

OLDS COLLEGE POLICY

Olds College recognizes the need for Policies and Procedures, and the need for staff and students to be familiar with and follow such policies and procedures. It is the intent of Olds College that breach of College policies or procedures shall result in disciplinary measures up to and including suspension or termination. This applies to all College staff and representatives.

CATEGORY:	B. Finance and Administrative
SUBJECT:	Operations Budgets
POLICY NUMBER:	B02
CROSS REFERENCE:	B100 Signing Authority for Contractual Obligations B200 Budget Owner Responsibility B200 - 1PR Budget Owner Responsibility B200 - 2PR Delegation Budget Responsibility B200 - 1FORM Delegation of Budget Responsibility B200 - 2FORM Assignment of or Change in Budget Owner Responsibility B200 - 3FORM Budget Variance Approval

NEW \ REVISED	
Administrative Services Committee	Academic Council
September 19, 2016	

POLICY STATEMENT

The College’s strategic plans and priorities as established in the Comprehensive Institutional Plan are implemented through the allocation of resources. The purpose of this policy is to encourage the best use of available resources in carrying out the College’s mandate while promoting initiative, fiscal responsibility, sustainability and effective planning with robust budget control.

SPECIFIC GUIDELINES

The principles that the College utilizes in making decisions related to short and long term budget planning include:

1. **Comprehensive Institutional Plan**
The Comprehensive Institutional Plan (CIP) serves as the guiding document under which all College initiatives are aligned. The budget will align with and support CIP.
2. **Affordability**
The budget will incorporate an integrated approach to the allocation of limited resources. The College must be able to bear the cost of operations without incurring financial difficulty or risking other undesirable consequences.
3. **Fiscal Capacity**
A strong financial position is the cornerstone for budget development and management. Fiscal capacity will be built to respond to emerging needs through adherence to the long-term financial plan and related debt and reserve fund management policies.

4. Sustainability
The budget will balance a long-term focus with the aim of achieving sustainable year over year operations. The budget will reflect multiple bottom line approaches that incorporate and capture the College's entrepreneurial zeal.
5. Accountability and Transparency
The budget will demonstrate accountability to the College stakeholders and the College community through an open and transparent decision making process in addition to audited financial statements and other reporting.
6. Risk Management
Decision-making will be informed by risk management principles with the aim to minimize the negative effects of risk while also minimizing the cost to accomplish this mitigation.
7. Innovation
The budget will incorporate innovative approaches to academic and service delivery. The budget will allow for the development and implementation of operational efficiencies and cost-saving measures.
8. Stewardship
The budget will support infrastructure investment and renewal using a lifecycle strategy and asset management best practices.

IMPLEMENTATION AND ADMINISTRATIVE RESPONSIBILITY

The Vice President responsible for Business Services in conjunction with the CFO. This policy will be reviewed at least every five (5) years.

OLDS COLLEGE PROCEDURES

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SUBJECT AND POLICY NUMBER	B02 Operations Budgets
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NEW \ REVISED

Vice President Student and Support Services	Vice President Academic and Research	Vice President Advancement
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	September 19, 2016	
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The College's budget process begins in the fall/winter of the preceding year with budget owners receiving a copy of current year's approved budget, Q2 actuals and budget templates for the upcoming fiscal year. Budget owners prepare a draft operating budget. Planning meetings ensue once drafts are completed to fine tune and finalize the budget. The proposed budget is then presented for review to the Administrative Services Committee, the Board Audit Committee and the Board of Governors for approval.

The Chief Financial Officer fields requests for internally funded capital projects over a three week period in February/March. The requests are reviewed and approved by the Vice President responsible in conjunction with the Chief Financial Officer.

Budget Control Process

The approved budgets are communicated to the organization by the Chief Financial Officer and implemented into the reporting system by the Finance Department. Ongoing monitoring and reporting processes provide checks and balances to ensure the College operates within its Board approved budgetary mandate. Vice Presidents, Executive Directors, Directors and Managers are accountable for and have full authority to commit funds within their approved operating budgets. As part of the budgetary control processes, the Chief Financial Officer maintains and monitors changes from the approved budgets throughout the fiscal year.

Changes to the Board Approved Budget

Following the Board of Governors' approval of the budgets, subsequent events may require adjustments to the approved budget position. All budget adjustments that impact the approved budget or the Board of Governors' approved strategic direction will be brought to the Board's Audit Committee for review and recommendation to the Board of Governors' for approval of the changes.

Where budget adjustments do not impact the approved budget position or the approved net surplus/deficit position, or the Board approved strategic direction, the Chief Financial Officer may approve the changes.

Management of the Budget

The College will maintain an adequate contingency account for operating and capital budgets. Charges against the contingency accounts must be approved by the Chief Financial Officer.

Budget Transfers

Situations may arise that require budget transfers or allocations to/from funds during the year. These transfers may occur subject to the following guidelines:

- a) All parties to the budget transfer must agree in writing to the transfer
- b) All parties to the budget transfer must notify the appropriate managers of the transfer and
- c) The parties must communicate the details of the transfer to the Chief Financial Officer

Variations

a) Approved Variations

The Chief Financial Officer may deem budget adjustments to be necessary to reflect events subsequent to budget setting and approval process. In these cases, the Chief Financial officer and the Vice President responsible must formally approve any unbudgeted expenditures.

b) Unapproved Variations

All individuals with budget authority are expected to operate within their budgets. A formal mitigation plan in consultation with the Vice President responsible and the Chief Financial Officer is required for any year-to-date variance that is individually or cumulatively in excess of the following bottom line variance for the portfolio:

5% or \$50,000 greater than the budget