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## BUDGET MONITORING AND REPORTING

### Background

The District recognizes its responsibility for the effective use of public funds in providing the best possible education to students in the communities it serves. The Board has a duty to govern the District in a fiscally responsible manner, while carrying out the strategies required to achieve its goals. The annual operating budget is a financial plan reflecting the implementation and maintenance of the District's educational and operational objectives. The objectives reflected in the budget are to be consistent with the Board's Statement of Beliefs 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. Under Section 156(1) of *School Act*, the Board is required to maintain budgetary control over expenditures, develop an annual budget and submit it to the Ministry of Education in a prescribed form at the time required by the Minister. 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 one-time revenues and expenditures for the full fiscal year.

### Procedures

#### 1. Budget Development

- 1.1. Annual budgets shall be developed based on instructions received from the Ministry of Education. At the beginning of each budget development cycle, the Secretary Treasurer in collaboration with the Superintendent shall prepare, and present to the Board for approval, a budget development plan or budget process.
- 1.2. In the development of the annual budget, the following must be observed:
  - 1.2.1. The budget for any fiscal year shall not deviate materially from the Board's policies and priorities.
  - 1.2.2. Annual recurring expenditure obligations must not be funded from non-recurring revenues.
  - 1.2.3. Revenues and expenditures must be projected in a manner that avoids fiscal jeopardy.
  - 1.2.4. Ancillary operations must be operated to cover all direct and indirect operating costs.
  - 1.2.5. The District shall not proceed with major building projects unless funding for the full capital and operating costs has been identified.

#### 2. Budget Implementation, Monitoring and Reporting

- 2.1. The Superintendent and the Secretary Treasurer are responsible for the communication and the implementation of the Board approved budget. The budget is a "living" document. To

this end, the Board, through its policies, intends to provide appropriate flexibility in budget management to enable management to maximize the use of fiscal resources while exercising effective budget control.

- 2.2. The Secretary Treasurer is authorized to approve budget transfers within the Board approved budget to facilitate meeting contractual obligations, statutory requirements, approved staffing complement, or approved educational or operational objectives. Unless otherwise instructed by the Board, monthly fiscal accountability reports shall be presented to the Board providing a status of the performance against budget.

Reference: Sections 22, 23, 65, 85, 106.2, 106.3, 106.4, 110, 111, 112, 112.1, 113, 114, 115, 115.1, 115.2, 117, 118, 137, 153, 156 *School Act*

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