



**BUDGET PRINCIPLE: 1.08**

**Effective Date: April 22, 2015**

**TITLE: STRATEGIC INVESTMENT PRIORITIES FUND**

**Last Revision Date: New**

## **DEFINITION**

The Strategic Investment Priorities (SIP) Fund is a budget provision in the College annual budget. The SIP fund provides financial resources to support both one-time investments (projects) and recurring annual investments (programs) that require central oversight due to their significance as determined by the College President.

## **PRINCIPLE**

The College will establish and maintain a centrally managed budget to fund:

- Strategic/Development initiatives and projects/programs
  - that will allow for investment in the creation of new or enhancement of existing programs and services;
  - to develop or procure new software applications and associated hardware;
  - to construct new facilities or adapt existing spaces for new activities and install requisite furniture, fixtures and equipment; and
  - that will enable the achievement of other strategic and/or business plan objectives;
  - entrepreneurial and innovative opportunities

and

- Operational/Maintenance initiatives and projects/programs
  - that are required to address Ministerial obligations;
  - that are of importance to the College as a whole and require centralized oversight;
  - that will address the addition and renewal of equipment and infrastructure (academic, IT and physical);
  - to mitigate risks identified in the corporate risk profile and other significant risks as agreed upon by the President; and
  - that will sustain other College priorities including employee development, specific marketing initiatives, process improvements and other projects deemed necessary by the President.

## **POLICY**

### Priorities

- SIP budget allocations will be utilized to fund the Annual Business Plan priorities and then fund other College priorities. President's Council has the discretion to adjust Business Plan priorities to ensure the SIP budget can fund all identified priorities.



### Authority

- The Algonquin College Board of Governors has the authority to approve the overall SIP budget provision as part of the Annual Budget approval process. Individual SIP projects to purchase property or a facility valued at \$1 million or more requires the approval of the Board of Governors. President's Council holds the authority to approve all other individual SIP projects/programs. SIP fund expenditures must comply with all applicable government legislation, directives and regulations.

### Accountability

- Each SIP project/program will be assigned to a College budget holder who will be held accountable for ensuring that the SIP funds are managed and expended for the purposes presented to President's Council. The budget holder will be held accountable in this regard by their immediate supervisor.

### Transparency

- Decisions and rationale for approving and not approving requests for SIP funds will be disclosed to the Dean/Director that submitted the request on a timely basis.

### Reporting

- SIP year-to-date expenditures, current annual projected expenditures and progress towards intended outcomes of the SIP investment will be reported to President's Council on a quarterly basis at a minimum.

### Requests for Funding

- SIP funding requests must be for significant projects/programs only. The minimum value of a significant SIP project/program request is \$100,000 which may be over multiple years (maximum of 5 years). This threshold is established to ensure that the administrative efforts and costs associated with managing the SIP portfolio is reasonable and efficient. Projects/programs with values less than \$100,000 should be funded from the operating budgets of President's Council members.

### Intended Outcomes and Assessment

- SIP projects/programs and initiatives must achieve the stated outcomes and/or success measures that were presented with the funding request to President's Council. At the end of each fiscal year and the conclusion of each SIP project/program, an assessment will be undertaken to measure and assess whether or not the intended results were achieved.

### Total Cost of Ownership

- Where applicable, requests for SIP funding must identify the total cost of ownership. That is, any ongoing operating costs or other resource requirements after the project is concluded must be disclosed with the request for SIP funding.



### Sources of Funds

- The following are potential sources of funds that may be utilized to fund the College's SIP provision subject to the President's approval:
  - Specific non-operating government/agency grants
  - Net contribution from College non-funded activities (College Ancillary Services, International Education Centre and Contract and Other Non-Funded Activity)
  - A defined portion of the net contribution from funded activity as determined by the President
  - Internally Restricted Net Assets (also known as reserves or accumulated surpluses) subject to approval by the Board of Governors
  - Donations of cash and/or gifts in kind from external donors
  - Loan proceeds or the assumption of debt subject to approval by the Board of Governors
  - Other external partner contributions to the College

### **PROCEDURES**

The procedures for soliciting, receiving, assessing and deciding on funding for SIP projects and initiatives will be determined annually by the Department of Finance and Administrative Services with advice from the College Budget Committee and President's Council. Procedures and timelines will be communicated at least 9 months prior to the start of the fiscal year (ie. June).

Related Budget Principles:

1.06 Internally Restricted Funds

1.05 Infrastructure Renewal Fund