

POLICY TYPE:	Executive Limitations
POLICY TITLE:	Financial Matters
EFFECTIVE DATE:	June 2022
REVISION DATE:	
RENEWAL DATE:	May 2028

In this policy, unless otherwise defined herein or the context requires otherwise, words have the same meaning as they do in the Definitions Schedule to By-law No. 1 of the College.

1. POLICY STATEMENTS

The following limitations are intended to provide the administration of the College with guidelines to set financial plans.

1.1. Financial Planning

- 1.1.1. The President shall develop an annual business plan that includes operational outcomes for the coming year within the context of the strategic plan, and the resources allocated for the year in the annual budget.
- 1.1.2. The business plan shall be submitted to the Board for approval no later than June of each year.
- 1.1.3. The President shall submit the approved business plan to the Ministry in accordance with policy directives and operating procedures issued under OCAATA and the Directive on Governance and Accountability Framework.
- 1.1.4. The annual budget:
 - a) Shall be in compliance with applicable regulations and policy directives issued under OCAATA;
 - b) Shall not have expenditures greater than revenues unless the Board has specifically directed otherwise;
 - c) Shall provide the Board with a consolidated presentation of expected revenues and expenditures for the year;
 - d) Shall only be materially amended in-year with Board approval, except where in-year initiatives generate new revenue.

- 1.1.5. The College is to safeguard the funds it receives by exercising due diligence to satisfy itself of the financial soundness of the institution it utilizes for banking and investment purposes.
- 1.1.6. The Board shall approve an investment policy to guide its investment activities.

1.2. **Financial Reporting**

- 1.2.1. The President shall develop an annual report, including a copy of the audited financial statements and the Strategic Mandate Agreement report-back, to report on achievement of the operational outcomes established in the business plan and on the financial performance of the College.
- 1.2.2. The annual report shall be submitted to the Board for approval no later than June of each year.
- 1.2.3. The President shall submit the approved annual report to the Ministry in accordance with policy directives and operating procedures issued under OCAATA and the Directive on Governance and Accountability Framework.

1.3. **Financial Management**

- 1.3.1. The President shall report to the Board, through its Audit and Finance Committee between October and May, on year-to-date revenues and expenditures and on any variances to revenues and expenditures approved in the annual budget.
- 1.3.2. Over the course of each fiscal year, and unless otherwise directed by the Board, the President shall:
 - a) Ensure the college's financial plans (budget) and position (audited financial statements) are compliant with all legislation, regulations or policy directives governing colleges; and
 - b) Strive to balance the budget every year.

If it appears that a college will not balance its budget and an accumulated deficit will occur the Board shall seek the Minister's approval. (O. Reg. 34/03, Section 9(2))

1.4. **Asset Management and Real Property Transactions**

- 1.4.1. The President shall ensure that College assets are secured, protected and adequately maintained, by:

- a) Ensuring the College has appropriate financial controls and procedures; and
 - b) Ensuring that purchases, including services, are made in accordance with sound purchasing practices that meet provincial policy standards (*Broader Public Sector Accountability Act, 2010*).
- 1.4.2. Ensuring that funds not required for immediate use are invested in a manner which complies with Directives; minimizes the College's investment risk exposure; and provides a reasonable rate of return for the College.
- 1.4.3. The President shall:
- a) Obtain prior formal approval of the Board by resolution for the purchase, sale or encumbrance of College real property and/or facilities.
 - b) Utilize the proceeds from the sale or encumbrance of College property acquired with provincial support, in a manner consistent with policy directives issued under OCAATA and the Directive on Proceeds from Sale or Encumbrance of College Property.
 - c) Use restricted funds only in compliance with their stated purpose, and applicable statutes and regulatory requirements.
 - d) Obtain prior formal approval of the Board by resolution to use reserved funds.

2. MONITORING

- 2.1. The Board shall review and approve a minimum of once per annum an investment performance report.
- 2.2. The Chief Financial Officer shall annually provide a signed statement that the College is in compliance with relevant legislative requirements in force; and in compliance with OCAATA and the Directives on Banking, Investments and Borrowing and Proceeds from Sale or Encumbrance of College Property.
- 2.3. The President shall annually provide a monitoring report which confirms compliance with this policy on Financial Matters.

3. RELATED LEGISLATION, MINISTER'S BINDING POLICY DIRECTIVES AND OTHER DOCUMENTS

- 3.1. *Broader Public Sector Accountability Act, 2010*
- 3.2. Durham College By-Law No. 1

- 3.3. Finance and Administration Directive on Banking, Investments and Borrowing
- 3.4. Finance and Administration Directive on Proceeds from Sale or Encumbrance of College Property
- 3.5. Directive on Governance and Accountability Framework
 - 3.5.1. Business Plan Operating Procedure
 - 3.5.2. Annual Report Operating Procedure
 - 3.5.3. Audited Financial Statements Operating Procedure
- 3.6. *Ontario College of Applied Arts and Technology Act, 2002* and Ontario Regulation 34/03