

BUDGETING PROCESS

Background

The formation of a budget is the mechanism for the Division to achieve the goals and objectives of the Board's operating plan. Each school year, the Superintendent, with the assistance of the Secretary-Treasurer and Principals, shall prepare for Board consideration and adoption, a detailed estimate of the revenues and expenditures required to operate the Division's programs.

Procedures

1. Budget Development Principles

- 1.1. The Division is committed to the enhancement and promotion of the Catholic identity and faith dimensions of all aspects of the Division's operation consistent with the mission, beliefs, and values.
- 1.2. The Division encourages innovation in Catholic leadership, organization, learning, teaching, administrative and resource distribution practices.
- 1.3. In achieving the mission of quality education, the provision of an effective teaching-learning environment for students will be a first priority for budget allocation.
- 1.4. Principals are to plan for reasonable class sizes.
- 1.5. The equity of opportunity for students is a key consideration.
- 1.6. The Division is committed to a consultative process, based on distributed decision making and the Catholic Principle of Subsidiarity in the development of the budget.
- 1.7. School administration will develop priorities and plans for programs, activities, and services in consultation with staff, School Councils, parents, students where appropriate, and the Catholic community.
- 1.8. In consultation with Division administration, responsibility and accountability for school programs, activities and services will rest with school administration.
- 1.9. The Division will establish, communicate, and monitor Division goals, objectives and priorities designed to achieve the Division mission and vision.
- 1.10. An objective is to achieve annually a balanced budget.

2. Budget Development

- 2.1. Input from the Board, administrators and staff will be sought with respect to budget priorities for the upcoming year.
- 2.2. The budget will reflect the annual goals and objectives set by the Board.
- 2.3. The budget will, to the extent reasonable, decentralize funds and spending authority to schools and departments.
- 2.4. A funding allocation committee shall meet before each budget to review the funding model to ensure available funding is allocated equitably, with the needs of the student in mind.
- 2.5. . All School budgets will be prepared using average cost of staff as determined by Financial Services in February each year.
- 2.6. In consultation with staff, each Principal will develop and submit a preliminary school budget to the Superintendent by May 1, prior to the budget year.
- 2.7. The Division's budget shall be submitted to the Board for approval and submitted to Alberta Education no later than May 31 each year.

3. Reserve Funds

A reserve fund may be established in a school budget subject to the following:

- 3.1. The fund must have a specific purpose, clearly described in the school's plan.
- 3.2. The purpose of the fund must be to acquire an appropriate product or service that could not normally be acquired within the funding allocations for a single year.
- 3.3. The annual allocation to the reserve fund must be consistent with the overall effective operation of the school.
- 3.4. The current status of the reserve fund must be reported annually to all stakeholders.
- 3.5. The time-frame for application of the reserve fund must not be longer than five (5) years.
- 3.6. Reserve funds must be evaluated annually considering a school's surplus/deficit situation.
- 3.7. The establishment and allocation of reserve funds requires the approval of the Superintendent.

4. Budget Surplus/Deficit

- 4.1. Any annual surplus/deficit in the budget shall be carried over into the next year's budget as an aggregated amount. School surplus amounts carried forward are limited to 1% of their allotted budget for that applicable school year.

4.2. A school's deficit shall be reduced by the amount of reserve funds established by the school.

Reference: *Education Act*, SA 2012, c E-0.3, ss. 33, 52, 53, 55, 68, 137, 139, 140, 143, 197, 222
Funding Manual for School Authorities
Guide to Education ECS to Grade 12
Policy and Requirements for School Board Planning and Reporting
School Authority Planning and Reporting Reference Guide