First)	B – Tuition & Fees (Used After A)	C – Other General Fund Revenue (Used After A & B)	D – Property Taxes (Used Last)	Total
Instruction	TBD	TBD	TBD	TBD	TBD	TBD
Instructional Support	TBD	TBD	TBD	TBD	TBD	TBD
Student Services	TBD	TBD	TBD	TBD	TBD	TBD
Information Technology	TBD	TBD	TBD	TBD	TBD	TBD
Operations and Maintenance	TBD	TBD	TBD	TBD	TBD	TBD
Public Service	TBD	TBD	TBD	TBD	TBD	TBD
Institutional Administration	TBD	TBD	TBD	TBD	TBD	TBD
Transfers for Debt/Plant (Non-Operational)	TBD	TBD	TBD	TBD	TBD	TBD
Total	TBD	TBD	TBD	TBD	TBD	TBD

Change Log:

Date Of Change	Version	Description of Change	Responsible Party
10/18/2026	1.0	N/A (NEW POLICY)	M. DESNOYER