



Policy No. 401

FINANCIAL PLANNING, BUDGET PLANNING AND REPORTING

POLICY STATEMENT

The Board of Education is responsible for the effective use of public funds in providing the best possible education to students in the district. There is a duty to govern the district in a fiscally responsible manner, while carrying out strategies to achieve its goals.

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 annual budget should be consistent with the strategic directions 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 of Education and Child Care (Minister) or meets criteria prescribed by order of the Minister of Education.

Section 156(1) of the School Act requires the Board of Education to prepare an annual operating budget in the prescribed form, and containing the content specified by the Minister of Education. The Board will adhere to all statutory and contractual requirements in the preparation of the budget.

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

GUIDING LEGISLATION/REGULATIONS

- *School Act*, Section 156

REGULATIONS

Ministry Financial Planning and Reporting Requirements

1. The Board will develop, implement, and annually provide to the Ministry multi-year financial plans that outline how funding and resources will be used to support their strategic plans and operational needs including improved student educational outcomes.
2. When developing financial plans, the Board will post information on its website on how the local community and education partners, including local First Nations and Métis Nation BC will be engaged on financial planning and how it will keep those groups

informed on the Board's progress towards aligning funding and resources with its strategic plans.

3. Boards will use the Ministry's existing financial reporting framework (including a Financial Statement Discussion and Analysis Report) to annually report on Boards' progress (e.g. post on website) towards meeting Board objectives as outlined in their multi-year financial plans.
4. The Board of Education authorizes the Superintendent and the Secretary Treasurer to
5. develop and monitor the annual budget.
6. The Superintendent and the Secretary Treasurer are delegated responsibility for the overall management of the educational and operational programs that are supported by the annual budget, with the Secretary Treasurer being specifically responsible for the financial management of the budget and all financial reporting.

Budget Development

1. The annual budget shall be developed in a planned, collaborative and open manner with consultations and discussions at appropriate levels of school and district.
2. The Board shall provide opportunity for local First Nations, partner groups and the public to provide input in the development of the annual budget.
3. The budget for any fiscal year shall not deviate materially from the Board's policies and strategic priorities.
4. Annual recurring expenditures must not be funded from non-recurring revenues, and revenues and expenditures must be projected in a manner that avoids fiscal jeopardy.
5. Board approved preliminary and amended budget documents shall be posted on the school district website.

Budget Monitoring and Reporting

1. Communication, implementation and monitoring of Board approved budget is the responsibility of the Superintendent and Secretary Treasurer. The Board provides appropriate flexibility to enable management to maximize the use of fiscal resources while exercising effective budget control.
2. The Secretary Treasurer is authorized to approve budget transfers within the Board approved budget in order to facilitate meeting contractual obligations, statutory requirements, approved staffing complement, or approved educational/operational objectives.
3. Permanent budget transfers that are not formula driven and result in increased or decreased staffing levels must be approved by the Board. In addition, budget transfer

requests that would materially alter the Board approved fiscal plan must be approved by the Board.

4. Under the approval of the Secretary Treasurer, expenditure estimates may be exceeded where directly related revenue sources fully provide for the increased expenditure.
5. Management will present to the Board, financial reports at every Board meeting that provide a summative status of performance against budget. Reports will include an analysis of budget variances with an explanation of any variance in excess of 5% of budget amount.

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