

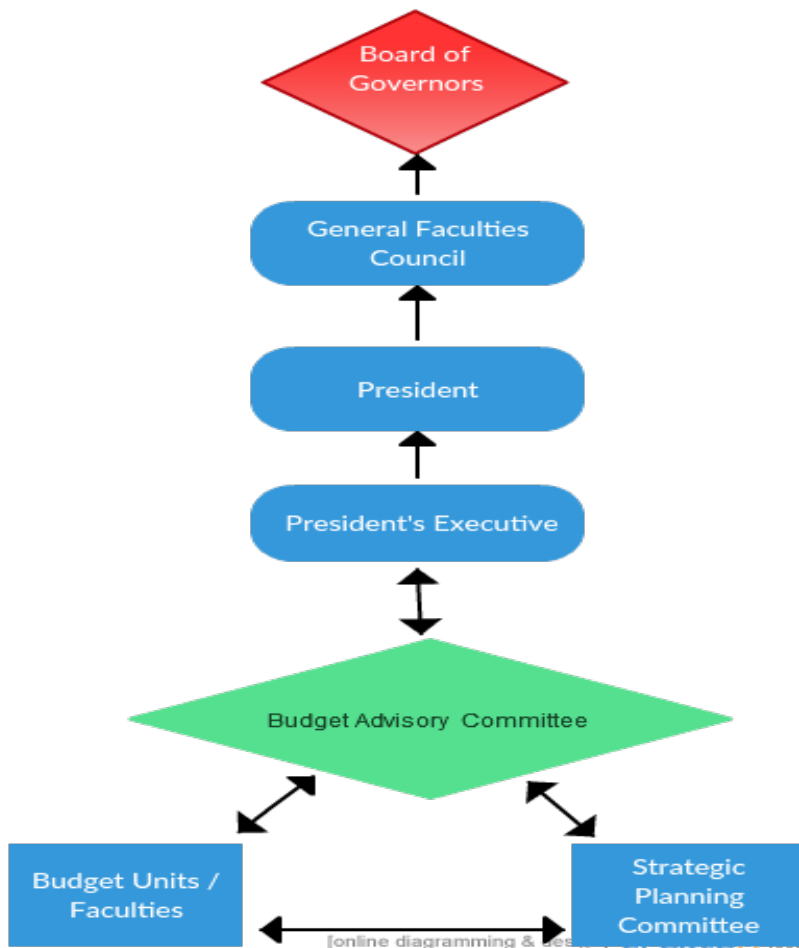
# BUDGET PROCESS

## Budget Approval Process

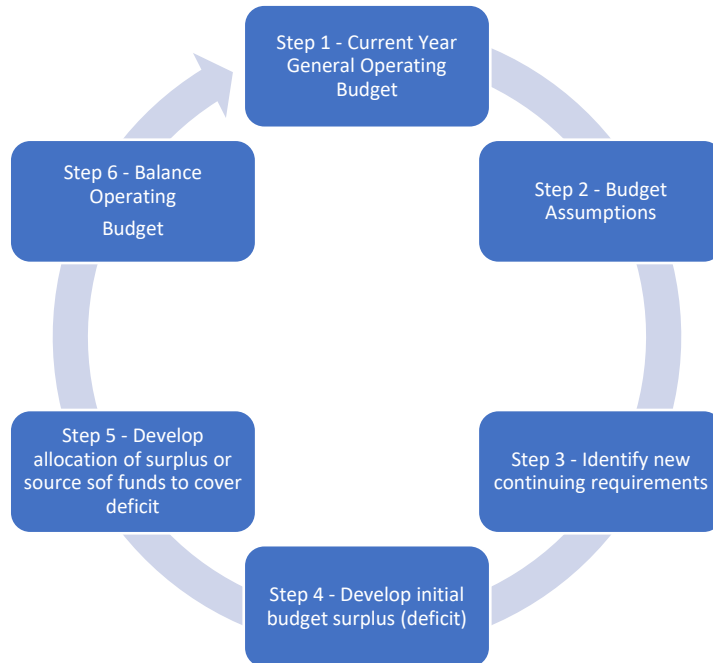
**The budget process is very rigorous and open**

The development of the 2018-19 budget is well underway, with a significant amount of consultation and work having taken place since September 2017. The Budget Advisory Committee (BAC) makes budget decisions with input from Budget Units and Faculties and in consultation with the Strategic Planning Committee, General Faculties Council and President's Executive.

The approval of the budget entails the President recommending the University of Lethbridge's budget to the Board of Governors' Finance Committee for approval, which then recommends it to the Board of Governors for final approval. Throughout the budget process the University community is kept up to date through website budget messages, Faculty Councils/Department meetings and town hall meetings.



The BAC provides oversight of the budget process and makes recommendations regarding budget priorities and resources allocations that support the long-term financial viability and sustainability of the University.



## Budget Assumptions

Revenues and expenditures fluctuate year-to-year, but in order to start planning and formulating a budget at least six months in advance of the new budget year, certain assumptions must be made. In making these assumptions, the BAC adopted a conservative approach to ensure that any variations from these assumptions will still allow for sufficient resources to provide for a balanced budget.

The University is required by the *Post-secondary Learning Act (PSLA)* to achieve a balanced budget in the upcoming year and therefore cannot present a budget deficit. Given this, budget reductions or increases in revenue are required whenever expenditure projections of the University exceed revenue projections.

## One-Time Strategic Priorities Allocations

Strategic priority allocations are allocations made from accumulated operating surpluses. Annual operating surpluses are generally not on-going since they are the result of events or circumstances which occur in a particular fiscal year which are not anticipated to happen in future years. Typically, annual operating surpluses are attributable to savings in employee position funds as a result of the length of time taken to fill budgeted positions, fluctuations in investment income beyond anticipated returns, fluctuations in the US exchange rate and cost controls in the area of materials and services.

In the Fall faculties/departments were requested to submit strategic priority requests. The submitted requests are to include detailed rationale, budget and an indication of the return on investment (e.g. projected cost savings, additional revenue generation). The following outlines the process for review and prioritization of the strategic priority requests.

