



NUMBER **EL 30**

TITLE **FINANCIAL CONDITION**

BOARD OF GOVERNORS POLICY

APPROVAL DATE February 23, 2021

NEXT REVIEW November 15, 2025

The President will not allow the financial conditions of Selkirk College at any time to incur fiscal jeopardy or compromise the Board's policies. The principles of public transparency and accountability shall be paramount in determining the appropriateness of procedures.

The President may not:

1. As per the College and Institutes Act expend more funds than have been received in the fiscal year:

Limitation on Expenditures Section 31 (1.1) An institution must not incur a liability or make an expenditure in a fiscal year beyond the amount unexpended of the grant made to the institution by the government and the estimated revenue of the institution from other sources up to the end of, and including, that fiscal year, unless an estimate of the liability or expenditure has first been approved by the Minister of Finance and the minister.

2. Make any purchase or commit the organization to any expenditure of greater than \$100,000 that deviates from the approved Budget until such expenditure is approved by the Board.
3. Make any purchase that does not follow federal and provincial legislation, internal controls and best practices as it relates to the public sector.
4. Allow any statutory requirements or filings to be overdue or inaccurately filed.
5. As per the College and Institute Act, indebted the organization in an amount greater than can be repaid from anticipated revenues from all sources:

Short Term Borrowing Section 33 (1) An institution may borrow money to meet the expenditures of the institution until the revenues of the current fiscal year become available. (2) Money borrowed under subsection (1) together with accrued interest must be repaid out of current revenues and may be secured by promissory notes of the institution.

6. Allow a deficit in the combined ancillary services area.
7. Fail to advise the Board when the sum of all cash and investments fall below \$250,000.
8. Fail to provide a detailed report to the Board describing the variance when a major budget category (i.e. operating budget or capital budget by project) exceeds \$100,000 or 10%, whichever is the lesser, from the approved Budget or when it is anticipated that the major budget category will exceed the above limits by year end or in the case of a capital project, by the end of the project.