

## **BUDGET AND BUSINESS PLANNING**

### **POLICY**

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#### **1.0 GENERAL PRINCIPLES**

- 1.1 Budget and business planning is undertaken to support strategic planning and decision-making and to serve accountability by enabling administration to plan for the resources needed to provide programs and services to students.
- 1.2 The essential activities covered by this policy include:
  - 1.2.1 determining the programs, services and resources needed to achieve established objectives;
  - 1.2.2 developing action plans to meet those objectives, and
  - 1.2.3 establishing a realistic budget for the programs, services, activities and operations.
- 1.3 Other general principles guiding this activity include:
  - 1.3.1 separate budgets and business plans are prepared for the General Fund and Supplementary Funds;
  - 1.3.2 the budget and business plan process is guided by specific priorities approved by the Board;
  - 1.3.3 stakeholder consultation is provided in the process of developing priorities and budgets;
  - 1.3.4 the budget and business planning process is undertaken within a time frame that considers required time for implementation of educational program and service options; and

1.3.5 detailed and accurate information is provided on a timely basis to assist all those accountable for budgets and business plans.

## **2.0 BUSINESS PLANNING**

- 2.1 Business planning is undertaken on an annual basis to ensure that operational plans, expected outputs and desired outcomes, are established and communicated consistent with the Department of Education's business planning guidelines to school boards.
- 2.2 Annually, the Board will establish and communicate operational goals and objectives based on detailed priorities established and approved by the Board.
- 2.3 The Board will provide for key stakeholder consultation when establishing priorities and determining expected operational results.
- 2.4 Risks and sensitivities that may affect the achievement of expected operational results will be assessed and documented.
- 2.5 Based on the overall Board business plan, each major department of the Board will develop a work plan that includes the activities, time requirements and resources needed to achieve expected operational results.

## **3.0 BUDGET**

- 3.1 The Board will ensure that comprehensive, separate budgets for the General Fund and the Supplementary Fund are prepared, reviewed and approved and that they provide sufficient resources to achieve business plan objectives.
- 3.2 Budgetary assumptions, cost drivers and other risks will be documented, monitored for any significant changes, and action taken when needed. Budgetary constraints such as legislative and regulatory requirements must also be documented.
- 3.3 The budget and business planning process is decentralized with each of the six main departments of the Board (Program, School Administration, Operations Services, Financial Services, Human Resource Services and board Services) responsible for developing their budgets and business plans, under the guidance of Financial Services, based on Board approved priorities and resource requirements.

- 3.4 All budgetary estimates will be reviewed by Financial Services for completeness, accuracy and to ensure amounts are supported by adequate analysis and linkages to the business plan.
- 3.5 Senior Staff will finalize and approve a business plan and budget for recommendation to the Board that reflects Board priorities, departmental operational plans and revenues expected for the financial period.
- 3.6 The Board may approve budget transfers during the year.

#### **4.0 FINANCIAL ANALYSIS AND FORECASTING**

- 4.1 Annually, the Board will approve the steps and time frame for the implementation of the budget and business planning policy. Responsibility and authority for preparing business plans and budgets will be assigned and monthly progress reports will be prepared to monitor achievement.
- 4.2 Financial Services is responsible for overall budget administration and management to ensure that expenditures do not exceed authorized amounts and that funds are used for intended, proper and legal purposes.
- 4.3 Under the guidance of Financial Services, each main department is responsible for monitoring actual operational and financial results to operational plans and budgets, explaining variances and taking appropriate action to manage within approved budgets.
- 4.4 On a quarterly basis, the Board will be provided with management reports comparing actual results to budgets and business plans, commentary on variance analysis and projections for the entire fiscal year.

## **BUDGET AND BUSINESS PLANNING**

### **PROCEDURES**

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#### **1.0 GENERAL PRINCIPLES**

- 1.1 Each September, Financial Services will update the process and timeline schedule for the Budget and Business Planning process. This schedule will be approved by Senior Staff and the Board.
- 1.2 Each main department is responsible for assigning budgetary management and control to appropriate individuals.

#### **2.0 BUSINESS PLANNING**

- 2.1 The format, reporting requirements and timeframes for completing the annual business planning process are provided by the Department of Education. The Board's process will be dictated by these requirements.
- 2.2 In October of each year, a Board-Senior Staff workshop will be held to review the upcoming budget and business plan process and timelines. Any adjustments to the process will be made at that time.
- 2.3 At the October Board-Senior Staff workshop, a preliminary detailed list of planning and budget priorities (for both General Fund and Supplementary Fund) will be developed and approved by the Board. These priorities must be consistent with the Board's strategic goals, be measurable and influence subsequent planning and budgeting.
- 2.4 The Director of Financial Services will facilitate the completion of the Business Plan according to the Board and Department of Education requirements.

- 2.5 Draft business plans will be completed by each department of the Board by the end of November. A summary business plan will be prepared by the Director of Financial Services.
- 2.6 Senior Staff will approve each departmental business plan, as well as the Board summary business plan, before submission to the Board and Department of Education.
- 2.7 Board members will undertake consultation with interested stakeholders on the priorities and initiatives in the draft business plans as a means of obtaining feedback prior to final Board approval of the business plans.
- 2.8 The business plan will be finalized at the time of budget approval with adjustments reflecting available resources in the budget and clearly indicate linkages to the approved budget.

### **3.0 BUDGET**

- 3.1 Draft budget preparation will follow a decentralized approach with each main department of the Board responsible for completing initial budget requirements based on documentation standards established by Financial Services. This step will be facilitated by Financial Services.
- 3.2 Financial Services will prepare documentation standards for the budget and business plan that encompass the extent of detail, content, analysis, support, as well as the requirement for document retention as part of records management.
- 3.3 Financial Services will prepare and distribute initial budget assumptions to guide the budget preparation process. Budget assumptions will be updated throughout the budget process with budget adjustments made as required. Budget assumptions will be provided to the Board for information.
- 3.4 Financial Services, with input from Human Resource Services, will provide detailed financial information on staffing and benefits for each main department to facilitate the completion of accurate salary and benefit budgets.
- 3.5 Principals will provide input on the Supplementary Fund budgets and business plans according to the provisions in the Supplementary Fund policy and procedures.

- 3.6 Budget committees for each of the six main Board departments will be established to review the draft budgets before submission to Senior Staff for consolidation. These committees will comprise representatives from the Board, the applicable department and Financial Services.
- 3.7 Separate committees will be established to review the business plan, priorities and budget allocations for each of the Supplementary Funds and prepare proposals to submit to Senior Staff, the Board and HRM.
- 3.8 Draft budgets for both the General Fund and Supplementary Fund will be completed by December in each year. Draft budgets will illustrate resource requirements for both status quo and business plan initiatives.
- 3.9 The initial draft budgets and business plans will be reviewed by Senior Staff in February. Draft revenue budgets will be completed and also presented at this time.
- 3.10 Staffing models and the budgeted staffing allocations will be prepared in accordance with the approved Staffing Process and Control protocol. These models and allocations will be approved by Senior Staff and the Board as part of the budget process.
- 3.11 The School Administration Department will be responsible for producing enrolment projections as a basis for the staffing models and allocations where applicable.
- 3.12 A Board-Senior Staff workshop will be held in March to review the draft budget, business plan, staffing allocations and board priorities. A list will also be produced of adjustments, in priority order, that would be considered to balance the budget following receipt of final provincial revenues.
- 3.13 Each department will be required to sign off their final budget documents to signify completeness and accuracy of the budget amounts.
- 3.14 Following receipt of approved funding levels, the draft budget will be finalized and presented to the Board for approval.
- 3.15 Financial Services will facilitate an independent review of the budget assumptions, budget documents and final amounts, to determine the completeness and accuracy of the amounts and the extent to which approved budget and business planning policies and procedures have been followed.
- 3.16 Financial Services will prepare the final budget and business plan document

for public distribution and posting to the Board's web site.

#### **4.0 FINANCIAL ANALYSIS AND FORECASTING**

- 4.1 Financial Services will produce monthly financial reports in appropriate detail for each of the six main departments of the Board. These financial reports, for both the General Fund and Supplementary Fund, will include:
- i) actual results for the month
  - ii) budgeted results for the month
  - iii) actual results YTD
  - iv) budgeted results YTD
  - v) annual budget
  - vi) percentage received/spent YTD
  - vii) prior year actual results
- 4.2 Each main department is responsible for reviewing the accuracy of their financial results to the date of the report, explaining variances, providing accurate forecasted results for the fiscal year and explaining significant variances and unusual items. These steps will be monitored by Financial Services.
- 4.3 A quarterly financial report, with variance explanations and forecasts, will be prepared for the Board. A Board member's expense report, in a format approved by the Board, will also be prepared and attached to the quarterly financial report. Other financial updates will be provided to the Board as appropriate.