

---

## Budget Development Framework

---

|                        |               |
|------------------------|---------------|
| Policy Number:         | 2501          |
| Key Process Area:      | Finance       |
| Owner:                 | VP FA         |
| Current Approved Date: | July 09, 2020 |

---

### **POLICY STATEMENT**

A budget development framework is intended to provide New Brunswick Community College (NBCC) stakeholders with information about the context within which NBCC's budget is developed as well as a description of related communication, information gathering, and decision-making processes.

### **PURPOSE**

The President/CEO is ultimately responsible to the Board of Governors for leading the College in appropriate financial management, fiscal accountability, a system of internal controls, as well as resource allocation and planning processes for the College.

The President relies on expertise and stewardship from the Senior Executive Team (SET), College Budget Managers and Trusted Support Persons throughout NBCC as well as support from Team Finance in discharging these responsibilities.

### **SCOPE AND LIMITATIONS**

Applies to Budget Managers and Trusted Support Persons.

### **1.0 DEFINITIONS**

#### **Budget Manager**

- NBCC personnel specifically accountable for the ongoing management of a single or a collection of departmental budgets (as denoted by specific ORACLE coding). Budget Managers may include Task Managers (e.g. function managers), Option Managers (e.g. Academic Chairs, Directors) and ORG Managers (e.g. Deans of Schools and members of College senior management).

#### **Trusted Support Person**

- NBCC personnel delegated a support role by a Budget Manager.

### **2.0 IMPLEMENTATION**

#### **2.1 Key Budget Assumptions**

- 2.1.1** NBCC's draft Business Plan annually includes certain key assumptions in order to formulate recommendations to Government.
- 2.1.2** Key Assumptions contained within the Business Plan shall be, wherever possible:
  - 2.1.2.1** Developed consultatively with College leadership; and,
  - 2.1.2.2** Maintained as part of Senior Executive Team's recommendation to Audit Committee and the Board of Governors for approval.
- 2.1.3** These assumptions may be adjusted as Government informs NBCC or as other new information comes to light.
- 2.1.4** Key assumptions include but are not limited to:

- Operating grant;
- Domestic Tuition;
- Supplementary International Fee;
- Training Capacity;
- Enrollment;
- Staffing;
- Differentiated inflationary adjustments;
- Net contributions (targets) related to-
  - Apprenticeship;
  - Contract Training;
  - Applied Research & Innovation;
  - Other cost-recovery activities (e.g. bookstore, cafeteria, print shop).

## 2.2 Guiding Principles

- 2.2.1** Alignment with NBCC's Strategic Commitments, Priorities and Values - resources are allocated to highest priorities of the College as defined by our Strategic and Operational Plan.
- 2.2.2** Inclusion and Encouragement of Innovative Ideas from key stakeholders in the budget development process.
- 2.2.3** Long-Term Planning with a Focus on Financial Sustainability incorporating multi-year academic plans, multi-year financial forecasts and a consistent reporting format facilitating year-to-year comparisons.
- 2.2.4** Maximizing Flexibility wherever possible so that some resources can be allocated and redeployed to changing priorities and or unforeseen requirements (e.g. contingencies).
- 2.2.5** Responsibility and Accountability is clearly assigned to budget managers and tools are provided to those budget managers which facilitate access, input, monitoring and review of those accountabilities.
- 2.2.6** Checks and Balances Important elements in NBCC's budget control framework include:
- 2.2.6.1** A balanced budget will be presented to the Board;
- 2.2.6.2** Fiscal conservatism with regard to budget (and in-year forecasting) assumptions in order to mitigate risks related to fiscal sustainability;
- 2.2.6.3** Fiscal sustainability with regard to new one-time costs. Incremental one-time or term costs may be supported by matching one-time or term funding or ongoing funding. Note that one-time or term funding may only support one-time or term costs;
- 2.2.6.4** Fiscal sustainability with regard to new ongoing costs. Incremental ongoing positions must be supported by an ongoing source of funding whether new or through redeployment of existing funding; and,
- 2.2.6.5** Consideration of risks identified within the College's risk registry, along with mitigating measures, in the development of ongoing budgets and one-time projects. New ongoing or one-time activities shall be considered within the context of the College's risk framework.

- 2.2.7** Ongoing Learning and Adjustments by consultative reviews of historical budget allocations to our regions, units, programs and non-instructional services for reasonableness, efficiency, effectiveness as well as alignment with our Strategic Commitments, Priorities and Values. Learnings from these reviews will be incorporated to the extent possible in future budgets.

## **2.3 Budget Principles**

- 2.3.1** Specific budget principles may be provided which document and provide additional clarity with regard to the implementation of these Guiding Principles.

## **3.0 OTHER RELATED DOCUMENTS**

Role of a Budget Manager (2501.4811)  
Contingency and Provisions (2501.4812)  
Financial Impact of Cost-Recovery Activity (2501.4813)  
Financial Impact of Position Management (2501.4814)  
In-Year Savings (2501.4815)