

## OPERATIONS BUDGET

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

<b>Category:</b>	F. Finance
<b>Parent Policy:</b>	F16
<b>Approval Date:</b>	September 19, 2016
<b>Effective Date:</b>	September 19, 2016
<b>Procedure Owner:</b>	Chief Financial Officer

<b>Overview:</b>	<p>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.</p> <p>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.</p>
<b>Procedures:</b>	<p><b>Budget Control Process</b></p> <p>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.</p> <p>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.</p> <p><b>Changes to the Board Approved Budget</b></p> <p>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.</p>

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:

1. All parties to the budget transfer must agree in writing to the transfer
2. All parties to the budget transfer must notify the appropriate managers of the transfer and
3. The parties must communicate the details of the transfer to the Chief Financial Officer

**Variances**

1. Approved Variances

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.

2. Unapproved Variances

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:

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

**Definitions:**

**Related Information:**

**Review Period:**

3 years

**Revision History:**

New: 1983  
Revised: 2016