



**HERITAGE COLLEGE
POLICY #1**

**CONCERNING
FINANCIAL MANAGEMENT**

COMING INTO FORCE: October 11, 1988
REVISED: February 18, 2003
ADMINISTRATOR: Director of Administrative Services/Comptroller

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Preamble¹

The present policy is established in accordance with the mission statement of the College, which, in part, states that Heritage College “provides educational opportunity, services and facilities to accomplish ... [its] mission ... through the responsible management of its financial and personnel resources.”

ARTICLE 1

Purpose

The purpose of this policy is to provide direction governing the responsible management of the financial matters of the College as prescribed by government regulations.

It also ensures transparency and integrity concerning said financial matters.

ARTICLE 2

Application

This policy applies to all aspects of the budgetary and financial operations of the College and all personnel responsible for the management thereof.

ARTICLE 3

Provisions

3.1 Budget Operations

3.1.1 Budget Development

In accordance with article 26.1 of the Act, the College shall develop and adopt budgets for the ensuing fiscal year.

The present policy recognizes, however, that budgeting is a planning tool which does not exclude the possibility of later modifying the approved allocations of funds.

¹ See the Glossary for definitions of frequently-used terms.

3.1.2 Budget Revision

The College undertakes a budget revision each fiscal year, six months after the beginning of that year. The Board will be informed of the results of this revision process at its regular February meeting.

Under exceptional circumstances, however, the Executive Committee can by resolution authorize the College to forego the budget revision process in a particular fiscal year.

3.1.3 Financial Reports

In accordance with article 27 of the Act, each fiscal year, the College shall forward to the Minister its financial statements together with the financial reports required by the Minister and the report of the external auditor².

3.2 Budget Management

3.2.1 List of Individuals Authorized to Sign for Budgetary Purposes

Following the adoption of the budgets each year, and as necessary, the administrator responsible for Administrative Services/Comptroller submits to the Director General for approval a list of individuals authorized to sign for budgetary purposes. This list describes the areas of budgetary responsibility and identifies the names of the individuals who are delegated to manage each of these areas.

3.2.2 Budgetary Information Dissemination

Following their adoption by the Board of Governors, the budgets are communicated to the list of individuals described in article 3.2.1. Any additional modifications made to these

² Refer to article 26.3 of the Act.

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budgets are also communicated to these individuals.

Moreover, on a monthly basis, the administrator responsible for Administrative Services/Comptroller shall make available to each of these individuals the financial data relating to their respective budgets.

3.2.3 Day-to-Day Budget Management

Control and administration of the overall budgetary operations of the College are assured by the Director General in accordance with article 3.4.1 of Bylaw #1 concerning the General Administration of Heritage College and, by delegation, by the administrator responsible for Administrative Services/Comptroller, and by the administrator responsible for Human Resources for all forms of payment relating to employee salaries and benefits.

The budget management of the various College services and departments, however, is assumed by the administrators responsible for them or, where applicable and under the authority of said administrators, by the individuals with budgetary responsibility within these services and departments as prescribed in article 3.2.1 of the present policy.

3.2.4 Financial Transactions Relating to Goods and Services

Any financial transaction concerning the purchase, sale, rental or lease of goods or services must not exceed the limits of the approved budgetary envelopes and must be documented and negotiated in accordance with the purchasing policy of the College.

3.2.5 Budget Transfers

As long as the approved global envelope of the operational and capital budgets is respected, and the

provisions of the regulations in effect and the priorities established for budget development are taken into account, budget transfers can be made within a fiscal year.

3.2.6 Personal Responsibility

Any expense or commitment involving funds not provided for in the approved budgets nor specifically authorized in accordance with the present policy shall be the personal responsibility of any person who incurred or allowed such expense or commitment. The College shall not be obliged to honour such expense or commitment unless it was approved in advance by a person duly authorized to do so by the Board or Executive Committee.

3.2.7 Verification and Control

Financial transactions must be carried out on appropriate forms bearing the signature of the appropriate individual authorized under article 3.2.1 of the present policy.

The administrator responsible for Administrative Services/Comptroller (or a delegate) shall be informed of all approved financial transactions in order to control budgets and expenditures of the College.

The administrator responsible for Administrative Services/Comptroller (or a delegate) may suspend any financial transaction which does not appear to be in accordance with the present policy.

3.3 Signing Officers for Financial Matters

3.3.1 Financial Transactions

Any note, draft, money order, cheque or other order to pay which requires the signature of the College shall be signed manually or by signing machine and, in both cases, the joint

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signatures of the following officers shall be required: the Director General and either the Chairperson of the Board or the administrator responsible for Administrative Services/Comptroller.

The same conditions apply to temporary bank borrowings made within the line of credit granted to the College by the Minister.

3.3.2 Salaries

Any requisition for a cheque or other instrument of payment issued for salaries must be authorized by the administrator responsible for Human Resources.

3.3.3 Emergencies

If an emergency arises and all of the persons designated in the present policy for the approval of a given transaction are absent, any two administrators of the College acting jointly shall be mandated in such event to authorize such transaction and shall so advise the persons designated as soon as possible.

ARTICLE 4

Roles and Responsibilities

4.1 Board of Governors

The Board shall adopt the budgets developed by the College for the ensuing fiscal year. These shall be submitted to the Minister in accordance with article 26.1 of the Act.

Each fiscal year, the financial statements of the College, the financial reports required by the Minister and the external auditor's report thereon shall be submitted to the Board for approval.

4.2 Director General

The Director General shall be responsible for the overall management of the budgetary operations of the College.

4.3 Administrator Responsible for Administrative Services/Comptroller

The administrator responsible for Administrative Services/ Comptroller shall be responsible to ensure that the regular College budgetary operations respect the provisions of all applicable laws, regulations, College bylaws and policies.

4.4 Administrator Responsible for Human Resources

The administrator responsible for Human Resources shall be responsible to ensure that budgetary operations related to salaries and benefits respect the provisions of all applicable laws, regulations, College bylaws and policies.

4.5 Administrators

Each administrator responsible for a College service shall be responsible for the management of that service's budgetary operations.

ARTICLE 5

Revision

This policy will be reviewed at least every three (3) years, or when deemed necessary by Ministry requirements or by the Board.

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Glossary

Administrator: a senior executive or senior staff member of Heritage College.

**The Allotment
of the Balance
of Funds:**

The allotment of the balance of funds refers to money transferred from the accumulated budget surpluses and committed to cover special expenditures which cannot be satisfied from ordinary funding entitlements and authorities.

Budget:

Budget refers to a planning document outlining anticipated revenues and expenses for the activities projected by the College over the course of a fiscal year, and includes operational, capital and allotment of the balance of funds.

Budget

Surplus:

A budget surplus is the result of an excess of revenue over expenditure in the operating budget at the end of a fiscal year.

Capital

Budget:

The capital budget is intended to cover capital expenditures expected to be completed within one fiscal year.

Fiscal Year:

A fiscal year shall be the period which corresponds to the academic year, namely from July 1 to June 30.

Operating

Budget:

The operating budget is intended to cover operations expected to be completed within one fiscal year.

Senior

Executive:

the Director General or the Academic Dean as stipulated in the *Regulation respecting Certain Conditions of Employment of Senior Executives of General and Vocational Colleges*.

Senior Staff

Member:

any person who is a member of the management staff within the meaning of the *Regulation respecting Certain Conditions of Employment of Senior Staff of General and Vocational Colleges*.

The Act:

General and Vocational Colleges Act (R.S.Q., c. C-29, s.18; 1993, c.25, s. 11) Revised edition.

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Related Document(s)

This document is to be used in conjunction with:

- *General and Vocational Colleges Act (R.S.Q., c. C-29, s.18; 1993, c.25, s. 11) Revised edition.*³
- *College Education Regulations (R.S.Q., c. C-29, s.18; 1993, c.25, s. 11) Revised edition.*⁴
- *Heritage College Policy #30 concerning Purchasing.*⁵
- *Heritage College Policy #31 concerning the Allotment of the Balance of Funds.*⁶
- *Heritage College Policy #32 concerning Auditing.*⁷

³ Copies of this document are available from the Director General's office.

⁴ Ibid.

⁵ Ibid.

⁶ Under development.

⁷ Ibid.