
Cost Shared Agreements

Policy Number:	2327
Key Process Area:	Finance
Owner:	VP FA
Current Approved Date:	Nov 29, 2020

POLICY STATEMENT

To be determined.

PURPOSE

The objective of this policy is to ensure that adequate controls exist over the claiming, recording, and collecting of cost-shared agreements.

This policy outlines the special requirements concerning the accounting and control of receivables arising from cost-sharing agreements.

SCOPE AND LIMITATIONS

This policy applies to all of NBCC. Similar records and procedures to those used for other receivables should be used for receivables relating to cost-sharing agreements. Supplementary records and procedures may be required according to the circumstances, statutory authorities and agreements giving rise to each specific receivable.

1.0 DEFINITIONS

Not applicable.

2.0 IMPLEMENTATION

2.1 Cost Shared Agreements

Cost shared agreements include those between NBCC, the Government of Canada, the Province of New Brunswick, or their agencies, and other public or private entities which provide for the payment of monies based on expenditures made by NBCC in support of their various programs. The format, content and frequency of these claims are usually set by the terms of the specific agreement, as are the federal and provincial authorization and audit requirements.

2.2 General Requirements

2.2.1 Cost shared agreements or amendments

- a) Primary responsibility for the proposal, implementation, reporting and resolution (i.e. close-out) of each cost shared agreement shall be clearly assigned to a single department of NBCC.
- b) The approval and signature of cost shared agreements, and subsequent amendments, are subject to the General By-Laws of New Brunswick Community College, Board of Governors Policy IV.B.1B (commonly referred to as Board Executive Limitations) and NBCC's signing and spending authority as may be set and amended from time-to-time.

- c) During negotiation of cost shared agreements, financial aspects including advances, claim procedures, payment procedures, procedures relating to certification of claims and audit requirements should be referred to the Vice-President Finance & Administration or designate for comment before being finalized.
- d) Once approved, a signed copy of every cost shared agreement shall be subject to NBCC's storage, retention and archival best practices as recommended by NBCC's records information management and risk management practices as set and amended from time-to-time.
- e) Where formal agreements do not exist for a specific program, copies of supporting documentation, such as letters of intent or other documents, must be filed reviewed and approved in accordance with the General By-Laws of New Brunswick Community College, Board of Governors Policy IV.B.1B (commonly referred to as Board Executive Limitations) and NBCC's signing and spending authority as may be set and amended from time-to-time as if such documentation were an formal cost shared agreement.
- f) Subject to the terms of an approved formal agreement or where formal agreement does not exist:
 - i. Claims should be submitted quarterly at a minimum, with monthly claims being preferable
 - ii. Advances and/or interim claims, to be covered off by audited claims at a later date, should be utilized wherever possible

2.2.2 Claims related to cost shared agreements or amendments

- a) Primary responsibility for ensuring that all eligible costs are included in claims, that claims are submitted on a timely basis, and that payments are received within a reasonable time rests with the department having primary responsibility for each cost shared agreement. The department having primary responsibility shall be responsible for preparing the claim.
- b) The approval and signature of claims related to cost shared agreements and subsequent amendments, are subject to the General By-Laws of New Brunswick Community College, Board of Governors Policy IV.B.1B (commonly referred to as Board Executive Limitations) and NBCC's signing and spending authority as may be set and amended from time-to-time.
- c) All approved claims for payment of monies, supported by documentation, shall be submitted to NBCC's Accounts Receivable Office for formal invoicing and recognition of a General Accounts Receivable. Such claims will be included in NBCC's records information management as set and amended from time to time.

3.0 OTHER RELATED DOCUMENTS

Financial Administration Act Section 5(1)(a)