

# The President & CEO plans and reports on the College's financial activities

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

<b>Board Policy No.</b>	07
<b>Functional category</b>	Board of Governors
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<b>Policy owner</b>	Board of Governors
<b>Policy administrator</b>	Board Coordinator

## 1. Objective

The Board delegates the financial management of the 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.

## 2. Policy

### 2.1 Governing Principles

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

- a) Providing the public with accountability and value for money,
- b) Providing the public and College employees with financial transparency,
- c) Aligning financial plans with our Strategic Plan,
- d) Following financial and reporting practices based on public sector accounting standards,
- e) Maintaining appropriate and effective systems of internal control over financial reporting and data integrity, with clearly defined roles and accountabilities,
- f) Making the best use of available resources and assets,
- g) Making timely decisions based on accurate, well-researched information, and
- h) Mitigating risk.

### 2.2 Financial Planning

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

- a) The College's financial plans, including annual budgets, are consistent with achieving our Strategic Plan,
- b) The College has measures in place to mitigate the risk of financial losses,
- c) College assets are secured, protected and adequately maintained, and
- d) College reserves are established and maintained.

### 2.3 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.

## 2.4 Investments

### Objective:

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

- a) preserves capital amounts,
- b) avoids undue risk of loss,
- c) obtains a reasonable rate of return, and
- d) provides growth and income that aligns with the College's strategic plan and risk appetite.

### Oversight and Implementation:

The President & CEO ensures that:

- a) An investment policy is established that achieves the Board's investment objective and addresses Board specified investment limitations.
- b) All funds available for investment are appropriately invested in alignment with the objectives outlined above.
- c) Investment advisory is established through the Finance and Audit Committee to oversee investment policy and management of the investments.
- d) An external investment advisor is retained by the College.
- e) All short-term cash is kept in a bank, treasury branch, credit union, loan corporation or trust corporation.

### Limitations:

The President & CEO ensures that:

- 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

### Portfolio Investment Allocation Mix:

The College's portfolio investment allocation mix is distributed as follows:

<b>OPERATING RESERVE</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Allocation Range</b>
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%

<b>ENDOWMENT FUND</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Allocation Range</b>
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%

<b>CAPITAL FUND</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Allocation Range</b>
Money Market	25%	0 – 100%
Short Term Bonds	75%	0 – 100%

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

## **2.5 Financial Reporting to the Board**

The President & CEO ensures that the Board receives:

- a) The College's current financial statements, including fund development results, for the Board's review,
- b) An annual report of the College's performance, including its audited financial results, for the Board's review and approval, and
- c) Immediate knowledge of any breach of operational policy or process that has a fundamental impact on the financial position of the College.

## 2.6 Monitoring and Frequency

The Board will engage in monitoring the requirements outlined in this policy through the following practices:

- a) Regular review of financial results and investment monitoring, through the Board's Finance and Audit Committee.
- b) Receiving the annual confirmation to the Board from the President and CEO on compliance with investment limitations, and
- c) Reviewing the annual report of the Office of the Auditor General of the audit conducted on the financial statements of the College.

## 3. Definitions

**3.1 Board** means the Board of Governors, as provided for under the Post-Secondary Learning Act.

**3.2 College** means NorQuest College.

## 4. Related information

### 4.1 NorQuest College

- Board Policies
- [Investment Policy](#)
- [Investment Management Agreement \(obtained from Board Coordinator\)](#)
- [NorQuest College Strategic Plan](#)

### 4.2 External

- [Post-secondary Learning Act](#)
- [Public Sector Accounting Standards Handbook](#)

## 5. Next review date

May 2029

This policy is reviewed at least once every four years to ensure compliance with legislation, Board Policies and intended purpose.

## 6. Revision history

<b>Date</b>	<b>Version</b>	<b>Action</b>
<b>June 2010</b>	V1	New policy established
<b>October 2012</b>	V2	Reviewed
<b>March 2013</b>	V3	Reviewed
<b>March 2015</b>	V4	Reviewed
<b>February 2018</b>	V5	Reviewed
<b>October 2021</b>	V6	Reformatted
<b>August 2022</b>	V7	Revised investment product and structure mix
<b>May 2025</b>	V8	Template updated. Reviewed and updated for clarity.