

Management Relationship 2 – 3

Financial Management

Policy

The Board of Education believes that effective financial management systems are built upon systemic financial oversight and monitoring routines. The mission, vision and guiding principles shall guide the board in providing financial oversight.

The Board of Education believes that a clear definition of processes and areas of responsibility will improve system accountability and will increase the educational value derived from the finite resources available.

The Board of Education shall maintain records of all its revenues and expenditures in accordance with PSAB (Public Sector Accounting Board), the *School Act*, and Ministry of Education financial reporting guidelines. The board believes that the maintenance of a strong financial position is fundamental to the district's overall fiscal strategy, and as such, Reserve Funds should be established to support extraordinary needs, the replacement of depreciated equipment, and the replacement of fixed assets.

The Board of Education believes that financial and human resources expended should support the achievement of educational and business goals. The annual budget development process for the operating, special purpose funds, and capital budgets shall support the strategic plans of the board and the superintendent of schools. School, department and administration annual plans shall state specific strategies to support district goals.

Financial Management

Operating, Special Purpose Fund, and Capital Budget Development Process

1. The secretary treasurer and superintendent of schools shall be responsible for the finalization of the operating, special purpose fund, and capital budgets, and shall ensure they are presented to the Board of Education at a public meeting within the required timeline.
2. The Board of Education shall be provided an opportunity to influence the budget development processes prior to significant consultation occurring with stakeholders and shall be informed of any significant program changes prior to the presentation of the finalized annual budget and amended annual budget.

3. All operating, special purpose funds, and capital budget decisions shall fully consider the district's mission, vision and guiding principles.

Monthly Revenue / Expenditure Statement

1. Through the Office of the Secretary Treasurer, all records of receipts and expenditures are to be maintained. The secretary treasurer shall present a summary report to the Board of Education in accordance with the established work plan. Summary reports shall include monthly balances with comparisons made to established budgets, clearly showing the balance of funds available at the end of each reporting period in relation to budget.
2. The secretary treasurer is to make known to the Board of Education, the Finance Committee and/or the Audit Committee any activity that substantially deviates from the board's budgeted allotments.

Establishment of Reserve Funds

1. Reserve Funds can be established from the following sources:
 - a. by selling off assets (e.g. a school, land, and equipment);
 - b. by establishing unrestricted and/or restricted reserves resulting from funds unused in any fiscal year; or
 - c. through budgeted reserves provided in the annual operating budget.
2. Reserve Funds can only be accessed by board resolution or by inclusion in the annual budget of the board, or in the case of Restricted Capital Reserve board resolution and Minister of Education approval.
3. Reserve Funds will not be used for on-going operating expenses, except as directed by board motion.