

Medicine Hat College Board Policy

Policy #: **FIN-01 Budgeting**

Effective Date: May 16, 2023

Next Mandatory Review Date: May 16, 2026

Frequency of Reviews: Every 3 years



1. HIGH LEVEL STATEMENT

Budgeting for any fiscal year or the remaining part of any fiscal year ensures the fiscal integrity of the college and protects against fiscal jeopardy while materially supporting the multi-year plan.

2. PURPOSE

This policy confirms that in accordance with the Post-secondary Learning Act, the Board of Governors (the Board) is required to enter into an investment management agreement with the Minister and submit a budget and capital plan on or before a date specified by the Minister.

3. SCOPE

This policy applies to the Board when involved in budget approval, and monitoring for both operating and capital budgets.

4. PRACTICES

- The Board submits an operating budget for Ministerial approval in which consolidated expenses do not exceed consolidated revenue resulting in a deficit unless the college has received written permission from the Minister in accordance with the Post-secondary Learning Act.
- Budgets contain enough 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.
- Budgets 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.
- The budget development process includes a broad base of engagement from internal stakeholders.
- Budgets have sufficient financial flexibility to ensure the continuity of operations should the college encounter minor negative variances.

- Any one single initiative that is not supported by new revenues or funded through unrestricted reserves, in excess of \$1,000,000 for operating and \$1,000,000 for capital, will be presented to the Finance and Audit Committee and Capital Development Committee, if applicable, for recommendation to the Board.

5. RELATED INFORMATION

Investment Management Agreement