

POLICY #4203 OPERATING BUDGET

Philosophy

The Surrey Board of Education's annual operating budget is a Financial Plan reflecting the implementation and maintenance of the district's Educational and Operational Plan. The budget should reflect the objectives established by the board for the school/fiscal year to which the budget applies. The objectives, reflected in the budget should be consistent with the board's mission and goals statements.

1. Budget Development

- 1.1. The board is required by the School Act to develop an annual operating budget and submit it to the Ministry of Education in a prescribed form by prescribed dates.
- 1.2. The annual operating budget will generally be developed by a committee-of-the-whole board established as the "Budget Committee" which is assisted by senior school district management personnel. An invitation is generally extended to employee and constituent groups as well as the general public to provide input to the Budget Committee during its deliberations.
- 1.3. The "Budget Committee" should recommend a budget to the board in a timely manner, ideally providing opportunities at two regularly scheduled board meetings for the board to deal with the recommendations.
- 1.4. The budget document presented to the board will contain estimates of revenue and expenditures in a format that is consistent with that required by the Ministry.
- 1.5. When the "Budget Committee" is in the process of developing or reviewing the budget, a detailed report by objects of revenue and expenditure will be prepared by the management, to be used as a working document.
- 1.6. The budget approved by the board, will be supported by specific staff complement approvals. At the time of budget approval, the board will determine whether the decisions taken by the Budget Committee in preparing the budget are to be implemented or presented separately for board approval.

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- 1.7 Whether a preliminary or a final budget, once approved by the board, for purposes of managing the district, they shall have the same effect.

2. Nature of the Budget

- 2.1. The budget is a “living” document that identifies the financial resources appropriated by the board to provide the human and material resources necessary to meet the district’s educational and operational objectives. To this end the board, through policy, intends to provide appropriate flexibility in budget management to enable administration to maximize the use of fiscal resources while exercising effective budget control.

3. Responsibilities for Managing Budget

- 3.1. Responsibility for the overall management of the educational and operational programs that are supported by the annual budget, is that of the superintendent. The secretary-treasurer is responsible for the financial management of the budget, and all financial reports.
- 3.2 Each budget account shall be assigned to an account coordinator who will generally be a member of senior or middle management, (including principals). The account coordinator for expenditure accounts will be responsible for ensuring that the funds are used for the purpose intended, and for monitoring expenditures to ensure they do not exceed funds allocated, without proper authority. Account coordinators for revenue accounts will monitor activity to ensure that revenue objectives are achieved.

4. Budget Management

- 4.1 Budget management and reporting will be conducted at a macro and micro level. Typically the board and senior executives would receive reports and oversee the budget at a macro level, reviewing information presented by major objects of expenditure. Account coordinators are expected to manage the budget at the micro level, reviewing information presented by function, program and objects of expenditure.

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- 4.2 Financial data to assist in the management of budgets will be provided by the Fiscal Management Services, which is responsible for the proper coding of all revenues and expenditures, in accordance with the Chart of Accounts.
- 4.3 The implementation or maintenance of programs shall be carried out in accordance with the policies, decisions and directions of the board, generally within the amount budgeted for them.
- 4.4 It is recognized that the fiscal resources allocated may be greater or less than the cost of providing the service. All those involved in managing the budget are expected to at all times be governed by prudence, remembering that the object is to meet the district's educational and operational objectives. Any funds remaining after the objectives have been met will become reserved for general budget management purposes. Where funds are obviously insufficient, budget transfers or excess expenditures may be approved, in accordance with the provisions of this policy.

5. Budget Transfers

- 5.1. The secretary-treasurer or designee, may authorize budget transfers within object codes, to facilitate meeting contractual obligations, statutory requirements, approved staffing complement, or approved educational/operational objectives.
- 5.2 Budget transfers that would cause an over-expenditure in the account from which funds are transferred are not approved under any circumstances.
- 5.3 Budget transfers made between one budget area to another budget area (transfers between ministry function and/or major object code) will require prior approval from executive committee as this will affect the board approved budget.
- 5.4 Where "parent" account budget arrangements have been established for an organizational unit, total spending for the organizational unit is to be governed by the total budget. This provides account coordinators flexibility to allocate expenditures between objects of expenditure authorized in relation to the parent account.

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6. Requests for Change in Staff Complement

- 6.1 A position control document will be used to reflect the board's approved staff complement, and to control the salaries and benefit costs.
- 6.2 Should the staff complement need to be increased, reduced or altered by crossing ministry defined function and/or employee group object code, prior board approval will be required.
- 6.3 Any request submitted by management to the board that would result in additional cost, shall identify a funding source.

7. Excess Expenditures

- 7.1. It is recognized that some costs are "on demand" and therefore difficult to control. Examples include, substitute costs, payroll taxes, contractual benefit premiums, statutory and contractual obligations, utilities, debt services and uninsured losses. Management is authorized to incur such expenditures when transfers can be made in accordance with section 5 above to accommodate the expense.
- 7.2 When management has projected that the approved budget will be insufficient to accommodate the expense, and transfers in sufficient sums to provide for the expenditures cannot be made, the board shall be notified and provided with options.
- 7.3 Under the approval of the secretary-treasurer, expenditure estimates may be exceeded where directly related revenue sources (eg. cafeteria sales) fully provide for the increased expenditure.

8. Reporting

- 8.1. Unless otherwise instructed by the board, quarterly financial information shall be presented to the board providing a "macro" status of the budget.

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