

BUDGET PLANNING AND REPORTING POLICY			
<b>Effective Date</b>	March 28, 2024	<b>Policy Type</b>	Administrative
<b>Responsibility</b>	President and CEO	<b>Cross-Reference</b>	Investment Policy Tuition and Fees Policy Signing Authority Policy Employee Code of Conduct Asset Management Policy
<b>Approval Authority</b>	Board of Governors	<b>Review Schedule</b>	Every 3 years

## 1. Policy Statement

Northwestern Polytechnic (“NWP” or “Polytechnic”) shall discharge its responsibility with respect to planning, implementing, maintaining, and managing its annual budget.

## 2. Policy Objective

NWP is committed to budget strategy that furthers the long-term financial principles of demonstrating financial sustainability, maximizing financial flexibility, and minimizing financial vulnerability.

## 3. Scope

This policy applies to the approved annual operating and capital budgets.

## 4. Purpose

- 4.1. The purpose of this policy is to outline an approach which will guide the annual operating and capital budgets toward the desired results that will support the Polytechnic’s vision and mission.
- 4.2. This policy establishes the objectives, principles, and philosophies for the annual operating and capital budgets to ensure budget development is based in strong, long-term financial principles.

- 4.3. This policy elevates transparency, communication, and education about budget process and financial priorities.
- 4.4. This policy offers parameters for all budget owners regarding the use of budgeted funds and one-time funds.
- 4.5. This policy defines and assigns the responsibilities of all involved parties.

### 5. Definitions

- 5.1. **"Budget"** contains the estimated revenues and expenses for a one-year period.
- 5.2. **"Capital Budget"** contains the estimated revenues and expenses required to fund capital projects for a one-year period.
- 5.3. **"Operating Budget"** contains the estimated revenues and expenses required to fund operations for a one-year period.
- 5.4. **"One-time Funds"** refers to in-year surplus funds.
- 5.5. **"Budget Forecast"** Is a process for assessing current performance and predicting future state with budget compliance.
- 5.6. **"Capital Equipment"** are those assets that have been capitalized in accordance with the Asset Management Policy.
- 5.7. **"Variance Reporting"** Is used to analyze the difference between budget and actual performance.
- 5.8. **"Budget Owner"** an employee who had been assigned a Cost centre budget In the financial system and therefore has signing authority to make expenditures within the scope of their budget.
- 5.9. **"Finance Committee"** Is a sub-committee of the Board of Governors.
- 5.10. **"Capital Plan"** Is the process of budgeting for NWP growth and renewal for buildings, Infrastructure, and land.
- 5.11. **"Strategic Initiative"** Is an approved project or action that Is defined and designed to achieve NWP's strategic goals.

5.12. "Strategic Plan" contains NWP's vision for the future that normally Includes goals, objectives, key performance Indicators and may be linked to sub-plans across the Institution such as an academic plan, capital plan, and advancement plan.

## 6. Guiding Principles

6.1. NWP must submit for each fiscal year a Board approved balanced operating and capital budget for a period that includes the fiscal year and at least two subsequent fiscal years to the Ministry.

6.2. NWP's budget will:

6.2.1. Limit year-over-year increases in operating expense to strategic plan items, enrolment growth, and Inflation.

6.2.2. Limit in-year expense growth to budgeted contingencies, saving for the future, or one-time strategic Initiatives.

6.2.3. Limit tuition and fee revenue to the Ministry regulations and enrolment projections.

6.3. NWP must prepare for each fiscal year a strategic initiatives list, to be approved by the Board, for one-time expenses should in-year funds become available.

6.3.1. Allocation of in-year surplus funds will be approved by Executive Council for savings into reserves, one-time strategic initiatives that do not lead to permanent increases in NWP spending, or one-time increased operational expenses directly related to unanticipated enrolment growth.

6.3.2. Any surplus greater than or equal to 5% of NWP's total operating budget should normally be reported to the Board Finance Committee prior to any allocation of surplus funds.

6.4. NWP's operating budget, capital budget, and strategic Initiatives list must be tied to the strategic plan or sub-plans of the strategic plan.

## 7. Roles and Responsibilities

Stakeholder	Responsibilities
Board of Governors	<ul style="list-style-type: none"> <li>• Approve and formally support this policy.</li> <li>• Approve any policy exceptions.</li> <li>• Approve the annual operating and capital budgets.</li> </ul>

Finance Committee	<ul style="list-style-type: none"> <li>• Oversee and provide strategic advice on budget planning, implementation, and management.</li> <li>• Review and recommend annual operating budget, capital budget, and strategic initiatives.</li> <li>• Review and recommend amendments to the policy.</li> <li>• Monitor quarterly forecasts.</li> <li>• Monitor one-time expenditures to ensure compliance with strategic initiatives.</li> <li>• Appoint suitable agents and council, as required.</li> </ul>
President and CEO	<ul style="list-style-type: none"> <li>• Monitor appropriate procedures, processes, and practices:             <ul style="list-style-type: none"> <li>○ to achieve the policy objectives and</li> <li>○ to safeguard the Polytechnic funds.</li> </ul> </li> <li>• Maintain this policy.</li> <li>• Report surplus funds greater than or equal to 5% to the Finance Committee prior to allocation of funds.</li> </ul>
Executive Council	<ul style="list-style-type: none"> <li>• Formally support this policy.</li> <li>• Monitor budget owners.</li> <li>• Oversee one-time expenditures.</li> <li>• Prepare annual operating budget, capital budget, and strategic initiatives for Finance Committee review.</li> <li>• Oversee budget communication and education for budget owners and the institution as a whole on budget process, planning, and priorities.</li> </ul>
Vice-President, Administration	<ul style="list-style-type: none"> <li>• Prepare and present quarterly reports to the Finance Committee.</li> <li>• Present variances to Executive Council</li> </ul>
Director, Financial Services	<ul style="list-style-type: none"> <li>• Present quarterly forecasts to Executive Council.</li> <li>• Report variances to the Vice-President, Administration</li> </ul>
Budget Owners	<ul style="list-style-type: none"> <li>• Manage budget cost centre(s) in accordance with this policy with the care, diligence and skill that a prudent person dealing with public sector monies would use.</li> <li>• Abide by the Employee Code of Conduct.</li> <li>• Meet with Business Services Advisor routinely and provide updates on actual and anticipated expenses and revenue.</li> </ul>

	<ul style="list-style-type: none"><li>• Notify applicable Vice-President immediately of a reportable variance.</li><li>• Prepare applicable briefing notes/business case for any one-time non-budgeted expense.</li><li>• Arrange for education for staff who monitor budget cost centre(s).</li></ul>
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**8. Exceptions to the Policy**

8.1. The Board of Governors, through the Finance Committee, may approve exceptions to this policy.

**9. Inquiries**

9.1. Inquiries regarding this policy can be directed to the President and CEO.

**10. Revision history**

10.1. March 28, 2024.