

Policy History
<b>Policy No.</b> FM1
<b>Approving Jurisdiction:</b> President
<b>Administrative Responsibility:</b> Vice President Finance & Administration
<b>Effective Date:</b> June 3, 2015

## Financial: Annual Expenditure Plan Policy

In accordance with Section 27 of the *University Act*, the Board of Governors will approve the University's Priorities for Expenditure and the Annual Operating and Capital Expenditure Plan.

### PREAMBLE

The development of the annual expenditure plan will include a series of data provision, collection and analysis processes that will encourage input from all organizational levels. The Vice President Finance and Administration will, through organizational channels, provide to all administrators with budget responsibility historical data on staffing levels and expenditures in their areas of responsibility. Based on the historical data and proposed new directions, all administrators with budget responsibility will project their staffing and other expenditure requirements for the next fiscal year complete with rationalization for each line item of expenditure. This projected expenditure plan will be analyzed and costed by the Vice President Finance and Administration, compared with the estimated annual budget, and submitted to the President and the President's Group for approval or adjustment.

### PROCEDURES

#### 1. Priorities for Expenditure

- a. Administrators reporting directly to the President, in consultation with their departments, will recommend priorities for the expenditure of annual operating funds.
- b. The President's Group will review the recommended priorities and establish University-wide priorities for the expenditure of operating funds and bring to the Board of Governors for approval.
- c. The established priorities, once approved by the Board of Governors, will be used as guidelines in the development of the Annual Expenditure Plan.
- d. The Board directs the University to have a budgeted contingency fund of 4% in the annual operating budget to meet the University's strategic and academic plan goals.
- e. Should there be a surplus in any given year, the surplus should be directed to the capital fund.

## 2. Operating Expenditure Plan

- a. The Vice President Finance and Administration will provide to each administrator reporting directly to the President the following package of information:
  - i. Educational Plan (Form #EP1)
    1. for semester-based courses will include actual sections offered and course registrations for Years 1 and 2 for the previous two years.
    2. for vocational/A.B.E. programs will include seats/class, duration, optimum and actual training days for the previous two years.
    3. provides format to identify new and/or expanded programs.
  - ii. Staffing Plan - Instruction (Form #EP2)
    1. provides the format to:
      - request changes in status from Sessional to Temporary or Regular
      - identify Non-Teaching time assignments
      - request new instructional staffing.
  - iii. Staffing Plan - Support (Form #EP3)
    1. will include the name, classification, status, pay level and annual months/hours for all full-time/term staff by program/discipline or support service area.
    2. will include the hours budgeted for all auxiliary staff/student assistants by program/discipline or support service area.
    3. provides format to request new staffing.
  - iv. Other Expenses (Form #EP4) will include dollars budgeted in each expense category for the previous two years. The 1988/89 Budget information excludes allocations from the Enrolment Growth Fund. Vocational Programs will include RAC funding where applicable; this should be excluded from the 1990/91 Request.
- b. Each Administrator reporting directly to the President will complete Forms #EP1 through #EP4, projecting annual education, staffing and expenditure plans for the next fiscal year.
  - i. Education Plan (Form #EP1)
    1. for semester-based courses identify proposed sections and projected course enrolments, including rationale, by discipline/program.
    2. for Vocational/A.B.E. programs identify proposed seats/class, duration and optimum training days, including rationale, by program.
  - ii. Staffing Plan - Instruction (Form #EP2)
    1. based on the proposed Education Plan indicate non-teaching time assignments for each full-time faculty member.
    2. based on the proposed Education Plan identify proposed conversions to regular/temporary status with rationale.
    3. new staffing requirements.
  - iii. Staffing Plan - Support (Form #EP3) identify the proposed pay level and annual months/hours for all regular, term and auxiliary employees and student assistants. Provide rationale for auxiliary/student assistant projections.
  - iv. Other Expenses (Form #EP4) identify proposed expenditures for the next fiscal year including a rationale.

- c. The Vice President Finance and Administration will consolidate, analyze and review with respondent the proposed Expenditure Plans: will estimate the impact of inflation, fee increases and revenue from other sources; will estimate the surplus available for distribution and prepare for the President and the President's Group a Preliminary Expenditure Plan which will provide a detailed analysis of all proposed expenditures and all potential sources of revenue.
- d. The President and the President's Group will review and prioritize the Preliminary Expenditure Plan to ensure that the Final Expenditure Plan will not exceed the estimated annual operating budget.
- e. In addition to the above process, the Vice President Finance and Administration will independently develop a "status-quo" expenditure plan primarily to ensure that historical areas of expenditure are not overlooked in the development process.

### **3. Capital Expenditure Plan**

- a. Each administrator reporting to the President will complete the attached form prioritizing divisional/departmental capital requirements, including computer hardware and software, for the next fiscal year. Priorities are:
  - i. Priority 1 - replacement of obsolete or unsafe equipment that is essential to maintain educational or support services or to continue projects identified or approved in previous years.
  - ii. Priority 2 - additional furniture/equipment for new or additional programs/classes or support services (includes furniture/equipment for new approved positions).
  - iii. Priority 3 - replacement or addition of equipment to improve the quality or efficiency of educational or support services.

**NOTE:**

- 1. Capital items are those that exceed \$250/unit with a life expectancy exceeding 3 years and all classroom and office furniture even though the value may be less than \$250;
  - 2. Ensure that installation costs and foreign exchange rates are included in your equipment budget estimates;
  - 3. Replacement of furniture equipment for classrooms, faculty offices, lounges and cafeterias will be developed in consultation with the Campus Administrative Assistants and included in the Facilities budget.
- b. The Vice President Finance and Administration will consolidate all capital requirements, will determine the central computing equipment required to operate the computing equipment requested at each priority level, and will prepare for the approval of the President and the President's Group a Preliminary Capital Expenditure Plan.
  - c. The annual Capital Allocation from the Ministry will be allocated as follows:
    - i. 10% or \$50,000, whichever is greater, will be retained to cover emergent capital requirements approved by the President's Group. Any balance unexpended at year end will be available for allocation next year.
    - ii. 5% or \$50,000, whichever is greater, will be allocated for the purchase of library books.
    - iii. the remaining funds will be allocated to cover, in sequence, priorities 1 through 3.
    - iv. when the funds are not adequate to cover all items in a priority grouping the available funds will be pro-rated based on the total dollars requested

in that grouping. Each administrator will determine the actual items to be purchased from the pro-rated funds and will advise the Vice President Finance and Administration

- v. the Vice President Finance and Administration will provide each administrator reporting to the President and the Purchasing Department with a detailed listing of capital items approved for purchase during the current fiscal year.
- vi. each Division/Department will forward to the Purchasing Department requisitions for approved items.