

## FORECAST MANAGEMENT PROCEDURE

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Administrator.

<b>Functional Category:</b>	Finance
<b>Parent Policy:</b>	Financial Management Policy
<b>Approval Date:</b>	June 8, 2018
<b>Effective Date:</b>	June 8, 2018
<b>Procedure Owner:</b>	Vice President, Corporate Services and Finance
<b>Procedure Administrator:</b>	Director, Business and Financial Services

### Overview:

The purpose of this procedure is to support NorQuest College (college) in providing appropriate and effective stewardship of college funds through a managed approach. This requires a review of periodic reporting relative to a financial plan and the completion of periodic forecasts. Forecasting is to encourage a forward focus, highlight key drivers, and support a more informed and proactive action plan to achieve business goals and objectives.

Authority to establish this procedure is derived from the [NorQuest College Board of Governor's Policy No. 7](#), which delegates responsibility for the college's financial planning and activities to the President and CEO and the [NorQuest College Board of Governors Policy No. 5](#) which delegates authority to the President and CEO to establish policies and procedures for the college's management and operation.

### Procedures:

Within the time frames identified annually by Business and Financial Services (BFS), divisions are expected to:

- manage within their budget,
- assess and prepare variance analysis relative to budget, and
- forecast annual operating results relative to budget.

To ensure forecasts are accurately recorded, divisions are to:

- advise the Business Advisory Services (BAS) of variance analysis, forecast, and budget reallocations, and
- identify new funds available to support college wide priorities.

### Monthly Actions:

- BAS advises the divisions that financial reports are available in PeopleSoft Finance for review.
- Divisions access PeopleSoft Finance to obtain financial reports.
- Divisions analyze current and year-to-date financial results to ensure they are accurate and complete.
- Divisions advise BAS of any discrepancies, and once discrepancies are resolved, sign-off the information as being accurate and complete.
- BAS prepares a financial report monthly for the Executive, which is reviewed by the Director of BFS and Vice President, Corporate Services and Finance. The monthly reports are submitted to the Executive Committee, and the most recent report is provided to the Finance and Audit Committee when they meet.

<b>Definitions:</b>
<b>Related NorQuest College Information:</b>
<b>Related External Information:</b>
<b>Next Review Date:</b>
<b>Revision History:</b>

**Quarterly Actions:**

In addition to the monthly actions:

- Divisions prepare a quarterly forecast by annualizing their year-to-date revenues and expenditures based on operational trends, any one time adjustments, approved budget adjustments not yet recorded, and other appropriate adjustments for the current fiscal year, and
- Divisions submit their forecast to BAS to review their forecast with their respective Vice President for approval.

**New Funds Available:** occurs when a favorable variance exists on an annual forecast, after considering all one-time and year-end adjustments. The favorable variance is to be based on known information, or most current information.

**Forecasting:** a standardized process of predicting financial results, which includes revenue and expense, that may or may not yet been observed, and are planned for the future.

**Reallocation:** refers to adjustments (increase or decrease), transfers, or redistribution in the same or a different Account, Program, Department ID, Analysis or Project codes.

- [Financial Management Policy](#)

N/A

May 2022

February 2014: New (replaces Standard Practice 6.4: Forecast Management)  
 November 2014: Update for document standards  
 May 2018: Reviewed as per the Policy and Procedure Framework Procedure; updated to reflect process changes  
 August 2019: Compliance Office template & reorganization update