

BOARD OF GOVERNORS – Executive Limitations

Policy #: **EL 3 Budgeting**

Original Implementation Date: June 21, 2016

Most Recent Activity: January 21, 2020 – *Revised Policy Approved*

Next Mandatory Review Date: 2021-2022

Frequency of Reviews: Every three (3) years



Budgeting for any fiscal year or the remaining part of any fiscal year shall ensure the fiscal integrity of the college and protect against fiscal jeopardy while materially supporting the multi-year plan and board Ends priorities.

Accordingly, the President and CEO may not cause or allow budgeting which:

1. Contains too little information to enable accurate projection of revenues and expenses (by object of expenditure) and cash flow; and disclosure of the underlying planning assumptions behind these projections;
2. Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period including funds to cover debt servicing;
3. Does not provide annual operating funds for board prerogatives, such as costs of fiscal and internal audit, board development, board and committee meetings, and board professional fees;
4. Does not have a broad base of engagement from internal stakeholders;
5. Does not have sufficient financial flexibility to ensure the continuity of operations should the college encounter minor negative variances.