

# LOYALIST COLLEGE

## Board of Governors Policy

### 18. FINANCIAL MATTERS

**Date Last Approved:** May 29, 2025

**Next Review Date:** 2029

#### Background

In this policy, capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Definitions Schedule.

The Board is responsible for the overall financial integrity of the College, consistent with the College's vision, mission and strategic plan. This policy outlines the Board directives regarding an acceptable financial condition for the College and establishes specific limitations on the President's authority in these matters.

#### Policy / Procedure

##### Financial Management

1. With respect to actual ongoing financial condition and activities, the President shall not allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in its policies.
2. More specifically, the President shall not permit:
  - a) indebtedness greater than the amount approved by the Board;
  - b) the purchase, sale or encumbrance of any College property or facility in excess of \$100,000 without prior Board approval;
  - c) the proceeds from the sale or encumbrance of College property acquired with provincial support, to be utilized in a manner inconsistent with Policy Directives;
  - d) the use of restricted funds that fail to comply with their stated purpose, applicable statutes and regulatory requirements;
  - e) the use of reserve funds without prior Board approval;
  - f) at the end of each fiscal year, allow the College's financial condition to be non-compliant with any legislation, regulations or Policy Directives;
  - g) at the end of each fiscal year, allow the College to be in an accumulated deficit position, as defined in the Minister's "Governance and Accountability Framework" Policy Directive.

### **Financial Planning**

3. The President shall develop and submit for approval an annual business plan in compliance with Policy Directives. The business plan shall include the operational outcomes for the coming fiscal year based on the College's strategic plan, aligned with budgetary resources allocated for the year in the annual budget and submitted to the Board for approval.
4. The President shall develop and submit for approval an annual budget that complies with applicable regulations and Policy Directives. The annual budget shall not have expenditures greater than revenues and shall not have ancillary expenditures greater than ancillary revenue.
5. The President shall submit the Board-approved business plan and audited financial statements to the Ministry by June 30<sup>th</sup> of each year in accordance with Policy Directives.
6. The President shall ensure that the business plan is made available to the public, including by posting it on the College's website and by allowing people who do not have internet access to obtain the plan at no cost. Complete copies of the business plan are to be provided to the College Compensation and Appointments Council and to the Higher Education Quality Council of Ontario.

### **Financial Reporting**

1. At the end of each fiscal year, the President shall not fail to prepare and submit to the Board an annual report on the advancement of the operational outcomes for the previous year's business plan and audited financial statements.
2. The President shall not fail to submit the Board-approved annual report, including audited financial statements to the Ministry by June 30<sup>th</sup> of each year in accordance with Policy Directives.

### **Financial Delegation of Authority**

1. The Board has delegated financial signing authority to the President to align with Section 28 of the *Financial Administration Act*.
2. The President, on behalf of the Board, has delegated financial signing authority to senior executives of the College and is responsible for ensuring that those executives use their authority in a manner consistent the relevant legislation, Ministry directives and internal policies.

## Monitoring

The President and the Senior Vice President Corporate Services & Chief Financial Officer will verify in writing annually that no financial practice, activity, decision or organizational circumstance that is unlawful, imprudent or in violation of commonly accepted business and professional ethics has been caused or knowingly permitted.

## Related Materials

*Broader Public Sector Accountability Act, 2010*, S.O. 2010, c. 25 <https://www.ontario.ca/laws/statute/10b25>

*Financial Administration Act*, R.S.O. 1990, c. F.12 <https://www.ontario.ca/laws/statute/90f12#BK85>

Ministry of Colleges and Universities, “Governance and Accountability Framework” - 2010  
<https://www.ontario.ca/page/governance-and-accountability-policy-directive-colleges-applied-arts-and-technology>

Ministry of Colleges and Universities, “Proceeds from Sale or Encumbrance of College Property” - 2003  
<https://www.tcu.gov.on.ca/pepg/documents/ProceedsfromSaleofProperty.pdf>