
POLICY TYPE: GENERAL POLICY – Financial Directives

Policy No: FD 03

POLICY TITLE: Financial Planning Principles

Approval Date: September 12, 2015

Revision Dates: June 13, 2020, December 2, 2023

To outline the principles to which Council will adhere when engaged in financial planning for the College.

Policy:

1. Annual Budgets shall generally reflect a Zero-Based Budgeting [“ZBB”] approach. This is to say that all expenses must be justified and approved for each fiscal year, rather than approving only changes made from a prior year. Where there have been no material changes to a budget line in the preceding two fiscal years, such an item may be exempt from a detailed review.
2. The annual operating budget shall be funded from the College’s annual operational revenue base generated by registrant fees and investment income.
3. The College shall budget for an operating surplus only as large as necessary to maintain restricted fund and capital reserves.
4. The annual operating budget must provide sufficient funding for operationalizing the College’s strategic priorities including:
 - a. Fulfilling the College’s Mission and Mandate
 - b. Fulfilling the College’s core functions of registration, setting standards for practice and supporting registrants in meeting them, ensuring the ongoing competency of registrants, accepting and processing complaints including investigations and inquiry hearings, and taking necessary disciplinary action
 - c. Fulfilling legislated obligations such as maintaining the official registers of the College, maintaining the website, submitting an annual report
 - d. Fulfilling the College’s obligations to outside organizations such as annual reports to the Fair Registration Practice Office (“FRPO”), responsibilities of membership in the Manitoba Alliance of Health Regulatory Colleges (“MAHRC”), and to the Canadian Alliance of Audiology and Speech-Language Pathology Regulators (CAASPR) or any other national organization that CASLPM becomes a party to.
 - e. Carrying out governance functions, such as elections to Council, remuneration, training, and payment of expenses for Council and Committees
 - f. Providing funds for Council, committee, and general registrant educational opportunities.
5. The budget shall reflect the College’s commitment to:
 - a. retaining a highly professional, experienced, and skilled workforce, and
 - b. providing services within a healthy workplace environment.

As such, the operating budget shall be sufficient to meet the needs of a stabilized staff compensation system and shall ensure that there is a sufficient staff complement, as designated by

the Registrar, and as approved by Council through the budget process, for the fulfillment of the College's duties and functions, as described in legislation, regulations, by-laws, and College programs.

6. A capital budget shall be established in a similar fashion to the operating budget. The purpose of this budget is to accumulate the financial resources required to fund major purchases that have a useful lifespan of multiple years and are acquired based on the Mission and Mandate of the College. These funds will be accumulated through the general operating surplus and referenced in a similar fashion to the Restricted Reserves.
7. To avoid imposing a single substantial increase in registration and renewal fees at any one time, Council will formally review the need for revenue adjustments within a Five-Year Financial Planning Cycle.

Accordingly, Council will review the anticipated fees levied within the context of the Five-Year Financial Plan every year to ensure that revenues will be adequate to meet the College's needs.

8. In accordance with standard accounting approaches, reserve funds shall be maintained at an amount sufficient to cover at least one year of annual operating expenses.
Furthermore, reserve funds shall not normally exceed operating expenses by more than \$1 million.
9. College Reserve Funds shall be maintained to cover extraordinary operating expenses relating to unforeseen legal costs that may arise from the College's role in protecting the public interest. Funds may also be utilized to fund any unforeseen emergency events and situations.
10. Restricted Reserved Funds shall be established for the following applications and maintained at the stated levels:
 - a. Quality Assurance, including Practice Audits \$30,000.00
 - b. Legal Expenses \$50,000.00
 - c. Investigations and Inquiry Hearings \$30,000.00
11. The Financial Planning Principles will be reviewed regularly to ensure that they remain valid and applicable. Such reviews will take place annually.