

Finances

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Authority:

Health Professions Act, sections 18; bylaws sections, 23, 24, 25, 26, 27

Background:

The Board must govern, control and administer the affairs of its College.

The Board appoints a Registrar to administer the affairs of the College in accordance with the legislation and the Board's policies. The Registrar may delegate certain day-to-day financial responsibilities to College staff, as appropriate.

Policy:

Budget:

1. The Registrar prepares and presents an annual budget to the Board for its approval, no later than 2 weeks before the beginning of the fiscal year. The budget includes estimates of revenues, expenses and capital expenditures.
2. To cover potential cost variances, the Registrar is authorized to spend amounts up to 104% of total expenses and 104% of total capital expenditures approved by the Board in the annual budget, without further Board approval, if and when necessary.
3. The College's financial results versus the approved budget are monitored monthly by the Registrar and Board Chair, quarterly by the Board and annually by the College's Auditor.

Financial Statements:

4. The Registrar submits the financial statement to the auditor within 45 days of the end of the fiscal year, as required in bylaw.
5. Once received from the auditor, the draft Audited Financial Statements are circulated to all Board members for review by a specified deadline. Questions are answered by the Registrar in consultation with the financial advisor, bookkeeper and/or auditor and relayed to the Board. If questions cannot be satisfactorily answered by email discussion, a teleconference meeting is immediately scheduled for clarification/ discussion and Board approval of the Audited Financial Statements. Once all questions are answered, an email ballot to approve the Audited Financial Statements is circulated to the Board.

6. Board approval is relayed to the auditors who add two Board Directors' names (in a computer font) to the finalized Audited Financial Statements and prepare hard copies for the Board meeting. An electronic copy is forwarded to the College.
7. The "signed" Audited Financial Statements are included in the Annual Report and made available publicly.

Investments:

8. The College maintains two types of investments:
 - Operating Funds
 - Restricted Funds.
9. The pattern of the College's annual collections and disbursements causes the College to maintain excess funds which are expected to be spent over the remainder of the fiscal year. These are deemed "Operating Funds". As these funds are expected to be spent over the balance of the fiscal year, Operating Fund investments are restricted to the following low risk securities:
 - (a) Obligations of the Government of Canada or guaranteed by the Government of Canada, specifically Treasury Bills.
 - (b) Obligations of a Canadian Chartered Bank, including investments such as Guaranteed Investment Certificates, term deposits and other interest bearing accounts.
 - (c) Obligations of other registered banks and credit unions in other jurisdictions, including investments such as Guaranteed Investment Certificates, fixed term deposits and other interest bearing securities.
 - The maximum investment term is not to exceed one year and the funds must be redeemable or cashable without penalty beyond the initial 60 days after investment.
10. The Registrar will authorize all additions to or withdrawals from Operating Fund investments, though the Registrar may delegate College staff to execute the authorized transactions.
11. The College will also maintain investments known as "Restricted Funds." The goal of the College is to maintain Restricted Funds of \$1 million. The funds may be utilized for:
 - Unexpected legal fees, hearing-related costs or related unforeseen expenses associated with discipline, complaint or inquiry issues.
 - Other major projects or capital expenditures that the Board deems to be of long-term strategic importance to the College.
12. The Board is responsible to, by resolution, authorize contributions to or withdrawals from the Restricted Funds. At the final Board meeting of the fiscal year, the Registrar provides a recommendation as to what amount, if any, should be contributed to Restricted Funds for the following fiscal year, in conjunction with the presentation of the proposed budget. The Board will assess the recommendation before making a final determination of a contribution authorization for the coming year.

13. The Registrar is responsible for overseeing the implementation of Restricted Fund investments and may delegate College staff to execute the authorized transactions as required. At the final Board meeting of the fiscal year, the Registrar will provide a recommendation as to target asset allocation for the following fiscal year. The Board will pass a resolution to authorize the asset allocation target for coming year.
14. Investment goals for the Restricted Funds are primarily the preservation of capital to ensure that any requirements are funded on a timely basis and secondarily the maximization of investment return. Investments may be characterized as (defined below):
 - Low-Risk Investments (minimum of 80% of total Restricted Funds)
 - Medium-Risk Investments (maximum of 20% of total Restricted Funds)
15. Low-Risk Investments for the Restricted Funds are defined as:
 - (a) Obligations of the Government of Canada or guaranteed by the Government of Canada, specifically Treasury Bills or Treasury Bonds.
 - (b) Obligations of a Canadian Chartered Bank, including investments such as Guaranteed Investment Certificates, term deposits and other interest bearing accounts.
 - (c) Obligations of other registered banks and credit unions in other jurisdictions, including investments such as Guaranteed Investment Certificates, fixed term deposits and other interest bearing securities.
 - The maximum investment term is not to exceed five years.
16. Medium-Risk Investments for the Restricted Funds are defined as:
 - (a) Obligations of the Government of Canada or guaranteed by the Government of Canada, specifically Treasury Bonds, with a term exceeding five years.
 - (b) Obligations of a Provincial Government in Canada or their agencies, specifically provincial government bonds, provided the bonds are rated as investment grade by the major bond rating agencies.
 - (c) Obligations of a Canadian corporation where the security is rated as investment grade by the major bond rating agencies.
 - (d) Investment funds holding securities included in (a), (b) and/or (c).
 - (e) Investment funds holding common shares in Canadian or foreign corporations. There may not be any currency risk in such funds. If foreign holdings are among fund assets, the fund must be currency-hedged to be considered an eligible investment. To avoid concentration risk, any fund must hold at a minimum shares in ten different companies.
17. A minimum of \$100,000 of Restricted Fund investment principal will be required to be available for redemption (without penalty or threat of investment loss) in any fiscal year to maintain liquidity for potential unforeseen requirements.