

# **University of Ottawa**

## **Budgetary Governance and Consultation**

### **2014-2015 Budget**

#### **1. Introduction**

In accordance with its statutory framework and the incorporating Act of the University, the Board of Governors is responsible for approving the University's annual budget. In this role, the Board establishes the mechanisms deemed necessary in order to approve a budget that takes into account institutional priorities and the most efficient allocation of resources.

#### **2. Purpose**

- a) The University of Ottawa wishes to establish a rigorous and transparent budget process that takes into account the legal framework governing Ontario universities, the long-term fiscal sustainability of the University, the strategic directions set out in the *Destination 2020* strategic plan and the University's legal and contractual obligations.
- b) To accomplish this, the University continues with a budget consultation process designed to gather feedback from its key stakeholders—student federations, unions, non-unionized employees and the University community in general—and to communicate to these stakeholders the University's budgetary direction.

This consultation process will involve all elements of the budget process, including tuition fees, grants and other sources of revenue as well as operating expenses. The focus will be on the operating fund.

- c) The University develops annual and three-year budgets as part of its long-term planning process. The consultation process addresses both the annual budget and the three-year budget.

#### **3. Frame of reference**

Through its Finance and Treasury Committee, the Board of Governors is responsible for developing a budget in keeping with the directions and objectives laid out in *Destination 2020* and based on sound financial management practices, in order to ensure the institution's sustainability. The Finance Committee reviews the external and internal factors that will have an impact on the budget process as well as the planning parameters that must guide development of the annual and three-year budgets. This frame of reference will serve as a backdrop to the budget consultation and communication process.

#### **4. Consultation and communication process**

The University is proposing a three-stage budget consultation process:

- a) First stage: The University presents its governance framework, frame of reference and framework for budget forecasts that will guide development of the budgets.
- b) Second stage: Key stakeholders are asked to review the proposed budgets developed from the frame of reference and framework for budget forecasts put forward in the first stage, above.
- c) Third stage: The budget that is to be recommended to the Board of Governors will be presented in advance to key stakeholders.

Key stakeholders will be asked to provide their comments and suggestions at each of these stages, according to the budgetary timetable.

#### **5. Budget advisory committee**

The Administration Committee (AC) created a budget advisory committee. Co-chaired by the VP Academic and Provost and the VP, Resources, this committee includes the following members:

- VP Academic and Provost, as co-chair
- VP, Resources, as co-chair
- One dean
- Three professors (social sciences, science and a professional faculty)
- Two undergraduate students
- One graduate student
- Two members of the support staff
- One representative from the sector of management or research

#### **6. Governance**

The advisory committee reports to the AC on the comments, observations and submissions received from the University community. Under the leadership of the President, the AC is responsible for submitting the budget proposal to the Board of Governor's Finance and Treasury Committee.

The AC consults the deans about developing the budget, in accordance with the process established in the terms of reference for the AC/Deans Council.

The AC submits the proposed budget to the Finance and Treasury Committee.

The Finance and Treasury Committee makes its budget recommendations to the Board of Governors.

## **7. Timetable**

Each year, the AC approves the detailed timetable for drafting the budget and the consultation process, which takes into account both the consultation process herein and the operational requirements in order to submit a budget proposal to the Board of Directors in a timely manner.

This timetable includes the following steps:

- a) October: The Finance and Treasury Committee reviews and supports the budgetary directions put forward by the CA and reports to the Board of Governors
- b) November: The budgetary governance framework, the budgetary frame of reference and the framework for budget forecasts are communicated to the University community.
- c) December to February: Consultations are held in preparation for developing budget proposals. Key stakeholders can submit their comments and suggestions for achieving a balanced budget to the Budget Advisory Committee.
- d) March: Budget Advisory Committee submits its report to the AC.
- e) March-April: First draft of the annual budget is submitted to the Finance and Treasury Committee.
- f) May: Final budget is submitted to the Finance Committee and the Board of Governors for approval.

## **8. Communication**

The communication process for preparing the budget includes:

- Public meetings, during which the Budget Advisory Committee will review the submissions and comments it receives from key stakeholders. Prior notice of public meetings will be provided and posted on the University's website. This year, information will be communicated earlier in the budget process. Communiqués will also be issued in a more timely manner.
- A website, where key stakeholders can get information on the budget process and provide their comments and suggestions as part of the effort to bring in a balanced budget and with due regard for the University's strategic objectives (new this year).
- Publication of the Budget Consultation Committee's report in preparation for submitting the budget proposal to the Board of Governors and the Finance and Treasury Committee.