



# Reporting on Over Budget Expenditures

Category:	Operations
Number:	
Audience:	All University Personnel
Last Revised:	January 25, 2015
Owner:	Vice President Finance and Administration
Approved by:	Board of Governors
Contact:	Senior Financial Officer (306) 790-5950 ext. 2405

## Introduction

The University requires that a balanced financial projection be prepared each year. The University does permit departmental and specific account deviations from the plan subject to certain protocols and the overall financial position of the University. To ensure that negative variances from the plan are properly communicated this policy covers the basic reporting requirements associated with them.

## Definitions

**Budget Document** - a package of information prepared annually by the Senior Financial Officer and ultimately approved by the Board of Governors that includes a summary commentary on the overall budget forecast, a breakdown of proposed expenditures with comparatives to the prior year and a description of all revenue sources either confirmed or projected.

**Department Head** - the senior responsible person or supervisor designated in each area of our operations who is primarily responsible for the preparation of the annual budget for their area and who is accountable for the resulting financial performance.

## Policy

Department heads may be allowed to exceed their budget allocations on an exception basis based on the following approval protocols:

1. To a maximum of \$25,000 with the written approval of the Senior Financial Officer;

2. To a maximum of \$100,000 with the written approval of the President; and
3. To any amount exceeding \$100,000 with the approval of the Board of Governors.
4. Capital budget cost over-runs to a maximum of \$25,000 can be approved by the Senior Financial Officer and over-runs to a maximum of \$100,000 can be approved by the President with subsequent reporting of such cost over-runs to the Board. Capital budget cost over-runs of more than \$100,000 require Board of Governors approval prior to incurring the cost over-run.

This policy covers the reporting required to document the approved deviations from the Budget Document.

## Consequences for Noncompliance

The Budget Document is a specifically approved plan that forms the basis of the University's operations for the year involved and is intended to guide and direct all operations. Variances from the plan are permitted subject to certain approval requirements as defined by policy. Failure to accurately and adequately report these approved variances could result in a lack of understanding of operational plans leading to confusion on expectations with senior University officials and the Board of Governors itself. For that reason, failure to properly request, report, or inaccurately reporting the approved variances may result in disciplinary action up to and including dismissal.

## Processes

The Senior Financial Officer will prepare a monthly report to the Executive Team and a quarterly report to the Board of Governors detailing the expenditures that exceeded the approved budget amount for each of the three categories of approved limits as defined in this policy. These reports will include reference to the department involved, the amount of the expenditure along with the nature and rationale for the expenditure.

## Related Information

- Budget Process Policy
- Procurement Policy
- Operating & Capital Budget
- Signing Authority Policy