



<b>Title</b>	Operating Budget Contingency Policy
<b>Policy Area</b>	Operations- Finance
<b>Policy Number</b> <i>(to be assigned by Information Services)</i>	E.1.4
<b>See also</b> <i>(related policies)</i>	

<b>Effective Date of Policy:</b>	March 28, 2007
<b>Approval Date:</b>	March 27, 2007
<b>Applies to:</b>	Board of Governors, Employees
<b>Approving Body:</b>	Board of Governors
<b>Supersedes/New:</b>	New
<b>Authority</b>	<i>College and Institute Act</i>

The following are responsible for the administration of this policy,

<b>Primary Office</b>	<b>Contact</b>
Office of the Vice-President, Employee and Corporate Services	Vice President, Employee and Corporate Services

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<b>Policy Statement</b>
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- 1.0 The operating budget contingency shall be an annual budget allocation that provides the College Executive with the ability to react within the approved budget to changed or unforeseen circumstances in institutional operations that arise in the course of a fiscal year.

<b>Policy Details</b>
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- 2.0
- a) The operating budget contingency shall be an annual budget allocation and will not accumulate and carry forward from year to year;

- b) The operating contingency will be part of the operating fund;
- c) Provision for this contingency will be established through the annual budget process each year starting at the current amount of \$250,000 with the ability to move the amount to 0.5% of the operating budget if it is deemed that a larger operating contingency is required in a given budget year;
- d) Allocations from this operating contingency would require the approval of the College Executive but would not require further approval from the Board of Governors.

### **Procedures**

3.0 Requests for use of this contingency will be forwarded to the Executive through the appropriate Vice-President on a "Request for Use of Operating Contingency" form which outlines the amount requested, the reason for the request, the person or group requesting the allocation. Each request will be approved by the Executive on a case by case basis. Because these requests will arise due to changed or unforeseen circumstances each situation will need to be addressed on its own merit.

4.0 This contingency will not be used for requests that could reasonably be dealt with through the annual budget process.

5.0 On an annual basis the Executive will provide a report to the Finance Committee of the Board on how the operating contingency was used and identify whether an increase to the contingency amount is required in the next budget.