

3-001 - Budget and Expenditures

MOTION: 2015-30

DATE APPROVED: November 27, 2003

SUPERSEDES: Issue of Budget and Financial Matters Paper (May 2001) and Issue of Financial Policies (June 27, 1996)

REVIEWED: December 9, 2021 2021-40

POLICY NO: 3-001

The Board of Governors of The Lambton College of Applied Arts and Technology will comply with all financial legislation, regulation and Minister's Binding Policy Directives, and with all Ministry requirements governing college budgeting/financial matters.

1.0 As required by Ontario Regulation 34/03:

1.1 Lambton College will operate with a balanced budget each year;

1.2 If it appears that the College will not balance its budget in the year and that an accumulated deficit will occur, the Board of Governors shall seek the Minister's approval in respect of the budget and shall provide the Minister with an appropriate financial recovery plan.

2.0 The budget will reflect the expectations and priorities of the Board. It follows that these principles will guide the budget process:

2.1 The budget will be prepared to reflect and enable the implementation of the Board's Strategic Plan;

2.2 The approved budget must be followed and any deviation from it should occur only with the knowledge and approval of the Board;

2.3 Changes in the Board's expectations and priorities, whether proactive or reactive, will be reflected in a changed budget approved by the Board.

3.0 The President will:

3.1 have prepared a draft budget that:

3.1.1 reflects the strategic plan and priorities of the Board. Where this cannot be achieved, for example, because of a lack of resources, the President will so inform the Board and seek its direction;

3.1.2 consists of an operating budget and a capital budget;

3.1.3 has a balanced operating budget, unless specifically directed otherwise by the Board;

3.1.4 complies with all Ministry and legal requirements concerning College budgeting and financial matters;

3.1.5 provides adequate resources to maintain the integrity of the College programs and services and assets; Lambton College Board of Governors Policy on Budget and Expenditures 3-001

3.1.6 provides for the reduction of any accumulated deficit, in accordance with a Board- and Ministry-approved financial recovery plan.

3.2 provide with the draft budget, the business plan, including the background information relative to the development of the draft budget, including, but not limited to, underlying assumptions, revenue and enrolment forecasts, etc.

3.3 present the draft budget to the Board on the agreed date for Board approval, normally by the end of April.

3.4 implement the approved budget; and

3.4.1 report to the Board, following the approved schedule, on the financial status of the College, including a summary of the most salient points relative to the approved budget;

3.4.2 provide a budget report to the Board, at the level of the Statement of Revenue and Expenditures, as per the established schedule;

3.4.3 provide to the Board, annually, a financial statement reconciled with the budget; 3.4.4 report to the Board, in all instances and at any time, significant deviations or expected deviations from the approved budget;

3.4.5 provide and recommend to the Board appropriate courses of action in response to any actual or expected deviation from the budget.

3.5 ensure that appropriate financial controls and procedures are in place.

3.6 adhere to the Board Purchasing Policy.

3.7 ensure that College physical assets are adequately insured, maintained, and protected in accordance with good business practice.

3.8 obtain written Board approval to acquire or dispose of any real property (realty, e.g. land, building, etc.). Approval of the Minister will be sought regarding use of disposal proceeds in the case of disposal of real property originally purchased with Ministry funds consistent with policy directives.

3.9 submit the approved business plan to the Ministry by June 30th of each year in accordance with the Ministry policy directives

4.0 The Board will:

4.1 approve the budget, normally by the end of April;

4.2 monitor actual performance against the approved budget, at the level of the Statement of Revenue and Expenditures, as per the established schedule;

4.3 engage auditors, annually, to prepare audited statements for the College and to provide a report to the Board on the financial operations of the College;

4.4 report, as required, to the Minister on the financial operations and status of the College;

4.5 make available to the public the audited financial statements of the College.