

FINANCE

Policy 601-R **(previously Policy 801-R)**

Budget: Capital Plan & Operating Budget Preparation

Boards of Education in British Columbia are required to prepare two types of budgets: a multi year capital plan and an operating budget.

Capital Plan

A "capital expense" is related to an item of a permanent or semi-permanent nature that is used and paid for over a period of more than one year, such as the purchase and development of sites, the construction or renovation of school buildings, the furnishing and equipping of schools, and the acquisition of equipment authorized as "capital" equipment by the Ministry of Education (e.g., school buses).

When requested by the Minister, the Board will prepare a specific capital plan for such items as the purchase and development of sites, the construction or renovation of school buildings, the furnishing and equipping of schools, and the acquisition of equipment authorized as "capital" equipment by the Ministry of Education (e.g., school buses). No capital expenditures may be made without the Minister's approval of the capital plan.

When a specific capital plan is approved by the Minister, the Board shall prepare and adopt a capital budget bylaw. After it has been duly adopted by the Board, the capital budget bylaw must be approved by the Minister. The Board may not amend a capital budget bylaw except as approved in writing by the Minister.

Operating Budget

An "operational expense" is related to a recurring item such as staff salaries, classroom and office supplies, utilities and maintenance of facilities.

On or before March 15, the Ministry typically advises the Board of the provincial grants it will receive.

On or before June 30, the Board is required by legislation to adopt an operating budget bylaw.

On or before June 30 of each year, the Board must submit its annual operating budget for the next fiscal year (July 1 - June 30) in the form required by legislation and Ministry regulations.

The Board will adopt by resolution a budget timeline that enables stakeholder and public participation through the submission of briefs at public board meetings. The following is an overview of a typical budget preparation schedule, with specific dates will be determined each year by the Board.

- Mid-October to Early January: Placement of newspaper advertisements inviting input into the operating budget.
- December to February: The Board receives briefs and presentations from stakeholders and the general public at regular Board meetings.
- January to March: Departmental budgets submitted to the Executive Team by budget officers for discussion.
- March 15: Ministry announces the Board's operating grant.
- Late March: The Superintendent provides a budget workshop for Trustees.
- Early April: The Superintendent provides an initial report on the operating budget at a regular Board meeting.
- Mid June: The Board adopts an operating budget bylaw at a regular Board meeting.
- June 30: Deadline for submission of an operating budget to the Ministry of Education.

The Superintendent has authority to authorize expenditure of funds in accordance with the adopted budget, Board policy and legal requirements, except that the Board may direct the Superintendent to observe specific limitations on expenditure if this becomes necessary.

In the absence of specific direction, the Superintendent is authorized to make adjustments to the budget as required by emergent needs and circumstances. In this regard it is understood that the operating budget bylaw represents a preliminary budget based on estimations and that both the operating grant and district expenses can be expected to change throughout the year, and in particular in response to official student counts at various times throughout the year.

The Superintendent or designate will establish an effective system of financial controls.

Over-expenditure of the total budget is not permitted without formal approval of the Board and the Minister of Education.