COLLEGE OF PHARMACISTS OF MANITOBA

GP 24: Financial Planning Principles

Policy Type:	Policy No:	
Council Governance / Financial Directive	GP 24	
Effective Date:	**Last Approval/Revision Date:**	**Policy Review Frequency:**
8th May 2020	June 2026	Every 3 years

Purpose:

To outline the principles to which Council will adhere when engaged in financial planning for the College of Pharmacists of Manitoba (CPhM).

Council may delegate these tasks, or sections thereof, to an appropriate committee, such as the Finance Committee.

These principles uphold Council and committees' fiduciary relationship with CPhM. Council members and committee members have an obligation to act in CPhM's best interests and avoid professional or personal influences.

Policy:

1. Annual Budgets shall generally reflect a Zero – Based Budgeting ("ZBB") approach. This is to say that all expenses must be justified and approved for each fiscal year, rather than approving only changes made from a prior year.

2. The annual operating budget shall be funded from CPhM's annual operational revenue base generated by registrant fees and investment income in any fiscal year.

3. CPhM shall operate on a break – even basis, avoiding operating deficits, and not using reserve funds to cover annual operating deficits.

4. The annual budget must provide sufficient funding for operationalizing CPhM's regulatory objectives including:

    i. Fulfilling CPhM's legislated mandate

    ii. Fulfilling CPhM's core functions of registration, setting standards for practice, and supporting registrants in meeting them, ensuring the on – going competency of registrants, accepting and processing complaints including investigations and discipline hearings, and taking necessary disciplinary action

    iii. Fulfilling legislated obligations such as maintaining the official register of CPhM, maintaining the website, submitting an annual report

    iv. Achieving the strategic priorities of the Strategic Plan, as approved by Council

v. Fulfilling CPhM's obligations to outside organizations such as annual reports to the Office of the Manitoba Fairness Commissioner (OMFC), responsibilities of membership in the Manitoba Alliance of Health Regulatory Colleges (MAHRC), National Association of Pharmacy Regulatory Authorities (NAPRA), etc.

vi. Conducting governance functions, such as Council selection, remuneration, orientation and training, and payment of expenses for Council and committees

vii. Providing funds for Council, committee, and general registrant educational opportunities.

5. The budget shall reflect CPhM's commitment to:

   i. retaining a highly professional, experienced, and skilled workforce, and
   ii. providing services within a healthy workplace environment.

   As such, the budget shall be sufficient to meet the needs of a stabilized staff compensation system and shall ensure that there is a sufficient staff complement, as designated by the Registrar, and as approved by Council through the budget process, for the fulfillment of CPhM's duties and functions, as described in legislation, regulations, by – laws, and CPhM programs.

6. In order to avoid imposing a single substantial increase in registration and renewal fees at any one time, Council will formally review the need for revenue adjustments within a Five – Year Financial Planning Cycle.

   Accordingly, Council will review the anticipated fees levied within the context of the Five –Year Financial Plan every year to ensure that projected revenues will be adequate to meet CPhM's needs.

7. In accordance with standard accounting approaches, unrestricted reserve funds shall be maintained at an amount sufficient to cover at least six months of annual operating expenses.

   Furthermore, unrestricted reserve funds shall not normally exceed six months of operating expenses by more than $1 million, as a ceiling.

8. CPhM Reserve Funds shall be maintained to cover extraordinary expenses relating to unforeseen legal costs that may arise from CPhM's role in protecting the public interest. Funds may also be utilized to fund any unforeseen emergency events and situations.

9. Restricted Reserved Funds shall be established for the following applications and maintained at the stated levels:

i.	Rent & Occupancy Commitments	$ 700, 000.00
ii.	Legal Expenses re: Complaints, Discipline	$ 1, 000, 000.00
iii.	IT / Data Management Sustainability	$ 225, 000.00

10. The Financial Planning Principles will be reviewed regularly to ensure that they remain valid and applicable. Such reviews will take place as needed, and at least every three years.