

## **POLICY 620: Budget Development, Monitoring and Reporting**

The Board of Education of School District No. 8 (Kootenay Lake) believes that a fundamental aspect of the duties of the Board is to establish and monitor the District's annual budget.

The Board must receive sufficient information to fulfill its fiduciary responsibilities and be satisfied that revenues and expenditures are aligned with the strategic priorities of the Board. The Board must ensure that appropriate processes are established to maintain the fiscal integrity of the District.

The Board expects that Administration will not cause or allow any financial activity that materially deviates from the budget adopted by the Board, cause or allow any fiscal condition that is inconsistent with achieving the expectations and strategic priorities the Board has established, or that places the long-term financial health of the organization in jeopardy.

### Guidelines

1. All plans, assumptions, implementation strategies, and risks are to be fully disclosed to the Board prior to approval of budget documents. At a minimum, these disclosures should include:
  - 1.1. key budget assumptions, such as student enrolments, grant rate changes, salary increases and inflation rates;
  - 1.2. financial and business risks, such as changes in interest rates and changes in fuel prices; and
  - 1.3. specific strategies explaining how the budget supports the school district's strategic plan/direction
2. Budget update materials should be prepared monthly and provided to the Board in a timely manner.
  - 2.1. The updates should include a comparison to the original budget and forecasts to the end of the school year in the following areas:
    - 2.1.1. revenues
    - 2.1.2. expenses
    - 2.1.3. accumulated operating surplus or deficit
  - 2.2. The updates should also include an explanation of significant variances, such as variances greater than 10%.
  - 2.3. The budget updates should be formally received by the board, and Administration should review the changes with trustees to make sure they are aware of the current situation and the impact of the changes on the fiscal plan.
3. The Secretary-Treasurer will establish effective budgetary controls including, but not limited to:

Related Legislation: School Act [RSBC 1996, Part 8, Division 2, Section 111] and [Budget Transparency and Accountability Act \[RSBC 2000\]](#)

Related Contract Article: Nil

Adopted: January 14, 2003

Amended: October 25, 2010

Amended: October 9, 2018

Revised: November 10, 2020

- 3.1. clearly defined managerial responsibilities,
- 3.2. plans for individual budget sites,
- 3.3. responsibility for adhering to the budget,
- 3.4. monitoring performance against the budget,
- 3.5. corrective action if results differ significantly from the budget,
- 3.6. permitting significant departures from the budget with the approval by the board, and
- 3.7. investigating unexplained variances from the budget.

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