

# LOYALIST COLLEGE

## Board of Governors Policy

<b>D3</b>	<b>D. Executive Limitations D3. FINANCIAL MATTERS</b>
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**Date Last Approved:**

**Next Review Date:** 2022

**NEW:** September 2019

### Background

The Board of Governors is responsible for the overall financial integrity of the College, consistent with the College's vision, mission and strategic plan. This policy outlines the Board directives regarding an acceptable financial condition for the College and establishes specific limitations on the President's authority in these matters.

### Policy

#### Financial Management

1. With respect to actual ongoing financial condition and activities, the President shall not allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in its Outcomes policies.
2. More specifically, the President shall not permit:
  - a) Indebtedness greater than the amount approved by the Board of Governors;
  - b) Acquisitions or disposal of real property without prior approval by the Board of Governors;
  - c) The use of restricted funds that fail to comply with their stated purpose, applicable statutes and regulatory requirements;
  - d) Financial practices that fail to comply with the binding policy directives and operating procedures identified within the MTCU's CAAT Policy Framework; and/or
  - e) The College's financial condition to be non-compliant with any legislation or regulations governing colleges.

### **Financial Planning**

3. The President shall develop and submit for approval an annual Business Plan in compliance with policy directives under the *OCAAT Act*. The Business Plan shall include the operational outcomes for the coming fiscal year based on the College's Strategic Plan aligned with budgetary resources allocated for the year in the annual budget and submitted to the Board for approval.
4. The President shall develop and submit for approval an annual budget that complies with applicable regulations and policy directives issued under the *OCAAT Act*.
5. The President shall to submit the Board-approved Business Plan and audited financial statements to the Ministry within 90 days after the end of each fiscal year in accordance with policy directives issued under the *OCAAT Act*.

### **Financial Reporting**

6. At the end of each fiscal year, the President shall not fail to prepare and submit to the Board an Annual Report on the advancement of the operational outcomes for the previous year's Business Plan and audited financial statements.
7. The President shall not fail to submit the Board-approved Annual Report, including audited financial statements to the Ministry within 90 days after the end of each fiscal year in accordance with policy directives issued under the *OCAAT Act*.

### **Financial Delegation of Authority**

8. The Board has delegated financial signing authority to the President under \$1.5 M dollars.
9. The President, on behalf of the Board of Governors, has delegated financial signing authority to senior executives of the College and is responsible for ensuring that those executives use their authority in a manner consistent the relevant legislation, Ministry directives and internal policies.

### **Monitoring**

The President and the Senior Vice President Corporate Services & Chief Financial Officer will verify in writing annually that no financial practice, activity, decision or organizational circumstance that is unlawful, imprudent or in violation of commonly accepted business and professional ethics has been caused or knowingly permitted.

### **Related Materials**

*Broader Public Sector Accountability Act*