

BOARD POLICY NO. 7 – THE PRESIDENT & CEO PLANS AND REPORTS ON THE COLLEGE’S FINANCIAL ACTIVITIES

This document is the parent policy for any related board procedures. Questions regarding this policy are to be directed to the identified Policy Administrator.

Functional Category:	Board
Approval Date:	August 26, 2022
Effective Date:	August 26, 2022
Policy Owner:	Board of Governors
Policy Administrator:	Board Coordinator

Objective:

The Board delegates the financial management of NorQuest College to the President & CEO, within clear limits and with clear expectations that the President & CEO will take all necessary measures to mitigate risk and maintain control over the financial plans and activities of the college.

Under the President & CEO’s guidance, college employees follow policies and procedures that ensure prudent and responsible management of the college’s financial resources and its assets.

The President & CEO and college staff set and report on budgets and expenditures that are consistent with the college’s Strategic Plan and with generally accepted principles for planning and reporting on financial activity.

To fulfil our mandate of stewardship of the college’s resources, the Board delegates its responsibility for the college’s financial planning and activities to the President & CEO and holds the President & CEO accountable for the college’s use of its financial resources.

Policy:

Governing Principles

The Board, including the President & CEO, fulfils its financial responsibilities and accountabilities within guiding principles that include:

- providing the public with accountability and value for money
- providing the public and college employees with financial transparency
- aligning financial plans with our Strategic Plan
- following financial and reporting practices based on public sector accounting standards
- maintaining appropriate and effective systems of internal control over data integrity and clearly defined roles and accountabilities
- making the best use of available resources and assets
- making timely decisions based on accurate, well-researched information
- mitigating risk

Financial Planning

The Board is responsible to approve the annual budget for the college. The President & CEO ensures that:

- the college’s financial plans, including annual budgets, are consistent with achieving our Strategic Plan
- the college has measures in place to mitigate the risk of financial losses

- college assets are secured, protected and adequately maintained
- college reserves are established and maintained

Financial Policies and Procedures

The President & CEO ensures that the college’s senior management implements and monitors compliance with policies and procedures that safeguard the financial health and integrity of the college.

Investment Objective

The President & CEO will invest financial assets in a manner that:

- preserves capital amounts
- avoids undue risk of loss
- obtains a reasonable rate of return
- provides growth and income that aligns with college obligations

Investment Limitations

The President & CEO ensures that:

- an investment policy is established that achieves the Board’s investment objective and addresses Board specified investment limitations
- all funds available for investment are invested
- investment advisory is established through Finance and Audit Committee to oversee investment policy and management of the investments
- external investment advisor is retained by the college
- portfolio investment allocation mix:

OPERATING RESERVE:		
Asset Class	Target Allocation	Allocation Range
Cash and Short-Term Funds	4%	0 – 50%
Fixed Income	32%	22 – 42%
Equities	31%	21 – 41%
Hedge Strategies	18%	8 – 28%
Alternatives	15%	0 – 25%

ENDOWMENT FUND:		
Asset Class	Target Allocation	Allocation Range
Cash and Short-Term Funds	0%	0 – 50%
Fixed Income	15%	5 – 25%
Equities	58%	48 – 68%
Hedge Strategies	12%	2 – 22%
Alternatives	15%	0 – 25%

CAPITAL FUND:		
Asset Class	Target Allocation	Allocation Range
Money Market	25%	0 – 100%
Short Term Bonds	75%	0 – 100%

- ranges around each target allocation enable balances to be held until the appropriate timing to purchase new investments (i.e. to remain



Definitions:
Related NorQuest College Information:
Related External Information:
Next Review Date:
Revision History:
Monitoring and Frequency:

- compliant with policy until future purchases). The investment manager is to return asset allocations to align with target (0% and 5%, respectively) within a reasonable time period
- for compliance purposes, when the asset allocation of a particular fund reaches or exceeds the top of a range for greater than 90 days, management shall engage in discussion with the Finance and Audit Committee regarding (1) the appropriateness of the target range given the context of the financial environment, and (2) a plan forward
 - all short-term cash is kept in a bank, treasury branch, credit union, loan corporation or trust corporation
 - there is no acquisition of land as an investment without prior approval of the Board
 - there is no investment where the liability is beyond the amount invested

Investment Limitations Compliance Reporting

The President & CEO ensures that confirmation is provided annually to the Board regarding compliance with the investment limitations

Financial Reporting to the Board:

The President & CEO ensures that the Board receives:

- the college’s current financial statements, including fund development results, for the Board’s review
- an annual report of the college’s performance, including its audited financial results, for the Board’s review and approval
- immediate knowledge of any breach of operational policy or process that has a fundamental impact on the financial position of the college

Board means the Board of Governors, established under the Act.

Board Policies
 Board Policy Definitions
 Investment Policy

Post-Secondary Learning Act

February 2024 – At least once every three years to ensure compliance with legislation, Board Policies and intended purpose.

June 2010 – New Policy Established
 October 2012
 March 2013
 March 2015
 February 2018
 October 2021 –Reformatted
 August 2022 – revised investment product structure and mix

- Regular review of financial results, through the Board’s Finance and Audit Committee
- Annual confirmation to the Board on compliance with investment limitations
- Report of the Office of the Auditor General