

FORECAST MANAGEMENT PROCEDURE

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Administrator.

Functional Category:	Finance
Parent Policy:	Financial Management Policy
Approval Date:	July 15, 2022
Effective Date:	July 15, 2022
Procedure Owner:	Vice President, Administration and Chief Financial Officer
Procedure Administrator:	Director, Business Planning and Analytics

Overview:

The purpose of this procedure is to support NorQuest College (college) in providing appropriate and effective stewardship of college funds through a managed approach. This requires a review of periodic reporting relative to a financial plan and the completion of periodic forecasts. Forecasting is to encourage a forward focus, highlight key drivers, and support a more informed and proactive action plan to achieve business goals and objectives.

Authority to establish this procedure is derived from the [NorQuest College Board of Governor's Policy No. 7](#), which delegates responsibility for the college's financial planning and activities to the President and CEO and the [NorQuest College Board of Governors Policy No. 5](#) which delegates authority to the President and CEO to establish policies and procedures for the college's management and operation.

Procedures:

Within the time frames identified annually by Business Planning and Analytics, divisions are expected to:

- manage within their budget,
- assess and prepare variance analysis relative to budget, and
- forecast annual operating results relative to budget.

To ensure forecasts are accurately recorded, divisions are to:

- advise their assigned Business Analyst/Consultant of variance analysis, forecast, and budget reallocations, and
- identify new funds available to support college wide priorities.

Monthly Actions

- Divisions access the Business Intelligence dashboard to obtain financial reports.
- Divisions analyze current and year-to-date financial results to ensure they are accurate and complete.
- Divisions advise their assigned Business Analyst/Consultant of any discrepancies, and once discrepancies are resolved, sign-off the information as being accurate and complete.
- BAS prepares a financial report monthly for the Executive Team, which is reviewed by the Director of Business Planning and Analytics, Director Financial Services and Controller and Vice President, Administration and Chief Financial Officer. The monthly reports are

submitted to the Executive Team, and the most recent report is provided to the Board of Governors Finance and Audit Committee when they meet.

Quarterly Actions

In addition to the monthly actions:

- Divisions prepare a quarterly forecast by annualizing their year-to-date revenues and expenditures based on operational trends, any one-time adjustments, approved budget adjustments not yet recorded, and other appropriate adjustments for the current fiscal year, and
- Divisions input their forecast into the Forecast Capture Entry tool which is then reviewed by BAS.

Definitions:

New Funds Available: occurs when a favorable variance exists on an annual forecast, after considering all one-time and year-end adjustments. The favorable variance is to be based on known information, or most current information.

Forecasting: a standardized process of predicting financial results, which includes revenue and expense, that may or may not yet been observed, and are planned for the future.

Reallocation: refers to adjustments (increase or decrease), transfers, or redistribution in the same or a different Account, Program, Department ID, Analysis or Project codes.

Related NorQuest College Information:

- [Financial Management Policy](#)

Related External Information:

N/A

Next Review Date:

November 2025

Revision History:

February 2014: New (replaces Standard Practice 6.4: Forecast Management)
 November 2014: Update for document standards
 May 2018: Reviewed as per the Policy and Procedure Framework Procedure; updated to reflect process changes
 August 2019: Compliance Office template & reorganization update
 June 2022: reviewed and updated to reflect new financial reports location, forecast process, title/department changes