

**LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM**  
**Policy # 5.020**

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**Title: NOTIFICATION OF POTENTIAL DEFICIT POLICY**

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Authority: Board Action

Original Adoption: 07/14/2004

Effective Date: 07/14/2004

Last Revision: Initial

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Louisiana Revised Statute 39:77 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 Chancellor becomes aware of an impending deficit, the Chancellor is responsible for immediately notifying the President of the LCTCS both verbally and in writing. The Chancellor must include a list of proposed actions to eliminate the deficit to the System President at the time of notification. 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 System Office staff 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.