

MEMO

DATE: October 20, 2022

TO: ACLT Members
Cost Centre Managers
Business Administrators and Budget Officers

FROM: Grant Perry, Chief Financial Officer

SUBJECT: Elimination of Leave Replacement Contingency & Updated
Budget Principle 1.02 - Contingencies

Please cascade this memo with the appropriate staff in your department.

Finance and Administrative Services continues to assess its policies, budget principles and procedures related to corporate accounting activities. It also reviews input received from the College employee community related to specific, targeted areas.

In response to the Budget Officer Work Group's input, Finance and Administrative Services requested that the College Budget Committee review the Leave Replacement Contingency for elimination beginning in the current fiscal year 2022-23.

The College Budget Committee supported the request and provided its recommendation to eliminate Leave Replacement Contingencies to the Algonquin College Executive Team. On September 28th, the Algonquin College Executive Team approved both the elimination of Leave Replacement Contingencies beginning in the current fiscal year of 2022-23 and the updated Budget Principle 1.02 - Contingencies.

The revised Budget Principle 1.02 – Contingencies can be found [here](#). All references to Leave Replacement Contingencies have been removed from the Budget Principle.

As a result of the elimination of the Leave Replacement Contingency process, salary expenses for backfilling full-time positions will no longer be transferred by journal entry from a department's cost centre to a centralized corporate cost centre. Instead, salary expense variances to budget related to backfilling leave replacements for full-time positions should be identified during the Quarter-end and Year-end variance analysis as uncontrollable variances.

If you have any questions, please contact [Doreen Jans](#), Manager, Financial Services.