

AP 500– Annual Operating Budget, Multi-Year Financial Planning and Reporting

Background:

The District recognizes its responsibility to the citizens of this community for the effective use of public funds in providing the best possible education to its children. Responsible financial planning decisions that reflect the District's Strategic Plan and Ministry of Education educational guidelines are the predominant themes of the District's budget procedures.

The Secretary Treasurer, in consultation with the Superintendent, will create a draft budget based on the Board's Strategic Plan, for presentation to the Board each year. The budget will consider input from the District Leadership Team (DLT) and their staff, internal and external stakeholders including rights holders, and public consultation.

Supplemental to the amended annual operating budget, the Board will also make available a multi-year financial plan that will provide a long-term financial outlook for the District. The multi-year (three year) financial plan will summarize critical drivers, including forecasted enrolment revenues and essential expenditures and be made available to the public in conjunction with the presentation of the amended annual budget.

In accordance with Section 156 (1) of the School Act, the District is not permitted to table a deficit budget without the approval of the Minister of Education, unless it meets prescribed criteria by order of the Minister of Education. In the event of a surplus occurring at the end of the fiscal year, the Board has adopted an Accumulated Surplus Policy (Policy 20) which determines how surplus funds will be utilized in future periods.

Procedures:

1. Budget Timeline and Reporting

- 1.1 Budget planning timelines each year will be set by the Secretary Treasurer, with consideration for District and Ministry requirements.

January: Refer Amended Budget Revenue Information for the current year's Amended Annual Budget (based on September's 1701 enrolment report), and the Ministry of Education Funding Announcement to the Board.

- February: Recommend approval of Final Amended Budget for current fiscal year to Board.
Present the Multi-Year Financial Plan.
File Preliminary Enrollment Estimates for the upcoming year with the Ministry of Education
Provide an opportunity for input from stakeholders and the public with respect to budget priorities for the upcoming fiscal year.
- March-April: Refer Preliminary Budget Revenue Information for the upcoming fiscal year's budget based on February enrollment estimate and the Ministry of Education Funding Announcement for the upcoming fiscal year ,stakeholder and public input to the Board.
- May: Recommend approval of Preliminary Annual Budget for upcoming fiscal year.
This will occur no later than the date prescribed by the Ministry (June 30 each year).
- September – December:
- The Secretary Treasurer will review the Preliminary Annual Budget each year following the finalization of the previous fiscal year's Financial Statements, the September 30 enrollment counts, and the forecast of revenues and expenditures for the current school year, and will amend the budget as necessary and recommend the Amended Annual Budget for the Board's approval. This will occur no later than the date prescribed by the Ministry (February 28 each year).

2. Budget Management

- 2.1 All budget management processes need to be transparent, documented and consultative. Individuals responsible for oversight include budget managers, DLT, the Finance & Facilities Committee and the Board.
- 2.2 It is the role of each DLT member to manage the operating, special purpose and capital funds assigned under their area of responsibility. If they so choose, a DLT member may delegate part of, or their entire, budget to one of their managers. However, DLT members will remain accountable for their budgets, provide oversight, and be able to explain the financial status of their budgets.
- 2.3 As there is no formal forecasting system in place, it will be assumed that budget managers are managing at or below budget. It is the responsibility of the budget manager to track their budget and identify significant variances as soon as they appear. If a cost pressure cannot be managed within their overall budget, the budget manager is expected to contact the Secretary-Treasurer immediately.
- 2.4 The Secretary-Treasurer is responsible for the overall development, monitoring and forecasting of the overall operating budget and will meet with budget managers to review individual budgets and variances during the year and as needed.

- 2.5 It is recognized that the fiscal resources allocated may be greater or less than the cost of providing the service. All those involved in budget management are expected to exercise prudence at all times, remembering that the object is to meet the District's educational and operational objectives as set out in the Board's Strategic Plan and as mandated under Ministry directives.