



OPERATING AND CAPITAL BUDGET APPROVAL POLICY AND PROCEDURE

1 May 2016

USC Council and Board of Directors

OBJECTIVE

To set general policies and procedures for the annual approval of the USC Operating and Capital Budgets, and for any in-year adjustments to the approved budgets.

GENERAL POLICIES

1. The USC shall maintain a 3-year Operating Budget and a 10-year Capital Budget, both of which shall be updated on an annual basis to ensure they continue to reflect current needs.
2. The President and General Manager and their delegates shall be responsible for creating the Operating and Capital Budgets. The budgets shall balance the annual priorities of the Executive Officers and the Council with the long-term direction established within the USC Long-Term Plan.
3. The Council and the Board of Directors shall both consider and approve the Operating and Capital Budgets
 - a. The Board shall approve the entire budget, but shall be primarily responsible for reviewing the corporate and capital budgets.
 - b. The Council shall approve the entire budget, but shall be primarily responsible for reviewing the president and vice president (PVP) budget.
 - c. Due to its fiduciary responsibility to the organization the Board shall have final approval of the budget document.
4. The approval process shall provide adequate time for Councillors and Directors to become informed on the contents of the budget document, and allow for enough opportunities to have a full dialogue with each other and with students.
5. If the Board and Council cannot agree on the budget, there shall be a dispute resolution process that resolves the impasse in a fair and expeditious manner so that the budget can be approved as per the timelines established by Western University's Board of Governors.
6. Provide flexibility to make in-year adjustments to the approved Operating and Capital Budgets in response to new priorities and emerging issues, while also ensuring transparency and appropriate oversight from the Board of Directors and Council when adjustments are required.

BUDGET PROCEDURES

1. Annual Operating and Capital Budget Approval Process

The annual budgetary process shall require:

- A presentation to the Board of Directors of an initial detailed budget for approval;



- A presentation to the Long-Term Plan and Budget Standing Committee of Council for recommendation to Council;
- A presentation to Council, whereby Council shall be given at least five (5) days to consider the budget and prepare amendments;
- A presentation to the Board of Directors where they shall have final authority to approve the budget;
 - Final approval by the Board shall only be required if the Council amended the budget previously approved by the Board;
 - The Board of Directors shall not approve a budget that is materially different from the budget approved by Council;
 - If the Board is unwilling to ratify amendments made by Council, the Board and Council shall enter into a resolution process as outlined in the **Council-Board of Directors Budget Dispute Resolution Procedure**;
- That the budget be approved no later than March 15th of each year.

2. Council-Board of Directors Budget Dispute Resolution Procedure

Dispute Resolution Process

In the event that the Board of Directors disagrees with budget amendments made by Council, the Board shall:

- Inform Council of its objection within twenty-four (24) hours;
 - The Board's written objection shall include their rationale for objecting to Council's amendments and recommendations to remedy the Board's concerns;
- The Chair of the Budget Taskforce shall call and hold a meeting within twenty-four (24) hours of receiving notification from the Board;
 - The Taskforce shall consider the original budget put forth to Council by the Executive, amendments made by the Council and the objections and recommendations of the Board;
 - The Taskforce shall also have access to the Executive, General Manager and her designates and any other expertise as it deems necessary to arrive at a decision.



- The Taskforce shall render a binding decision regarding the annual budget for submission to the Board of Governors.

Taskforce Composition

- The Budget Taskforce shall be established before the fourth (4th) meeting of the Council.
- The composition shall be:
 - The USC President, ex-officio, voting (Chair)
 - Four (4) Ordinary Members, which shall include the LTPB Chair, voting
 - Four (4) members of the Board of Directors, voting, and
 - The Secretary-Treasurer, ex-officio, non-voting.

In-year adjustments: Approved Operating and Capital Budgets

The USC Board of Directors shall receive regular, quarterly financial updates. During such updates recommendations may come forward to adjust the Operating or Capital budget in response to emerging needs or current financial realities.

The procedure for approving budget adjustments shall be:

- The Board may approve budget adjustments when considering a quarterly financial update, or outside of a quarterly update in an emergency situation;
- The Chair of Council's Long-Term Plan and Budget Committee shall be informed within twenty-four hours (24) of adjustments approved by the Board, and the LTPB shall receive a report at its next meeting. The Committee shall inform Council of the adjustments as part of its regular reporting.
 - Adjustments related to personnel decisions are confidential in nature, and shall not be brought forward to the Council for its information.
- Upon receiving the LTPB report, a Councillor may make a motion objecting to the budget adjustment. If such a motion is approved by the Council, the Budget Taskforce shall be convened within twenty-four (24) hours to render a binding decision on the matter.

AMENDMENTS TO POLICY AND PROCEDURES

The Board of Directors and Council shall both approve amendments to any section of this Policy and Procedure, which shall require a $\frac{2}{3}$ majority from both bodies for approval.

