

BUDGET DEVELOPMENT, MONITORING 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 and the carrying out of the agreed educational goals are the predominant themes of the District's budget procedures.

The annual operating budget is a financial plan reflecting the implementation and maintenance of the Board's educational and operational objectives. The financial allocations included in the budget should be consistent with the strategic directions identified in the Board's Strategic Plan.

The annual budget development process for the development of the preliminary budget is aimed at ensuring transparency and accountability in the development of the School District's budgets. The process shall include sharing the Board's budget information with partner groups and public, as well as receiving budget balancing proposals and feedback on proposed budget balancing options.

A budget reflects the best estimates of the District of planned revenues and expenditures known at the time of approval. The budget should include salary and benefit increases, inflationary adjustments to expenses and should contemplate both recurring and one-time items for the full fiscal year.

The Secretary-Treasurer will create a draft budget, based on the Board's strategic plan and in consultation with its stakeholders and senior management, for presentation to the Board by the Superintendent (or designate) each year.

Procedures

1. Budget Development

- 1.1 Annual budgets shall be developed based on the instructions provided by the Ministry of Education. Before the start of each budget development cycle, the Secretary-Treasurer shall prepare and present to the Board for approval, a budget development plan and process, which includes public and stakeholder input.
- 1.2 The proposed preliminary operating budget will be developed with input from the District Leadership Team and Expanded Management Team and managed through the Secretary-Treasurer, with consultation and support of the Senior Management Team.
- 1.3 The preliminary operating budget and three-year financial plan will be prepared through the Secretary-Treasurer and Finance Team. The purpose of the report is to

- provide additional and supporting information on the proposed preliminary budget and to provide long-term financial outlook of the District.
- 1.4 The annual budget process for the development of preliminary operating budgets shall include the following:
 - 1.4.1 Proposed preliminary budget including base budget estimates and details on budget balancing strategies and options
 - 1.4.2 Opportunities for partner groups, including local First Nations as represented by the Indigenous Education Committee, and public to provide input in the budget development
 - 1.4.3 Superintendent recommendations that provide a summation of how the preliminary budget and balancing strategies have aligned with the Board's strategic plan and considered feedback from the District's partner groups.
 - 1.5 Board approved preliminary and amended budget documents shall be posted on the School District's website.

2. Budget Management

- 2.1 The budget is a "living" document. The Board, through policy, provides the appropriate flexibility in the budget management to enable the Secretary-Treasurer and Superintendent to maximize the use of overall District fiscal resources while still exercising effective budget controls.
- 2.2 It is the role of each District Leadership Team and Expanded Management Team Member to act as a budget manager for the funds assigned under their school, department or program.
- 2.3 Budget managers are expected to run their school, department or program within the budget allocated.
- 2.4 It is the responsibility of budgets managers to track their budget and identify significant variances to their budgets as soon as they appear and take corrective action to remedy the variances. If the cost pressure cannot be managed within the overall budget, budget managers should immediately contact the Secretary-Treasurer.

3. Budget Changes

- 3.1 The Secretary-Treasurer is authorized to approve budget transfers within the Board's approved budget to ensure the District meets its contractual obligations, statutory

- requirements, approved staffing decisions and approved educational or operational objectives.
- 3.2 The Secretary Treasurer will review the annual budget each year following the finalization of the September 30 enrollment along with the forecast of revenues and expenditures for the school year and will amend if necessary. The Secretary-Treasurer will recommend for the Board's approval the amended annual budget. This will occur no later than the date prescribed by the Ministry (February 28 each year).
 - 3.3 Once the amended budget has been approved, no financial system budget updates can be made. Any operational or staffing adjustments required after the establishment of the amended budget will need to be approved by the Secretary-Treasurer.
 - 3.4 Under the approval of the Secretary-Treasurer, expenditure estimates may be exceeded where directly related revenue sources (Ex: International Education, Continuing Education etc.) fully provide for the increase in expenditure.

4. Budgeting and Financial Reporting Guidelines

- 4.1 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 from the Minister of Education or meets criteria prescribed by order of the Minister of Education.
- 4.2 The approved preliminary budget shall come into effect on July 1.
- 4.3 On at least a quarterly basis, financial reports shall be presented to the Operations Policy and Planning Committee of the Whole through a summative (macro) report on actual revenue/expenses against budgets. These reports will highlight budget variances with an explanation for deviation.
- 4.4 Annually, the Financial Statement Discussion and Analysis (FSD&A) report will be prepared. The purpose of this report is to expand and explain information contained in the financial statements. The FSD&A complies with the reporting requirement of the K-12 Public Education Financial Planning and Reporting Policy and the K-12 Public Education Accumulated Operating Surplus Policy.

Reference: Sections 22, 23, 65, 85, 106.2, 106.3, 106.4, 110, 111, 112, 112.1, 113, 114, 115, 117, 118 School Act

SD No. 40 (New Westminster)

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Modification to this document is not permitted without prior written consent from SD No. 40 (New Westminster)