



<b>Policy:</b>	6.3.1
<b>Approved By:</b>	Trust Council
<b>Approval Date:</b>	June 15, 2001
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<b>Policy Holder:</b>	Director of Administrative Services

## BUDGET PROCESS

### Purpose

The budgeting process is the major decision-making process for Islands Trust activities. Once the process is completed, the budget plan is the legal framework for revenue collection and spending. The purpose of this policy is 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.

### A. Definitions

n/a

### B. Policy

#### 1. The Budget Process

- 1.1 The treasurer, on behalf of Trust Council, is responsible for designing and implementing the annual budget process;
- 1.2 The process for developing the annual budget will be approved by Trust Council each year; and
- 1.3 The budget process will include the following components:
  - 1.3.1 Timeframe for developing the budget;
  - 1.3.2 Strategy for consultation with all stakeholders;
  - 1.3.3 Opportunities for identifying program priorities.

#### 2. Planning the Budget

- 2.1 Stakeholders in the budget process are set out in Appendix A and include local trust committees, island municipalities, Islands Trust Conservancy Board, staff and the public.
- 2.2 A budget process timetable (similar to sample attached in Appendix B) is presented for approval to Trust Council in September of each year.
- 2.3 Budget Principles and Assumptions are approved by Trust Council in December of each year.

### **3. Preparation of the Budget**

- 3.1 Immediately after a new fiscal year begins, the director of Administrative Services begins making plans for the budget that will be considered by Trust Council for the subsequent fiscal year.
- 3.2 Each line of the Detailed Budget is reviewed on a needs-basis by the responsible budget manager, giving consideration to previous years' spending and future work programs and services (including Trust Council's Strategic Plan initiatives).
- 3.3 Local trust committees are asked to provide their project needs and review their local trust committee expense budgets, passing any resolutions required to adopt/modify their budget proposals.
- 3.4 Directors review their respective committee work programs to ensure work plan activities are appropriately funded.
- 3.5 The Islands Trust Conservancy Board will be consulted directly, at the beginning of, and throughout, the budget process with respect to Board requirements, programs and administrative services. Appointed trustees of the Islands Trust Conservancy Board shall be given the opportunity to attend Financial Planning Committee and Trust Council meetings with observer status.
- 3.6 As provided for in Islands Trust Council Policy *7.2.6 Municipal Tax Requisition Calculation*, island municipalities will be consulted directly at the beginning of, and throughout, the budget process.
- 3.7 The Director of Administrative Services reviews the detailed spending, and projects costs on behalf of the organization with respect to completeness and accuracy, and compiles the Detailed Budget for the year. The overall Detailed Budget is reviewed by Islands Trust management team, prior to being submitted to the Financial Planning Committee for review and consideration.
- 3.8 The budget will build towards, and/or maintain, the General Revenue Fund Surplus to the level that is recommended in Islands Trust Council Policy *6.5.1 Reserves and Surplus*.
- 3.9 Local trust committees will be consulted throughout the budget process to ensure they understand and are following the process for any special property tax requisitions as set out in Islands Trust Council Policy *6.3.2 Special Property Tax Requisitions*.
- 3.10 A process for public input into the annual budget will be provided each year, as determined by the Financial Planning Committee.

### **4. Responsibilities**

- 4.1 The treasurer is responsible for:
  - 4.1.1 designing, implementing and leading the annual budget process; and

- 4.1.2 ensuring effective linkages to the process for internal and external stakeholders.
- 4.2 Managers and directors are responsible for:
  - 4.2.1 coordinating the budget requirements for their departments; and
  - 4.2.2 submitting budget submissions when requested.
- 4.3 The Financial Planning Committee is responsible for:
  - 4.3.1 providing direction to management in developing a long-range financial plan;
  - 4.3.2 recommending the appropriate amount to be held in the General Revenue Surplus Fund;
  - 4.3.3 interpretation of Council’s priorities and strategies;
  - 4.3.4 reviewing all budget proposals;
  - 4.3.5 developing and recommending the budget to Trust Council and providing guidance into the decision-making process; and
  - 4.3.6 designing the process for public input.
- 4.4 Trust Council is responsible for:
  - 4.4.1 identifying budget priorities;
  - 4.4.2 developing a strategic plan for the organization;
  - 4.4.3 directing the treasurer to prepare a budget bylaw; and
  - 4.4.4 approving the annual budget bylaw.
- 4.5 The Islands Trust Conservancy Board is responsible for:
  - 4.5.1 endorsing all budget requests for the Islands Trust Conservancy Board and Program operations.

**C. Legislated References**

*Islands Trust Act*

*Islands Trust Policy 6.3.2 Special Property Tax Requisition*

*Islands Trust Policy 6.5.1 Reserves and Surplus*

*Islands Trust Policy 7.2.6 Municipal Tax Requisition Calculation*

**D. Links to Supporting Forms, Documents, Websites, Related Policies and Procedures**

**Appendix A: Stakeholders and Appendix B: Budget Timelines**

## APPENDIX A: Stakeholders

The following stakeholders provide input into the budget:

Financial Planning Committee	Develop and recommend the annual budget to Trust Council. Review all budget proposals. Recommend the appropriate amount to be held in General Revenue Surplus Fund. Review and approve financial reporting to Trust Council. Present the budget to Trust Council and provide guidance into the decision-making process.
Local Trust Committees	Discuss budget requests and work programs with planning staff. Provide budget requests to Director of Local Planning Services for review and allocation of resources. Be aware of the provisions of Policy 6.3.2 Special Property Tax Requisitions, which permits or in some cases, requires an individual local trust committee to request a special property tax requisition for additional operations that are not included within the general operations of all local trust committees.
Bowen Island Municipality	Review and confirm proposed municipal tax requisition calculation.
Islands Trust Conservancy Board	Discuss budget requests and work programs with Trust Area Services staff. Endorse all budget requests for the Islands Trust Conservancy Board and Program operations.
The Public	Review budget documents and be provided an opportunity to comment prior to Trust Council adoption.
Management	Coordinate the review of budget requirements for each department, in order to meet current Trust Council objectives and service levels. Look for opportunities to incorporate efficiencies and savings in the organization.

## APPENDIX B: Budget Timelines

August FPC Meeting	Financial Planning Committee reviews draft budget assumptions and principles.
October FPC Meeting	Financial Planning Committee reviews and discusses the first draft of the budget.
November FPC Meeting	Financial Planning Committee approves the draft budget, and the draft budget assumptions and principles to be submitted to December Trust Council.
December Trust Council meeting	Trust Council endorses the draft budget for the purposes of seeking public input and supports the draft budget assumptions and principles recommended by Financial Planning Committee.
January	Consult with Bowen Island Municipality regarding the municipal tax requisition calculation. Financial Planning Committee reviews public consultation materials at their January meeting. In order to meet the Trust Council's continued commitment to transparency and dialogue with the community, the Financial Planning Committee seeks public input on the draft budget.
February FPC Meeting	Financial Planning Committee reviews the draft budget and public input regarding the budget. Financial Planning Committee makes recommendations for March Trust Council on property tax requisition, Bowen Island Municipality tax levy and any local trust committee special tax requisitions.
March Trust Council Meeting	At its March regular business meeting, Trust Council approves the final budget and financial plan. Formal resolutions to direct the preparation of the financial plan and revenue anticipation borrowing bylaws will be made. Financial plan and revenue anticipation bylaws forwarded to Ministry of Affairs for approval.