

FINANCIAL FRAMEWORK

This document is the parent policy for any College procedures. Questions regarding this policy are to be directed to the identified Policy Owner.

Category	F. Finance ▾
Policy Number	F24
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Policy Owner	Chief Financial Officer

Objective	This framework outlines the five structural pillars that ensure the long-term fiscal sustainability and mission-alignment of Olds College of Agriculture & Technology (the “College”). By balancing its academic and research mandates, the College maintains its position as a leader in agriculture and related technologies and competency-based education	
Policy	Structural Pillars	
	1.	Education Pillar: The Core Mission
	1.1	The financial focus of this pillar is on instructional excellence and student success. Revenue is primarily driven by tuition and government funding, while expenses prioritize high-quality delivery. This includes the following outcomes: • Program Development and Efficiency • Student Support Services • Curricular and Co-Curricular Student Experiences • Scholarships, Bursaries, and Awards • Faculty Training • Non-faculty Training for Instruction and Student Support • Unique Capital Requirements
	2.	Research Pillar: The Innovation Engine
	2.1	Olds College acts as a bridge between industry challenges and market-ready solutions. This pillar manages the volatility of grant cycles, maximizes industry investment, and ensures that research findings create tangible value and are communicated to the world. This includes the following outcomes: • Commercialization and Technology Transfer • Industry-Led Validation • Academic and Industry Integration

		• Knowledge Mobilization • Student Research Assistantships • Intellectual Property & Ethics • Unique Capital Requirements
3.	Operations Pillar: The Foundation	
	3.1	This pillar encompasses the "backbone" of the College— Information Technology Services, People and Culture Services, Business Services, Campus Facilities Maintenance and Operations, Ancillary Services and External Relations —focusing on efficiency, risk management, and service excellence. This includes the following outcomes: • Shared Service Optimization • Digital Transformation • Campus Infrastructure Maintenance and Renewal • Administrative Lean Efficiency • Maximization of Net Contribution from Revenue Generation • Unique Capital Requirements
4.	Capital Pillar: Infrastructure & Assets	
	4.1	Olds College manages a massive physical footprint. This pillar focuses on long-term stewardship and the "Total Cost of Ownership." This includes the following outcomes: • Addressing Deferred Replacement and Maintenance • Lifecycle Replacement • Strategic Reserves • General Capital Requirements
5.	Farm Pillar: The Living Lab	
	5.1	The Smart Farm is a unique enabling asset that functions as a classroom, a research laboratory, and a commercial-scale enterprise. This includes the following outcomes: • Integrated Budgeting • Commodity Risk Management • Asset Monetization • Unique Capital Requirements
Institutional Financial Principles To ensure fiscal integrity and transparency, the following principles apply to the identification and allocation of all revenue streams across the five pillars:		
1.	Revenues	
	1.1	Centralized Revenues: All revenues are revenues of the College, subject to utilization as required by external restriction and/or approval of the Board of Governors annually through the budget process.

1.2	Standardized Revenue Identification: All potential income sources—including grants, tuition, donations, commodity sales, and fee-for-service contracts—must be identified at the point of contract or enrollment. Revenue is categorized as either Restricted (must be used for a specific purpose defined by the funder) or Unrestricted (available for general operating priorities).
1.3	Direct-to-Pillar Allocation: Whenever possible, revenue is allocated directly to the pillar responsible for its generation. This "Activity-Based" approach ensures that costs and revenues are aligned, allowing for accurate profitability and sustainability analysis.
1.4	Administration allocations: Any direct- to- pillar allocation is to reserve a minimum of 15% towards the operating pillar as allowed by the donor or grantor.
1.5	General Revenues: General revenues are those which do not have a discrete relationship to any one pillar, or are generated by the assets of the College, not the operations within a pillar.
2.	Expenses
2.1	Expenditure Categories: Expenditures are split into 3 discrete categories: Staffing; Materials, Supplies and Services; and Capital.
2.2	Expenditure Categories are Discrete: Once approved by the Board of Governors via the Budget, the re-assignment of resources between the categories is prohibited.
2.3	Expenditure Decisions: The decision on expenditures should be made at the point of where the activity takes place.
3.	Surplus Allocation to Restricted Operational and Capital Reserves At the conclusion of each fiscal cycle, any surplus funds generated within a pillar that are not required for immediate operating expenses are identified for transfer into a Restricted Operational Reserve. These funds are "ring-fenced" to the specific pillar and may only be accessed for strategic reinvestment, cyclical equipment replacement, or to mitigate future revenue shortfalls within that same pillar, subject to Executive Leadership Team approval.
4.	Committee Oversight for Utilization of Restricted Funds and Reserves All requests to access Restricted Reserves must be reviewed by a Reserve Advisory Committee. This committee is responsible for evaluating the alignment of the proposed expenditure with the College's strategic plan and providing a formal recommendation to the Executive Leadership Team. This governance step ensures that surplus utilization is transparent, prioritized by institutional need, and maintains the long-term health of the specific pillar's reserve. Each committee is to submit a report to the Executive Leadership Team regarding any restricted fund balances twice annually to inform budget preparation and year-end financial statement preparation. Each committee is to annually submit an aged list of capital to inform budget preparation, insurance renewal, and year-end financial statement preparation
5.	Legislative Compliance Utilizing restricted operating reserves for non-capital expenditures, requires Ministerial approval and is subject to an annual limitation of 15% of all reserves, excluding capital

Definitions

Curricular Student Experiences: Those activities that are required for course completion, outside of the traditional classroom setting.

Co-curricular Student Experiences: Those activities that are related to academic programming, but not required for course completion.

Unique Capital Requirements: Capital expenditures within a pillar that are unique to that pillar. It may include furniture, equipment, small structures and infrastructure.

General Capital Requirements: Capital expenditures that are common to any and all pillars. It may include furniture, equipment, buildings and infrastructure.

Reserve Advisory Committee: A committee whose responsibilities includes oversight for Utilization of Restricted Funds and Reserves.

Restricted Revenues: Any revenues that have external restrictions that are not realized as revenue until the restriction has been met. Excess restricted revenues, which are not required to be returned are considered general surplus funds.

Restricted Reserve: A fund of general surplus funds from operations that must be used for the purposes outlined in its establishment until the purposes have been met or the purpose is altered or removed. Restricted Reserves may be established for use in operations or for capital acquisitions, as outlined in the purpose when established.

Related Information

[F24 Financial Framework - Appendix A - Graphical Representation](#)

Related Procedures

F04 Continuing Education Net Revenue Account Procedure
 F08 Endowments, Inflation & Investment Recapitalization Procedure
 F10 Externally Restricted Contributions Procedure
 F16 Operations Budget Procedure
 F20 Reserves Procedure
 F24 Capital Pillar Committee Procedure
 F24 Operating Pillar Committee Procedure
 F24 Academic Pillar Committee Procedure
 F24 Farm Pillar Committee Procedure
 F24 Research Pillar Committee Procedure

Review Period

3 years

Revision History

New: September 2026