

FORECAST MANAGEMENT PROCEDURE

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

Functional Category:	Finance
Parent Policy:	Financial Management Policy
Approval Date:	June 8, 2018
Effective Date:	June 8, 2018
Procedure Owner:	Vice President, College Services and Chief Financial Officer
Procedure Administrator:	Director, Integrated Planning 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 Integrated Planning and Financial Services (IPFS), 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 Integrated Planning and Budget Management (IPBM) of variance analysis, forecast, and budget reallocations, and
- identify new funds available to support college wide priorities.

Monthly Actions:

- IPBM 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 IPBM of any discrepancies, and once discrepancies are resolved, sign-off the information as being accurate and complete.
- IPBM prepares a financial report monthly for the Executive, which is reviewed by the Director of IPFS and the Vice President, College Services and Chief Financial Officer. 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.

Definitions:
Related Documentation:
Next Review Date:
Revision History:

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 IPBM 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](#)

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