

FINANCE

Policy 601-R

Budget

The annual budget is a financial plan reflecting the implementation and maintenance of the Board's educational and operational goals and objectives. The objectives reflected in the budget should be consistent with the Board's vision, mission and values as identified in the Board's Strategic Plan.

In accordance with *Section 156 (12)* of the *School Act*, the Board must not incur a deficit of any kind unless the Board has approval of the Minister or meets criteria prescribed by order of the Minister.

The annual budget of the District shall be compiled in the form and containing the content specified by the Minister of Education:

1. "Estimated expenditures" means the estimated expenditures plus any operating deficit that the board must fund in the fiscal year;
2. "Estimated revenues" means the estimated revenues plus appropriated operating reserves;
3. Estimated expenditures in the annual budget must not exceed estimated revenues.
4. Estimated expenditures in the annual budget, other than the estimated debt services expenses, may exceed the estimated revenues if the board had held a referendum under *Section 112* of the *School Act* and the referendum approved the amount in excess of the estimated revenues.

A budget reflects the best estimate of planned revenues and expenses as of a point in time. Salary and benefit increases, inflation and other estimated changes must be budgeted. In addition, the budget must include all recurring and non-recurring revenues and expenditures for the full fiscal year.

Budget Development

The annual budget shall be developed based on the instructions received from the Ministry of Education.

In the development of the annual budget, the following must be observed:

- The budget for any fiscal year shall not deviate materially from the Board's policies and strategic priorities.
- Annual recurring expenditure obligations must not be funded from non-recurring revenues.
- Revenues and expenditures must be projected in a manner that avoids fiscal jeopardy.
- Ancillary operations must be operated to cover all direct and indirect operating costs.
- The Board shall not proceed with major building projects unless funding for the full capital and operating costs has been identified.

Budget Responsibility

The Secretary Treasurer will have the overall responsibility of budget preparation, with the support from the Superintendent and senior management team.

1. Budget planning involves all levels of school and district staff, as well as from the District Parent Advisory Council, staff unions and associations, and other stakeholders.
2. A timeline will be published by the Secretary Treasurer in December, outlining key dates and opportunities for consultation.
3. Opportunities from budget consultation will take place, involving parents, parent associations, staff unions and associations, students and other stakeholders.
4. The results of the consultations will be provided to the Board during the budget process.

It is the responsibility of the Board to assure themselves that the budget represents a responsible implementation of its directions, and reflects prudent stewardship of funds, and to approve the budget.

Budget Preparation and Approval

The annual budget will be formulated in compliance with dates and instructions established by the Ministry of Education. At the beginning of each budget development cycle, the Secretary Treasurer, in collaboration with the Superintendent, shall prepare and present a budget development plan for the approval of the Board.

The annual budget process shall include:

- Three-year base budget estimates presentation,
- Proposed annual budget including detailed proposed budget adjustments and budget balancing proposal,
- Opportunities for stakeholder groups and public to provide input in the budget development process,
- Annual budget including detailed budget proposals to balance the budget.

The Board, by bylaw, must adopt an annual budget on or before June 30 of each year for the next fiscal year.

The *School Act* states that "if an operating grant to a board is amended under *Section 106.3 (6)*, or a grant is withheld or reduced under *Section 117 (1)*, the minister may order that the board, by bylaw, must amend its annual budget". The Board, by bylaw, must adopt the amended annual budget on or before February 28 of the current fiscal year.

Board approved annual and annual amended budgets shall be posted on the school district website.

Budget Approval Outside of the Budget Development Process

There may be large capital or program expenditures that occur outside of the budget development process due to an unexpected, unforeseen or emergent situation. The process to review and approve such expenditures shall be:

1. Rationale submitted to the Superintendent and Secretary Treasurer as to the nature, estimated cost and estimated completion timeline of the unexpected, unforeseen or emergent situation.
2. Identify processes or controls to aid in reducing the risk or preventing such situation from recurring in the future.
3. The Superintendent and Secretary Treasurer shall review the submission and determine if the expenditure will be recommended for Board approval.
4. The Superintendent and Secretary Treasurer shall document the approval decision.
5. The Secretary Treasurer shall identify potential funding source(s) to cover the unexpected, unforeseen or emergent expenditure.
6. If the cost of the unexpected or emergent expenditure exceeds the approved amount, the Superintendent and Secretary Treasurer shall be informed immediately. The above process shall be followed again for the additional cost.
7. The Board shall be notified of the unexpected, unforeseen or emergent situation and approve of the expenditure that occurred outside of the budget development process.

Budget Monitoring

The Superintendent and Secretary Treasurer are delegated responsibility for the overall management of the educational and operational programs that are supported by the annual budget. The Secretary-Treasurer is specifically responsible for the financial management of the budget and all financial reporting.

It is the responsibility of the Superintendent and Secretary Treasurer to delegate segments of the budget for control and monitoring to designated management staff.