

BUDGET OWNER RESPONSIBILITY

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Owner.

Category:	F. Finance
Parent Policy:	F02
Approval Date:	November 1, 2015
Effective Date:	November 1, 2015
Procedure Owner:	Chief Financial Officer

Overview:	<p>The purpose of this procedure is to:</p> <ul style="list-style-type: none"> ● outline the responsibilities for those individuals within the College organization who have the authority to expend or release funds for operating expenses and capital expenditures under the authority of the College budget, and ● act as an internal control mechanism: <ul style="list-style-type: none"> ○ to provide assurance that the expenditures are in compliance with College policy and procedures and where applicable with granting agency/donor terms and conditions, ○ for expenditures where there may be a potential or perceived conflict of interest, and ○ to provide assurance that the expenditure is appropriate and is required for College operations. <p>This procedure does not apply to the signing of contracts. Refer to the Signing Authority for Contractual Obligations Policy.</p>
Procedures:	<p>Acceptable signatures include original, faxed or emailed scanned signatures or, in the cases where the responsible individual cannot provide a signed authorization, an email (authorizing the expenditure) from the responsible individual may be accepted in emergency or unusual circumstances, provided that an original, faxed or emailed scanned signature is obtained as quickly as possible. Budget owner should print their name and the date below their signature.</p> <p>Publication of the Olds College of Agriculture & Technology (the "College) budget, as approved by the Board of Governors of Olds College, confers authority upon certain staff who are responsible for a department budget (budget owners) to make expenditures within the amounts and scope of the accounts allotted to them in the budget and in accordance with College policy and procedures and any applicable granting agency/donor terms and conditions.</p> <p>Authorization is granted to the budget owner to expend or release funds. The account holder must ensure that the expenditures are required for the College</p>

operations and are in compliance with College policy and procedures. The budget owner must have sound knowledge of the budgeting processes and the impact of making commitments against these budgets or within the department budgeted for. Any expenditure that may be deemed ineligible or inappropriate becomes the responsibility of the department.

Authorization to expend funds can be delegated (refer to Delegation of Budget Owner Responsibility Form).

One-Over-One Approval

The one-over-one approval is required wherever there may be a potential or perceived conflict of interest. The one-over-one approval provides assurance that the expenditure is appropriate and is required for College operations.

The one-over-one approval requirement stems from the concept that no one should be placed in a position where they can cause (authorize) a payment to be made to themselves or to their benefit. Obtaining a signature from a supervisor would indicate that a review of the proposed expenditure is legitimate and is for College operations. One-over-one approval is provided by the claimant's direct supervisor (one-over-one cannot be delegated).

One-over-one approval is required on the following transactions:

1. Travel Expenses for accommodations, transportation and meals as defined in F22 Travel Expense Guidelines including travel expense reimbursements and VISA statements where there are travel related items and purchase requisitions where there are travel related items.
2. Expense reimbursements.
3. Hospitality purchases including (but not limited to) food, beverage and entertainment expenses for people who are not staff of the College.
4. Consulting fee per contract where the contractor is the budget owner.
5. Payments to family members, relatives.
6. Competitive Purchasing Exception purchases – F02 Competitive Purchasing Exception Procedure.

The above categories are a general guide only and do not represent an all-inclusive list. When there is uncertainty or if it is not clear if the expenditure represents a potential or perceived conflict of interest, then one-over-one approval should be secured. Consideration should be given to any requirements to disclose related party transactions according to F19 Related Party Transactions.

Ultimate responsibility rests with the claimant to provide complete, accurate and appropriate information to substantiate the claim/reimbursement. The one-over-one approval is based on the assumption that all of the information presented to them is complete, accurate and there is appropriate supporting documentation.

Approval Hierarchy

Beyond claimants securing one-over-one approval from their immediate supervisor to whom they are accountable based on the organizational structure of the College, the approval hierarchy is as follows:

1. Claims by the members of the Board of Governors (BOG) are to be approved by the BOG Chair.
2. Claims by the BOG Chair are approved by the BOG Vice Chair.
3. Claims by the President are approved by the BOG Chair.

Budget Variances

In the event that a budget owner intends to make a capital purchase that was not included in the capital budget, the budget owner should contact the CFO to see if an additional source of funding can be identified.

If the budget owner at some time during the year identifies that the revenue for a department is likely to be under budget by more than \$1,000, the budget owner should adjust expenditures accordingly or contact their supervisor to see if an additional source of funding can be identified for the department.

If a department is making an operating purchase that will result in a net deficit of more than \$1,000 on the variance report for the relevant department, the budget owner should contact their supervisor to see if an additional source of funding can be identified for the department.

If an additional source of funding can be identified the responsible VP and CFO may grant approval for the variance by submitting a Budget Variance Approval form to Business Services.

Changes to Budget Owner Responsibility

If an employee is replaced by another employee during the year, the budgets that were owned by the terminated employee will become the responsibility of the new employee. In this case, the direct supervisor of the employee should email the Senior Accountant, Reporting and Budgeting advising of the change.

When applying for grants, the employee signing the grant application should indicate on the application form who the person responsible for the funds will be. This will constitute delegation of authority to that individual to become the budget owner of the grant funds should the grant application be successful.

If a change in budget ownership becomes necessary for any other reason, an Assignment of or Change in Budget Owner Responsibility form must be submitted to Business Services.

Other Signatures

1. "Prepared by" is to be signed by an individual completing a form or preparing a transaction, that means the individual assembling the supporting documentation and accurately filling out a form. This individual is responsible for ensuring all supporting documentation is attached to a form and that the information contained on a form is accurate and complete.
2. "Claimant" is the individual who is requesting reimbursement for expenses paid out of pocket. The claimant is ultimately responsible for providing complete and accurate information to support the claim and for ensuring the expenditures are required for College operations and are in compliance with College policy and procedures and granting agency/donor terms and conditions (where applicable). If the claimant has misrepresented any information in any way that results in the expenditure being deemed ineligible or inappropriate, the claimant will be held personally responsible. Consideration should be given to Policy B03 Fraud & Irregularities.

Petty Cash

The custodian of a petty cash is the individual responsible for the safekeeping and replenishing the float. The custodian is responsible for ensuring that requests for

	<p>reimbursements from petty cash are allowable and supported with appropriate receipts.</p>
<p>Definitions:</p>	
<p>Related Information:</p>	<p>F21 Signing Authority for Contractual Obligations B03 Fraud and Irregularities F19 Related Party Transactions F02 Delegation of Budget Owner Responsibility Procedure F02 Assignment of or Change in Budget Owner Responsibility Form F02 Budget Variance Approval Form F22 Travel Expense</p>
<p>Review Period:</p>	<p>3 years</p>
<p>Revision History:</p>	<p>New: 2014 Revised: November 2015</p>