
In-Year Savings

BUDGET PRINCIPLE

New Brunswick Community College (NBCC)'s budget framework commits the College to 'ongoing learning and adjustments' by consultative reviews of historical budget allocations. Reviews need not be limited to NBCC's annual budget processes and learnings from in-year quarterly or other reviews need not wait until year-end to be acted upon.

PURPOSE

To provide clarity with regard to roles, responsibilities, and disposition of in-year savings.

SCOPE AND LIMITATIONS

- Does not apply to ancillary activities.
- Does not apply to non-ancillary activities (i.e. operating budget activities) which are 100% recovered from restricted (internally or externally) revenues.
- Applies to salary and non-salary savings (both program-related and non-program-related).

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.

Salary Savings

- savings in continuing, term, casual or other payroll including related benefit costs where the amounts will not be spent in the manner expected.

Non-Salary Savings

- savings in any category other than continuing, term, casual or other payroll including related benefit costs. Non-salary may include program-related savings (associated with the standard non-salary per student granted during the annual budget process) and non-program-related savings.

One-Time Savings

- where amounts will not be spent in the manner expected in the current fiscal year (i.e. budget), these are considered one-time ("1X") salary savings.

Ongoing Savings

- where the effect of one-time savings extends into two or more fiscal years, these are considered ongoing savings. Examples of ongoing savings include "stood down" programs or permanent surrender of a position.

2.0 IMPLEMENTATION

2.1 Role and Responsibilities

- 2.1.1 Finance & Administration (i.e. Team Finance) shall provide access to financial information to Budget Managers in order to facilitate their review of budgets within their accountability. Financial information includes but is not limited to ad-hoc reporting using the Financial Reporting Tool portal and static reports (e.g. salary variance reports).
- 2.1.2 Budget Managers shall review their budgets on a timely, regular, and frequent basis and identify potential one-time or ongoing savings to Team Finance.
- 2.1.3 Budget Managers may also become aware of savings through day-to-day planning and operations. Team Finance shall be notified on a timely basis.
- 2.1.4 Finance & Administration (i.e. Director of Finance) shall be responsible for providing College senior management with an update with regard to the status (e.g. amount and extent of use) of savings on a quarterly basis.

2.2 Disposition

- 2.2.1 Potential one-time and ongoing savings shall be subject to the following:
 - 2.2.1.1 Salary savings shall be returned to the College for potential application to targets (i.e. provisions for planned savings utilized to balance the budget), redeployment to in-year cost overages elsewhere in the College, or items of strategic or operational priority. Salary savings are often identified by the Budget Manager as a result of day-to-day planning and operations. They may also be identified by Budget Managers and Team Finance as a result of monthly and/or quarterly variance analysis at a position-by-position level.
 - 2.2.1.2 Program-related non-salary shall be returned to the College for potential redeployment to cost overages elsewhere in the College, or items of strategic or operational priority. They may be identified by Budget Managers and Team Finance as a result of academic in-year decision making (e.g. suspensions, stand-downs), updates of enrollment starts as well as monthly and/or quarterly variance analysis.
 - 2.2.1.3 Other non-salary shall be returned to the College for potential redeployment to cost overages elsewhere in the College, or items of strategic or operational priority as they become available. They may be identified by Budget Managers and Team Finance as a result of academic in-year decision making (e.g. suspensions, stand-downs), updates of enrollment starts as well as monthly and/or quarterly variance analysis.
- 2.2.2 Budget Managers shall identify potential one-time and ongoing savings at the earliest date possible in order to facilitate Team Finance's accurate forecasting to Senior Executive Team and the Board of the College's financial position at the end of each fiscal quarter and year-end.
- 2.2.3 Where otherwise unspecified, savings shall be deployed in the following priority:

- 2.2.3.1** Program-related non-salary shall, in consultation with Academic and Research, be retained for redeployment to other program-related items until the fiscal year end.
- 2.2.3.2** Salary savings shall be deployed/redeployed to:
 - 2.2.3.2.1** Applicable targets, in an amount equivalent to 1 month deferral of any related backfill of position from which the savings occurred;
 - 2.2.3.2.2** Cost items related to the savings transaction, e.g. backfill of positions from which savings occurred;
 - 2.2.3.2.3** Strategic or operational priorities; and,
 - 2.2.3.2.4** Accumulation as part of the year-end Excess (Deficiency) of Revenue over Expense, i.e. 'bottom-line'.
- 2.2.3.3** All other savings shall be deployed/redeployed to:
 - 2.2.3.3.1** Cost items related to the savings transaction;
 - 2.2.3.3.2** Strategic or operational priorities; and,
 - 2.2.3.3.3** Accumulation as part of the year-end Excess (Deficiency) of Revenue over Expense, i.e. 'bottom-line'.

2.3 Request for Return

- 2.3.1** Budget Managers may make written request to access savings in the format specified by Finance & Administration as may be updated from time-to-time.
- 2.3.2** Requests should be submitted prior to incurring any related expense or expenditure.
- 2.3.3** Requests to must be complete and accurate including approvals.
- 2.3.4** Requests for less than \$10,000 shall be approved by supervising ORG Manager. Requests for \$10,000 or more shall be approved by the supervising member of College senior management (e.g. Vice-President or President).
- 2.3.5** Requests not meeting the criteria outlined in s.2.3.1 through 2.2.4 may not be considered.
- 2.3.6** Approved Requests shall be submitted to Finance & Administration (i.e. Director of Finance).
- 2.3.7** The Director of Finance may approve funding of Requests less than \$10,000. Requests of \$10,000 or more shall be approved by the Vice-President Finance & Administration.
- 2.3.8** The Director of Finance shall notify the requesting budget manager of decisions related to their request on a timely basis.
- 2.3.9** Finance & Administration (Team Budget & Reporting) shall transfer budget to offset the expense/expenditure within the requesting budget manager's accounts via entry. The amount transferred shall be the lesser of amount requested and actual expense/expenditure.