

	Policy No.	Officer Responsible		
	<b>B.206</b>	<b>Vice—President Finance and Administration</b>		
	Policy Name	<b>BUDGET POLICY</b>		
Approved by	Replaces	Category	Next Review	
<b>Board</b>	<b>Memo 27 and Memo 43</b>	<b>A</b>	<b>Feb 2018</b>	
Date Issued	Date Revised	Related Policies, Reference		
<b>Oct 17 2011</b>	<b>Feb 17, 2015</b>			

## POLICY

It is the policy of Capilano University to prepare and submit a balanced budget to the Board of Governors each year.

## PURPOSE

The goal of the University’s budget planning process is to achieve a balanced budget while maximizing resources and allocating those resources to align with the university’s strategic plan in a way that engages and gives voice to constituent groups.

The University’s strategic plans and priorities are established and implemented, through the allocation of resources, to accomplish the desired goals necessary to meet the educational mandate. The objectives of this policy are to encourage initiative, responsibility, engagement, and planning, while ensuring effective budget control.

## UNIVERSITY OVERVIEW

The University is a continuing organization that is highly dependent upon the annual operating grant from the government. The real budgeting task is to plan for services with as much predictability as possible, and to be able to plan for change important to the objectives of the University or imposed by conditions beyond the University. From a planning perspective, the University must function from year to year with the greatest possible measure of stability to avoid sharp annual variations in the programs and services for students. In this way the students will have confidence in the programs they enroll in and know they can complete their program of study in a timely way.

The University engages in three types of activities when it implements its strategic plan: activities that promote student learning, activities that promote student life, activities that attract and retain student enrolment and activities that support the functional operations of the University. The University has to maintain a balance amongst activities to create a healthy and successful institution. No activity exists on its own, and the degree of interdependence among activities must be recognized and supported in the Universities budget.

## UNIVERSITY ACT

The Board has the power and responsibility to adopt a balanced budget annually.

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In accordance with Section 29 (1) of the University Act: The board must not incur any liability or make expenditures in a fiscal year beyond the amount unexpended from the grant made to the university and the estimated revenue of the university from other sources up to the end of and including that fiscal year, unless an estimate of the increased liability or over-expenditure has been first approved by the minister and Minister of Finance.

This means that revenues and expenditures must be balanced and any deficit that may arise during the year on an “all-funds” basis, that will not be expunged by year-end, must be reported to the Minister and the Minister of Finance as soon as reasonably possible after it has been identified.

The president must prepare and submit to the board an annual budget in consultation with the appropriate standing committee of the senate. University Act – Section 62 (2).

The board is to receive from the president and analyze and adopt with or without modifications the budgets for operating and capital expenditure for the university. University Act – Section 27 (2) (I).

### **BUDGET PARAMETERS**

In the development of the University budget the following objectives must be observed:

- The University’s budget planning occurs within the context of the BC Government’s policies, directives, and priorities that must be observed and taken into account.
- The University should first use the annual operating grants from the BC Government to generate the level of service for which it contracts annually with the Ministry responsible; where possible, such grants should then be used to generate higher levels of student learning.
- The budget for any fiscal year shall not deviate materially from the Board's policies and priorities.
- Each year an annual Budget Strategy document will be developed that will promote achieving the University’s strategic plan.
- A service or program should receive a higher priority in the budget planning process to the extent that it demonstrates the values expressed in the annual Budget Strategy.
- Buildings must be maintained in a manner that promotes student learning and enhances the University’s image. The Ministry provides an annual building maintenance grant that is spent

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each year on a priority basis. Should inadequate funding be available, the University will determine the priorities to promote and support student learning.

- Annual recurring expenditure obligations must be funded from recurring revenues.
- Revenues and expenditures must be projected in a manner that demonstrates fiscal prudence and fiscal responsibility.
- Ancillary operations such as the Bookstore and Children’s Centre are expected to be operated to cover all direct and indirect operating costs. The University shall not proceed with major building projects unless funding for the capital and operating costs have been identified and approved by the Board and the Ministry as required.
- Contracts and other non-base activity will be funded through the use of designated revenue.
- The University will maintain an accumulated surplus.
- The Board will review the accumulated surplus annually.
- Any use of accumulated surplus funds will be approved in advance by the Board. The BC government has final approval of the use of these funds.

## **ANNUAL BUDGET**

The annual budget strategic priorities document will contain any known changes from the Ministry and other outside sources as well as any internal changes. It will also contain the Presidents’ expectations of change needed to be implemented over the next year with priorities identified.

The University’s budget process begins in the fall of the preceding year.

The University’s Executive committee is responsible for the development of the initial budget. The Executive members will discuss the budget from the start of the process through the entire process with their Faculties, Directors, and others as applicable (i.e., contractors).

The president must prepare and submit to the board an annual budget in consultation with the appropriate standing committee of the senate. University Act – Section 62 (2).