

POLICY/PROCEDURE NUMBER:

**B – 5.5**

DATE: February 19, 2019	SUBJECT:
ISSUE: <b>Finance</b>	<b>In-Year Budget Adjustment Process</b>
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**1. Purpose:**

- 1.1. To define the process whereby requests for additional budget support can be handled expeditiously.
- 1.2. To ensure that budgetary controls remain in place and in alignment with the CHES National Executive and CHES Board of Directors strategic plan and action plan.

**2. Policy**

2.1. Budget approvals are either Committee budget line items or General Expense line items.

**2.2. General National Office Expenses:**

- 2.2.1. Approvals for General Expense budget lines are not overseen by a CHES Committee as these are primarily the cost for National Office expenses and are managed as a budget amount for the type of expense and not a specific approved line item.
- 2.2.2. The Treasurer shall monitor the expenditures of the National Office and approve such as long as they are within the approved budget line.
- 2.2.3. Requests for an increase to a budget amount or for an expense not carried in a budget line shall be proposed by the Executive Director to the Treasurer.
 

*(Note: given the Budget is approved by the entire CHES Board of Directors, should there be a reduction in the net income, approval by the entire CHES Board of Directors is required as it adjusts the net income expectation. Should the adjustment be able to be accommodated with offsetting reductions in the General National Office budget it will be approved by the Treasurer and noted in regular reporting)*

**2.3. Committee Budgets:**

- 2.3.1. Committee's are not allowed to self-substitute an approved budget item for another non-approved item, or combine available budget. Budget approvals given to committees are for the specifically approved items, and not an approval for funds alone.
- 2.3.2. Requests for adjustment to a committee's approved budget must be from the Committee chair (or Committee Vice-Chair should there be any conflict of interest in regards to the request). Each request must be a formal written request including the reasoning and any business case for the request including alignment to the CHES strategic plan.
- 2.3.3. The level of approval required for a request to a Committee budget adjustment will require different approvals dependent upon the type of request.
- 2.3.4. Requests for budget adjustments which if approved are within the Committee's approved budget line (due to lower costs with other in-year approved expenses or deletion or deferral of a previously approved budget expense), require the approval of the Treasurer and CHES National President.

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- 2.3.5. Requests for additional funds which would put that Committee’s budget line item over budget but the increased expense can be accommodated within savings in other approved budget line item of that same Committee, would require the approval of the Treasurer and CHES National President.
- 2.3.6. Requests for additional funds which would put the Committee’s approved expense budget over budget, but the increased expense could be accommodated by known savings in other expense areas of the total CHES approved budget, would require approval of the CHES National Executive.  
*(Note: we are only factoring in expenses and not increased revenue in this decision point. CHES Executive must be cautious to not hope on an increase in offsetting income and live within the overall Board approved Expense Budget)*
- 2.3.7. Requests for additional funds which would put the Committee’s approved expense budget over budget, and the increased expense cannot be accommodated by known savings in other expense areas of the total CHES approved budget, would require approval of the entire CHES National Board. *Note: given the Budget is approved by the entire Board, and there are net income expectations, approval by the entire Board is required as it adjusts the net income expectation)*

**3. Procedure:**

- 3.1. All requests for an adjustment to a committee’s approved budget must come through the Committee Chair (in situations where the committee chair may be involved in the budget adjustment the vice chair of the committee must make the request) and include the support of the Executive Liaison.
  - 3.1.1. These written requests will be forwarded to the Executive Director and the Treasurer for processing.
- 3.2. Any and all adjustments to the approved budget must be reported and recorded at the next CHES Board of Directors meeting.
  - 3.2.1. Approvals done on all items except 2.3.7 will be reported by the Treasurer.
  - 3.2.2. Requests and approvals done via item 2.3.7 will be reported as a CHES Board of Directors decision.
- 3.3. Committee Chairs shall formally report back to their Committee and have recorded the outcome of all requests for budget adjustment, regardless of whether approved or not, at their next regular meeting.