

POLICY TYPE: OPERATIONAL BOUNDARIES

2-03 Financial Condition Policy

With respect to the ongoing financial health and condition of the COO, the Registrar, CEO shall not cause or allow the development of unnecessary financial risk, such that there would not be sufficient cash flow to meet obligations in the normal course of business. Further, the Registrar, CEO shall not cause or allow material deviation of expenditures from the Board priorities established in the Strategic Outcomes Policies.

Accordingly, the Registrar, CEO shall not:

Financial position

1. Finish the fiscal year in an annual operating deficit with expenditures that exceed revenues without prior approval of the Board.

Expenditure

8. End the fiscal year without sufficient liquidity to operate in the next year.
9. Make a single unbudgeted purchase or commitment of greater than \$30,000 without prior Board approval. Splitting orders to avoid this limit is not acceptable.
10. Deviate from the overall budget in any quarter by more than twenty-five percent (25%) without prior Board approval unless the financial plan for the remainder of the year is adjusted to address the deviation by year-end.
11. Receive, process, or disburse funds under controls which are insufficient to meet the Board-appointed auditor's standards.

Debt

12. Borrow from a financial institution without prior Board approval.
13. Without prior Board approval, indebted the organization by an amount greater than can be repaid by unencumbered revenues within 90 days or by the end of the fiscal year (whichever comes first).
14. Loan COO funds to any party.

Reserve Funds

15. Use internally restricted funds for purposes other than those designated in the budget, e.g.funding for sexual abuse therapy may not be allocated to other budget line items, such as investigations. (See Reserves Policy, 2-07).
16. Fail to ensure that reserves are maintained as per the Reserves Policy.

Payables and Receivables

17. Allow payroll, source deductions or other government payments to be overdue.
18. Fail to pay other accounts payable in a timely manner and according to the terms of any contractual agreement.
19. Fail to employ reasonable measures to pursue receivables after a reasonable grace period.

Reporting

20. Fail to report on the financial condition of the College to the Board on a quarterly basis.