Pool & Hot Tub Council of Canada
Conseil canadien des piscines et spas

Board Policy Standards

Policy Type: Risk Management
Policy Title: Budget Management

Policy Objective: To ensure that the Executive Director prepares budgets that will protect the assets of the organization and are in accordance with the priorities determined by the Board of Directors.

Policy Statement: Budgeting any fiscal year or the remaining part of any fiscal year shall not deviate materially from Board *Ends* priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

Policy Application:

Accordingly, the Executive Director shall not cause or allow the preparation of a budget which:

1) Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of material planning assumptions.

2) Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
a) Exception: In years when a zero balance budget will be counterproductive to continuing those programs already in place in its yearly operational plans, and these programs require a planning cycle of greater than one year, the Executive Director may budget with a deficit when the following two conditions are met:

i) the proposed deficit will not lower reserves below $200 000 at any time; and

ii) the proposed deficit is not more than 5% of budgeted revenues in the given year.

3) Allows reserve fund balance to drop below $200 000 at any time.

4) Endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve ends in future years.

5) In the event of an operating surplus, fails to return a minimum of 10% of the surplus to the association's reserves.

Associated Documents

None

Policy Name: Budget Management *Policy Number:* 2006-2
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