



BUDGET PROCESS

Budget Approval Process

The budget process is very rigorous and open

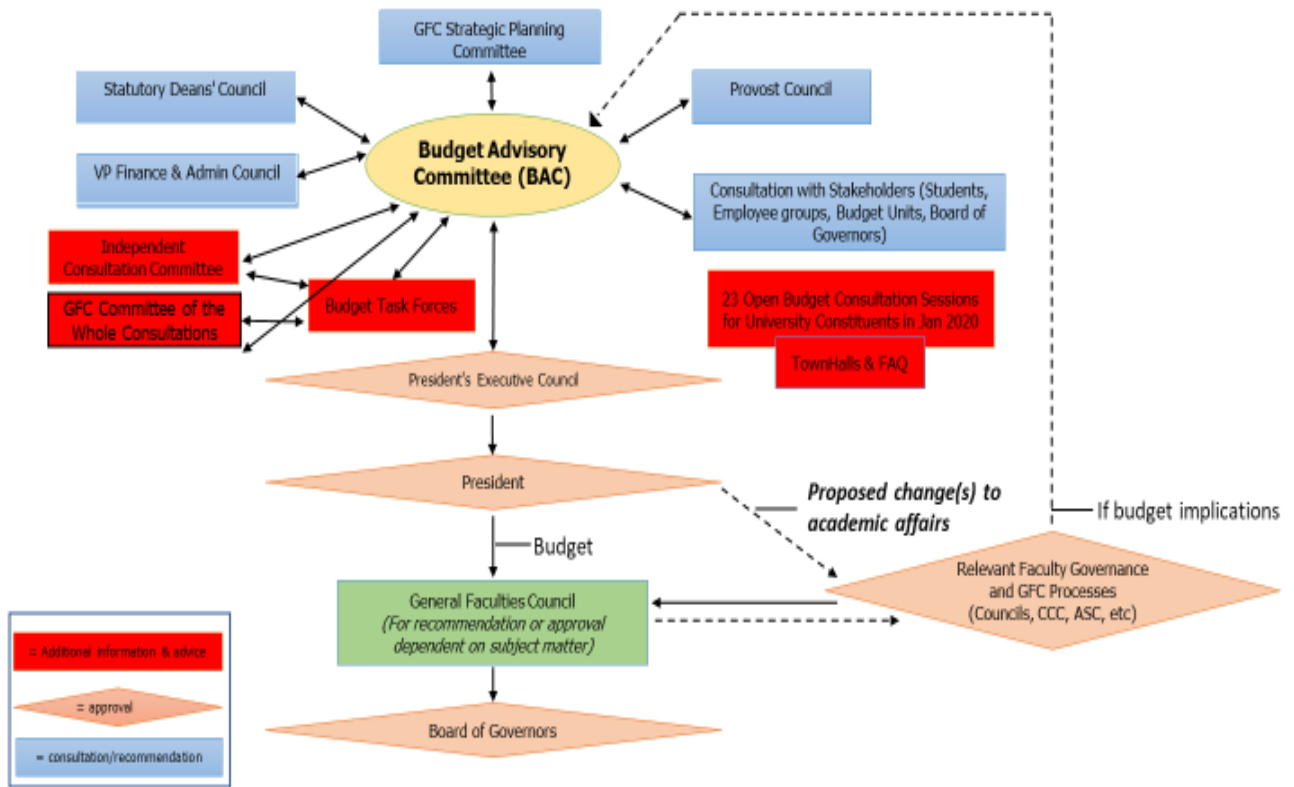
The 2021-22 budget was approved by the Board of Governors in June 2021. The budget process begins in the fall with a significant amount of consultation within the University community. The [Budget Advisory Committee](#) (BAC) makes budget recommendations with input from Vice President Finance & Administration Council, Statutory Deans' Council, Strategic Planning Committee, Provost Council, General Faculties Council, and other stakeholders including students, employee groups, budget units, and the Board of Governors.

In 2019/20, 20 transformational task forces were formed to assess numerous areas and operations of the University and consider all possible options and alternatives impacting the budget. The process has taken a considerable amount of time to gather and analyze data. In the figure below, the red boxes identify the additional consultations with the University community that have been temporarily added this year to engage the University community in the transformational change discussions. The Independent Consultation Committee (ICC) and General Faculties Council Committee of the Whole (GFC COTW) consultation process involved the committee members receiving access to the draft task force reports, presentations, and discussion with the task force team lead(s) and applicable senior executive, the ability to provide individual written submission to the task force (if applicable), and minutes from the committee meetings. The task forces then received the feedback and fairly reflect any input received from the committees in the final version of the task force report which is submitted to BAC along with all written documentation (minutes and individual responses). From this point the process remains unchanged from prior years where BAC makes recommendations to President's Executive Council.

The approval of the budget entails BAC recommending the budget to President's Executive, then the President shares the budget with General Faculties Council and recommends the budget to the Board of Governors' Finance Committee for approval, and then it is forwarded 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.

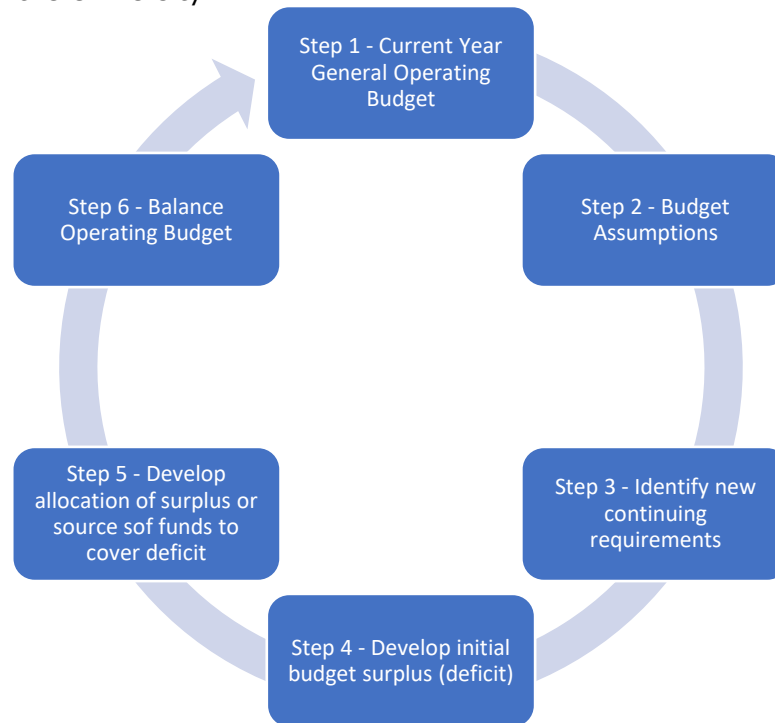
BUDGET BRIEF CONTEXT FOR 2021-22 BUDGET

Budget Consultation and Approval Process



BUDGET BRIEF CONTEXT FOR 2021-22 BUDGET

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 adopts a conservative approach to ensure that any variations from these assumptions will still allow for sufficient resources to provide for a balanced budget.

For 2021/22 there is an increased level of uncertainty associated with the impact of the COVID-19 pandemic on domestic and international enrolments, other miscellaneous revenue, Ancillary Services operations, expenditures associated with transitioning to robust delivery models, and the workforce required for ongoing services. The financial impact of COVID-19 will be accounted for using one-time funding and has not been included in the 2021/22 consolidated budget.

The University is required by the *Post-secondary Learning Act (PSLA)* to achieve a balanced budget in the upcoming fiscal year and therefore cannot present or approve 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 required to fill budgeted positions, fluctuations in investment income beyond anticipated returns, fluctuations in the US dollar exchange rate and cost controls in the areas of materials and services.

In the Fall of each year, faculties/departments may be requested to submit strategic priority requests if it is anticipated that there may be one-time funds available for allocation to specific projects that align with the University's strategic plan. 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.



Due to the current significant fiscal restraints in Alberta and the anticipation that there will be little to no one-time funds available for allocation in the fiscal year 2021-22, there was no requests to the budget units for submission of strategic priorities for the 2021-22 fiscal year.