

FINANCE

Policy 601-G (previously 801-G)

Budget Guidelines and Procedures

Capital Budget

1. General

School boards are required to prepare a Five-Year Capital Plan annually, herein referred to as the "Capital Plan".

2. Purpose

The School Act stipulates that "A board must, when required by the Minister, prepare and submit to the minister a capital plan." These guidelines identify the timelines and procedures regarding the Capital Plan submission.

"Capital" expenditures for the purposes of the Capital Plan are defined as:

Renovations necessary to restore a facility to an appropriate working condition greater than \$1.5 million,

- Facility Replacement greater than \$1.5 million,
- Seismic mitigation, and;
- Student Transportation Services

3. Scope

The Capital Plans from all Boards of Education are used to develop an overall Provincial Capital Plan for the next capital budget year. The Provincial Plan is developed on the basis of established ranking criteria and anticipated future funding levels.

The Board must submit its Capital Plan to the Funding Department on a date each year as specified by the Minister.

The Board's Capital Plan should reflect a strategy for balancing the supply of existing facilities with both current and projected enrolment demands, and the rejuvenation of existing facilities within the district.

4. Responsibility

It is the responsibility of the Superintendent and Secretary-Treasurer to ensure that the Capital Plan Procedures outlined below are coordinated and implemented.

It is the responsibility of the Secretary-Treasurer, together with the Manager of Facilities to complete the appropriate segment of both the Capital Plan template and associated forecasts, and submit any associated changes as required by the Ministry review, in its "Echo Report" (see below).

It is the responsibility of the Superintendent or designate to ensure that the Capital Plan presented to the Board of Education for approval represents a responsible implementation of the direction provided by the Board and to recommend the budget for approval.

It is the responsibility of the Board of Education to assure themselves that the Capital Plan represents a responsible implementation of its directions, and reflects prudent stewardship of funds, and to approve the budget.

5. Budget Process

The Capital Plan shall be submitted as per the Capital Plan Instructions and the Capital Plan Allowances, Rates and Costing Factors Supplement, sent each spring to all school districts by the Funding Department.

The Capital Plan shall include documentation supporting:

- new schools and additions
- replacement or rebuilt schools
- renovations to extend building life.

Where necessary, adjustments will be made by the Ministry Planning Officer in consultation with the Board of Education to ensure projects comply with current Ministry building unit rates, area entitlements, and cost estimates for site development, consultant's fees, and equipment allowances.

An 'Echo Report' indicating Ministry ranking of eligible capital projects and any proposed changes will be sent to the Board of Education.

6. Preparation and Approval

In January of each year, the Capital Plan Instructions are available on the Ministry's Capital Planning Resources webpage.

From January until May, Board staff work with Ministry Planning Officers in developing Project Identification Reports (PIR) and the Capital Plan Submission.

On or before May 15, the Board must submit its Capital Plan to the Ministry, including all electronic planning forms, hard copy documentation to support project requests, and the Board resolution adopting the Capital Plan Submission.

Through to the end of June, the Ministry reviews the Plan, and sends an "Echo" report to the Board with assigned provincial project rankings.

In July, the Ministry review and approves the provincial recommended Capital Plan project list.

Operating Budget

1. General

An annual Operating Budget shall be prepared before the start of each fiscal year-end and presented to the Board of Education for approval.

The budget is not considered final until it is approved by the Board of Education, and an Operating Budget Bylaw is adopted.

2. Purpose

To establish the methods to be employed for the preparation, review, approval and submission to the Ministry, of the annual Operating Budget.

3. Scope

It is the policy of the Board of Education to prepare an annual Operating Budget outlining the Board's expenditure priorities in relation to the estimated revenues available from all sources for the upcoming fiscal year.

The two main uses of the budget are: 1) internal resource allocation (planning) and 2) budget control and fiscal responsibility.

4. Responsibility

It is the responsibility of the Superintendent and Secretary-Treasurer to ensure that the Budget Procedures outlined below are coordinated and implemented.

It is the responsibility of all Budget Sponsors to complete their segment of both budgets and forecasts, and monitor actual results against budget.

It is the responsibility of the Superintendent or designate to ensure that the budget presented to the Board of Education for approval represents a responsible implementation of the direction provided by the Board and to recommend the budget for approval.

It is the responsibility of the Board of Education to assure themselves that the Budget represents a responsible implementation of its directions, and reflects prudent stewardship of funds, and to approve the budget.

5. Budget Process

The Superintendent or designate will confer with Board's management team on the general financial guidelines for the preparation of the following year's Operating budget based on the Board's strategic and business plans. Guidelines should include assumptions, which should include, but are not restricted to:

- Prices paid for goods and services
- Wages and Benefits, Collective Agreement Provisions
- Projects planned to be undertaken
- Grant Revenues from the Provincial Government
- Revenue generation, if any.

Guidelines and assumptions will be documented and kept together with the budget development file for future reference.

6. Budget Procedures

Areas to be addressed in defining the budget procedure are as follows:

- Preparation and Approval -Preliminary Budget
- Budget Sponsor Reports
- Preparation and Approval -Amended Budget

The major budget cost centres defined by the Ministry, and funded by the Board are as follows:

Cost Centres:

- Instructional and School Services
- Student Support
- Continuing Education
- International Education Initiatives
- Board Governance
- Educational Administration
- Human Resources
- Procurement and Financial Services
- Maintenance, Grounds and Operations Services
- Technology Services
- Student Transportation

The costing of the goods and services requested in each cost centre is prepared in collaboration with the Executive Team, and Financial Services. All cost center proposed budgets should be reviewed with those persons responsible for all facets within a given cost center. When all cost center budgets have been finalized the Operating budget will be compiled by Financial Services from all of the expenditures submitted.

Provincial revenues are determined by the Minister of Education. Other revenues may include income from federal agencies and Board revenue generation initiatives.

7. Preparation and Approval - Preliminary Budget

Budget preparation for a given fiscal year July 1 to June 30 will commence in the autumn of the preceding fiscal year. Key dates and milestones in the preparation of the Preliminary Operating Budget are described below:

Mid October to Early January, newspaper advertisements are placed inviting input into the Operating Budget.

From December to February, the Board receives briefs and presentations from the stakeholders and the general public at regular Board meetings.

January to March: Departmental budgets submitted to the Executive Team by Budget Sponsors for discussion.

On or before February 15, enrolment projections are submitted to the Ministry.

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

Once the March 15 provincial grants are known, Financial Services provides a preliminary estimate of revenues and expenditures to the Executive Team, for further discussion and refinement.

In late March, the Superintendent provides a budget workshop for the Trustees.

In early April, the Superintendent provides an initial report on the Operating Budget at a regular Board meeting.

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.

8. Budget Sponsor Reports

Details of expenditures and revenues of the current fiscal year with comparisons to the Preliminary Operating budget will be issued in report form to Budget Sponsors, as soon as possible after June, once the Preliminary Budget is loaded into the financial system.

Budget Sponsors can obtain assistance from Financial Services with respect to any further information required to analyze patterns of revenues and expenditures e.g. comparative figures for the prior year.

Any significant variation between budget and actual expenditures/revenues are monitored by Financial Services, and discussed with Budget Sponsors.

9. Preparation and Approval - Amended Budget

The budget cycle for a given fiscal year July 1 to June 30 continues as Preliminary Budget estimates are monitored. The process of revision and fine-tuning of the Preliminary Budget in anticipation of the submission of the Amended Budget begins in the fall.

Key dates and milestones in the preparation of the Amended Operating Budget are described below:

By September 30, current fiscal year enrolment counts are submitted to the Ministry.

By mid-October, further enrolment and other data such as educator salaries are submitted to the Ministry.

By the end of October, a report of employee FTE by program is submitted to the Ministry.

In early December, the Ministry advises the Board of the provincial grants it will receive.

The Executive Team, together with Financial Services reviews the impact of the December grant revision noted above, and recommends changes to the Board accordingly.

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.