1. GENERAL

1.1 The overall objectives of the University Food Services operation are to provide consistent high quality, efficient food service to the University community, and to optimize use of University Food Service facilities.

1.2 Food Services shall be operated as an Ancillary Enterprise on a break-even basis.

1.3 The annual budget shall be submitted by the Executive Director of Student and Ancillary Services in line-by-line form to the Vice President, Finance and Operations by March 1 for the following fiscal year.

1.4 The General Manager of Housing, Food and Conference Services shall be responsible for Food Service operations and the initial development of appropriate budgets.

1.5 The General Manager of Housing, Food and Conference Services shall develop a balanced budget for the ensuing fiscal year. Any proposed new residence food rate shall be discussed with the Executive Director of Student and Ancillary Services and student representatives before being formally submitted to the Vice President, Finance and Operations with recommended residence rates.

1.6 The General Manager of Housing, Food and Conference Services shall survey current and proposed food services daily student rates at a number of other Universities across Canada to ensure that rate proposals are consistent with other institutions.

1.7 The Food Services budget shall be divided into several cost centres, each of which shall be completely accountable for revenues and expenses within that centre.

1.8 The cost centres shall be divided into the following groups:

   A: Cadboro Commons Dining Room, Cap's Bistro Market
   B: University Centre Cafeteria, Sweet Greens, Begbie
   C: Tim Hortons
   D: Nibbles & Bytes (Engineering Lab Wing)
E: The Foggy Scholar (Graduate Student Centre)
F: Special Functions, Bar Operations, and Building Rentals.
G: Central Office Administration

1.9 Cost centres in groups A and B are expected to break even on the basis of recovery of direct costs and a fair share of overhead with the possible exception of the allocation for repairs and replacements.

Prices shall be established as of May 1 of each year. Normally, there is no expectation of price changes during the fiscal year however these cost centres may be permitted to increase prices from time to time during the fiscal year with the prior written approval of the Executive Director of Student and Ancillary Services and the Vice President, Finance and Operations following a review of supporting documents indicating costs substantially in excess of those upon which the budget was based.

1.10 Cost centres in groups C, D, E and F are expected to break even on the basis of recovery of direct costs and a fair share of overhead with the possible exception of the allocation for repairs and replacements.

Pricing shall be related to commercial rates and may be adjusted from time to time as required.

Cost centre G includes those revenues and expenditures associated with the operation of the Central Administrative Office. This cost centre supports both Food Services and Housing Services. It is not expected to break even. Any outstanding costs are distributed to the cost centres, including those in Housing Services, on a percentage of sales basis, as administrative support charges.

1.11 Budgets for each cost centre contain a figure for major repairs and replacements which is to be transferred to a Reserve account at the end of the fiscal year. The total amount of this provision for the combined cost centres shall be determined on the basis of:

1.11.1 an inventory of furniture and equipment in Food Services and an assessment calculated on the basis of the estimated life span of each piece of equipment, and;

1.11.2 an estimate of building renewal costs, based on 1/60th of the current building replacement cost.

1.11.3 Expenditures from the Reserve account require the prior written approval of the Executive Director of Student and Ancillary Services.

1.12 Salaries are to be shown on the basis of applicable salary steps April 1 of the new fiscal year. Provision for salary and benefits increases during the fiscal year will be shown as an unallocated amount within each salary sub-code.
1.13 An operating deficit which is less than or equal to the total of the provisions for repairs and replacements shall be accommodated by reducing the amount to be transferred to the Reserve account at the end of the fiscal year by deduction of an amount equal to the deficit. In the unlikely event that an operating deficit exceeds the total provision for repairs and replacements then the problem shall be resolved by the Executive Director of Student and Ancillary Services in consultation with the Vice President, Finance and Operations.

2. PROCEDURES

2.1 Proposed budgets will be submitted in detail by the Executive Director of Student and Ancillary Services to the Vice President, Finance and Operations. The budget submission will include a comparison of the actual totals of the last completed fiscal year, the budget for the current fiscal year, the projected totals for the current fiscal year (based upon 9 months’ actual data to December 31) and a proposed new budget for the next fiscal year.

2.2 The proposed budget for each cost centre will contain elements such as:

   2.2.1 Revenues
   2.2.1.1 Food and Beverage Sales
   2.2.1.2 Room Rentals
   2.2.1.3 Commissions
   2.2.1.4 Miscellaneous Revenues

   2.2.2 Expenditures
   2.2.2.1 Wages and Salaries by Work Group (PEA, CUPE etc)
   2.2.2.2 Personnel Benefits
   2.2.2.3 Supplies
   2.2.2.4 Telephone, Fax, Postage, Courier
   2.2.2.5 Equipment Maintenance
   2.2.2.6 Utilities
   2.2.2.7 Insurance
   2.2.2.8 Computer Services, Printing, Motor Pool
   2.2.2.9 Administrative Support Charge
   2.2.2.10 Furniture, Equipment, Linen
   2.2.2.11 Food and Bar Purchases
   2.2.2.12 Facilities Maintenance
   2.2.2.13 Mortgage
   2.2.2.14 Commissions out (credit cards, Tim Hortons, GSS)
   2.2.2.15 Provision for Repairs and Replacements
   2.2.2.16 Programming, Staff Development

2.3 A separate budget for Central Office Administration will be prepared and the total cost distributed to the cost centres, including those in Housing Services, on a percentage of sales (revenue) basis, as administrative support charges.