

AVON MAITLAND DISTRICT SCHOOL BOARD

ADMINISTRATIVE PROCEDURE

NO. 500

SUBJECT: BUDGET DEVELOPMENT AND IMPLEMENTATION

Legal References: *Education Act: Part VIII Compliance with Board Obligations; Part IX Finance; Section 283 Chief Executive Officer: Maintain an Effective Organization; Section 286 Duties of Supervisory Officers: Supervise Business Functions; Ontario Regulation 145/04 Grants for Student Needs; Municipal Conflict of Interest Act; Municipal Freedom of Information and Protection of Privacy Act*

Related References: *Board Policy No. 1 Avon Maitland DSB Mission and Goals; Board Policy No. 10 Committees of the Board: Finance, Audit Committees; Administrative Procedure 503 Accounting; AP 516 Purchasing Procedures*

1. Annual Operating Budget

- 1.1 This administrative procedure sets out the process by which the administration and the board establish an annual operating budget based on Ministry of Education funding, attempting to meet the goals, expectations, aspirations and priorities of Avon Maitland District School Board.
- 1.2 The annual budget is a reflection of decisions made, a mechanism for allocating financial resources, and a means of managing activities in a planned and efficient manner.
- 1.3 It is a requirement of the *Education Act* that every board shall prepare and adopt estimates of its revenue and expenditures for each fiscal year.
- 1.4 It is a further requirement of the *Education Act* that every board shall ensure that its estimated expenditures do not exceed its estimated revenues [Section 231(2)].

2. Implementation Procedures

- 2.1 The administration and board recognize the importance of the budget in relation to the responsibilities, functions and goals of Avon Maitland District School Board.
- 2.2 The administration and board recognize the importance of, and seek, public input as part of the budget process annually.
- 2.3 The following process will be followed when recommendations concerning the budget are presented to the board:
 - 2.3.1 Establishment of a resource distribution plan to address current system goals;
 - 2.3.2 A comprehensive review of current expenditures and projected estimates;
 - 2.3.3 Identification of insufficiencies in attempting to meet system goals and obligations;
 - 2.3.4 Identification and addressing of any inefficiencies which have become apparent; and

- 2.3.5 Identification of any provincial funding gaps, and potential impacts for Avon Maitland District School Board of proposed expenditure reductions intended to bridge those gaps.
- 2.4 In accordance with Board Policy No. 10 Committees of the Board, the Finance Committee will review the annual estimates budget prior to its presentation to the board for approval. The package subsequently produced for the Ministry of Education will be available to the Finance Committee for review.

3. Timelines

The usual timeline for budget development (assuming no unusual circumstances) is as follows:

3.1 August – January:

- 3.1.1 Monitor budget issues, provincial and local
- 3.1.2 Board discussion by director and senior staff based on system vision, board priorities, funding assumptions

3.2 November:

- 3.2.1 Review of draft financial statements by Audit Committee

3.3 November – January:

- 3.3.1 Development by the finance department of financial assumptions for upcoming budget, including potential impacts of financial year just completed
- 3.3.2 Enrolment projections and other assumptions shared with the board
- 3.3.3 Enrolment projections

3.4 January – April:

- 3.4.1 Discussions with individual principals and school councils, with administrative *ad hoc* district budget committee (principals/vice-principals/senior staff) and with administrative function budget teams
- 3.4.2 Detailed budget development

3.5 March – May:

- 3.5.1 Funding model analysis
- 3.5.2 Preliminary draft budget to Finance Committee (with or without General Legislative Grants)
- 3.5.3 Public budget presentations

3.6 May – June:

- 3.6.1 Review of annual budget package by Finance Committee
- 3.6.2 Draft budget to the board for information
- 3.6.3 Finance Committee recommendation of draft budget to board for approval
- 3.6.4 Balanced budget due to Ministry by June 30th

4. Reporting Periods

- 4.1 Status reports on enrolment will be presented to the Board in November and April annually.
- 4.2 Status reports on any changes required for the Revised Estimates will be presented to the board in December annually.

- 4.3 Status reports comparing year-to-date actual expenditure with budget and percentage of expenditure to budget will be submitted to the board monthly, commencing as at December 31st of each year.
- 4.4 A report recommending the annual budget will be submitted by the Finance Committee to the board, as noted in Section 3.6.3 above.