

**RESIDENCES SERVICES - BUDGET
POLICY**

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Classification: Financial Management
Approving Authority: Vice President Academic
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Mandated Review:

GENERAL

- 1.1 The overall objective of the residence operation is to maximize the utilization of the space available.
- 1.2 The residences are to be operated as an ancillary enterprise on a break-even basis within each fiscal year.
- 1.3 The General Manager of Housing, Food & Conference Services is responsible for residence operations and development of appropriate residence budgets.
- 1.4 The General Manager of Housing, Food & Conference Services shall attempt to achieve a balanced budget for the ensuing fiscal year without increasing residence fees. If a fee increase is necessary to achieve a balanced budget, then the proposed new residence fees shall be discussed with the Executive Director of Student & Ancillary Services then reviewed with the students in residence before formal submission is made to the Board of Governors for approval.
- 1.5 The General Manager of Housing, Food & Conference Services shall survey current and proposed residence fees at a number of other universities across Canada to ensure that our fee proposals are in line with similar services at other institutions.
- 1.6 The residence budgets are to be divided into three major cost centres: Residence Housing, Cluster Housing and Family Housing.

The budget for each cost centre is to be developed on a break-even basis with the possible exception of the allocation for the provisions for major repairs and replacements.
- 1.7 The allocation of costs to these cost centres shall be made on the following basis:
 - 1.7.1 Costs which can be identified with a particular cost centre are to be charged to that centre.
 - 1.7.2 Budgets for each cost centre contain a provision for major repairs and replacements. This provision for major repairs and replacements is to

be allocated to the cost centres at the discretion of the General manager of Housing, Food & Conference Services.

1.8 The provision for major repairs and replacements is to be transferred to a Reserve account at the end of the fiscal year. The total provision for major repairs and replacements shall be determined on the basis of:

1.8.1 an inventory of furniture and equipment in residences and a calculation of the provision based upon the estimated life span of each piece of equipment; and

1.8.2 an estimate of building renewal costs based upon 1/60th of the current building replacement cost in the case of reinforced concrete buildings and 1/30th of the current building replacement cost in the case of frame buildings.

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

1.9 In the event of an operating surplus at the end of the fiscal year, such surplus funds will normally be allocated either to the Reserve account for repairs and replacements or to accelerate mortgage repayments.

1.10 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. If 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.

PROCEDURES

2.1 The preliminary residence budget will be based upon the previous year's budget and actual performance, as well as the experience of the residence operation up to the end of December in the current budget year.

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

2.2.1 Revenues

2.2.1.1 Room rental
Commissions (vending and rental services)
Miscellaneous (damage recoveries, fines, etc.)

2.2.2 Salaries

2.2.2.1 Management
Office and Residence Life
Janitorial
Benefits

2.2.3 Expenditures – Non-Salary

- 2.2.3.1 Supplies
 - Communications (Telephone/Fax/Postage/Courier)
 - Equipment Maintenance
 - Utilities
 - Insurance
 - UVic Services (Computer Svcs./Print & Dupl./Motor Pool etc.)
 - Administrative Support Charge
 - Furniture/Equipment/Linen
 - Facilities Maintenance
 - Mortgage
 - Commissions (Visa/MasterCard)
 - Provision for Replacement
 - Programming/Staff Development

2.3 The residence budget will be developed on the following schedule:

- 2.3.1 The preliminary draft budget request will be developed by the General manager of Housing, Food & Conference Services in consultation with the Executive Director of Student and Ancillary Services. In the absence of either of these parties, the remaining person shall be responsible for preparing the preliminary draft budget request and proceeding to meet the schedule noted in this policy.
 - 2.3.2 The preliminary draft budget shall be reviewed with the students in residence before presentation to the Vice-President, Finance and Operations. The preliminary draft budget shall then be presented to the Vice-President, Finance and Operations for consideration no later than January 31.
 - 2.3.3 The newly approved residence fees will become effective May 1 and will remain in effect until April 30 of the following year.
 - 2.3.4 Conference rates shall be established by the General manager of Housing, Food & Conference Services in consultation with the Executive Director of Student and Ancillary Services, based upon previous experience, current rates for similar services at other institutions, and services requested by conferees.
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