

BOARD OF GOVERNORS

Policy Type: Executive Limitation
Approved: November 21, 2006
Revised: June 2018; 2013 and 2009



EL-3 – Financial Planning

The president shall not permit planning that allocates resources in a way that deviates materially from board-stated Ends priorities, risks fiscal jeopardy, or does not enable the longer-term ability of the organization to achieve Ends.

Further, without limiting the scope of the above statement by the following list, the president shall not:

1. Operate without a documented, multi-year strategy that can be expected to achieve a reasonable interpretation of the Ends.
 - 1.1. Permit planning that does not explain and justify assumptions and identify relevant environmental factors.
2. Permit budgeting for any fiscal period or the remaining part of any fiscal period that is not derived from the multi-year plan.
3. Permit financial planning that omits credible projection of revenues and expenses, separation of capital expenditures and operational expenses, cash flow projections, and disclosure of planning assumptions.
4. Permit planning that risks any situation or condition described as unacceptable in the “Financial Condition and Activities” policy.
5. Permit financial planning that does not provide the amount determined annually by the board for the board’s direct use during the year, such as costs of fiscal audit, board development, board and committee meetings, board legal fees, and ownership linkage.
6. Permit planning that endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve Ends in future years.