

6.3.i. Policy

BUDGET PROCESS POLICY

Trust Council: June 15, 2001

Amended: September 14, 2001; December 9, 2005

A: PURPOSE: To provide a framework for the planning, preparation, presentation and approval of the annual budget bylaw and financial plan to ensure overall effectiveness and clarity for Trust Council's budget discussions and decision making.

B: REFERENCES: *Islands Trust Act*

C: POLICY:

1. The Budget Process

- a) The Treasurer, on behalf of Trust Council, is responsible for designing and implementing the annual budget process;
- b) The process for developing the annual budget will be approved by Trust Council each year; and
- c) The budget process will include the following components:
 - Timeframe for developing the budget
 - Strategy for consultation with all stakeholders
 - Opportunities for identifying program priorities

2. Planning the Budget

- a) Internal stakeholders for the budget process include local trust committees, Trust Fund Board, and staff units; external stakeholders include island municipalities, Ministry of Community Services, regional districts and the public;
- b) A mechanism for all stakeholders to provide input to the budget process shall be developed;
- c) A budget process timetable shall be presented for approval by Trust Council in September of each year;
- d) Budget Principles and Assumptions shall be addressed in December of each year;
- e) A budget orientation session shall be held in September of each year, however during the year of a general election, the orientation shall be held in December; and
- f) A priority setting session shall be held in December of each year.

3. Preparation of Budget

- a) The main components of the budget process include the Base Budget, Programs, Revenue, Five Year Forecast and a Provincial Funding Request;
- b) The budget will build towards, and/or maintain, the General Revenue Fund Surplus to the level that is recommended by the Financial Planning Committee by budgeting a year-end surplus or by including a budget line "Contribution to Surplus";
- c) A process for public input into the annual budget shall be provided each year;
- d) Local trust committees and staff units will be consulted throughout the budget process with respect to the requirements, implications and options for dealing with budget requests;

- e) Municipalities will be consulted directly at the beginning of, and throughout, the budget process with respect to contract planning service fees and property assessment factors and tax rates for Trust Area Services;
- f) The Trust Fund Board will be consulted directly, at the beginning of, and throughout, the budget process with respect to Board requirements, Programs and administrative services, and shall be given the opportunity to attend Financial Planning Committee and Trust Council meetings with observer status;
- g) Budget workshops will generally be held in September, December and March of each year, with adequate time being scheduled to cover the necessary steps of the budget process; and
- h) The workshops will be held in an open public meeting.

4. Presentation and Approval of the Budget

- a) Trust Council shall approve the annual budget and/or financial plan in March of each year;
- b) Formal resolutions to direct the preparation of a budget bylaw will be made at the conclusion of the workshop; and
- c) The budget bylaw will be presented for consideration during the regular business meeting.

5. Responsibilities

- a) The Treasurer is responsible for:
 - designing, implementing and leading the annual budget process; and
 - ensuring effective linkages to the process for internal and external stakeholders.
- b) Managers and Directors are responsible for:
 - coordinating the budget requirements for their departments; and
 - submitting budget submissions when requested.
- c) The Financial Planning Committee is responsible for:
 - providing direction to Management in developing a long-range financial plan;
 - recommending the appropriate amount to be held in the General Revenue Fund Surplus;
 - the interpretation of Council's priorities and strategies;
 - reviewing all budget proposals;
 - presenting the budget to Trust Council and providing guidance into the decision-making process; and
 - designing the process for public input.
- d) Trust Council is responsible for:
 - Identifying budget priorities;
 - Directing the Treasurer to prepare a budget bylaw; and
 - Approving the annual budget bylaw.
- e) The Trust Fund Board is responsible for:
 - Endorsing all budget requests for the Trust Fund's Board and Program operations.