

## BUSINESS ADMINISTRATION 500

## SCHOOL BASED BUDGETING PROCEDURE

### Background

The research on Site Based Decision Making confirms that decisions directly affecting students are best made collaboratively at the level closest to those accountable for the success of students. Site Based Decision making regarding budgeting is not an outcome expressed through “right” or “prerogative.” Rather, it is a means or process determined to be the best mechanism of using resources to serve the learning and improvement initiatives of a school, align with the Three Year Education Plan of the Board, and fulfills the Accountability Framework of Alberta Learning.

### Procedures

1. As a general clarification of responsibility, the superintendent and secretary – treasurer in consultation with school principals / administrators, are responsible for developing an appropriate mechanism to decentralize funds and decisions to schools or various central services departments.
2. The principals, in consultation with their staff and students, and parent community, are responsible to carry through the vision of school-based decision making at the school level and are equally responsible for the consequences of their financial decisions.
3. The secretary – treasurer is responsible for monitoring decentralized budget expenditures to ensure conformity with the School Act; provincial statutes and legislation, Board policy and administrative directives.
4. Prior to the initiation of the decentralization of resources, a Process Review Team will review annual procedures in budgeting with a view to adjusting weaknesses that have been identified in prior practice, as well as assuring that processes remain true to the Three-Year Education Plan of the board and government priorities. The Process Review Team will consist of a committee of two trustees, two principals, the Superintendent, and Secretary Treasurer. The Process Review Team will recommend equitable funding distribution to schools based upon the evolving needs of the division, the needs of individual schools, and the need to determine shared service costs to assure that the needs of the school division are met.
5. The \*annual planning schedule will follow the following target dates which would require “on or before” commitments:
  - 5.1 February 15<sup>th</sup>: PRT Determines Preliminary Funding Allocations to Schools
  - 5.2 March 15<sup>th</sup>: Provincial Grants Announcement Expected
  - 5.3 April 15<sup>th</sup>: Submission of Allocations to Schools

- 5.4 April 30<sup>th</sup>: Amalgamation and Review
- 5.5 May 15<sup>th</sup>: Budget Approved by the Board
- 5.6 May 30<sup>th</sup>: Budget Submitted to Alberta Learning

*\* For June 30<sup>th</sup> submission dates, advance all target dates by one month.*

- 6. All submitted budgets will include the following information:
  - 6.1 School Goals for the 2004 / 2005 school year as referenced against the results of the prior year School Education Plan.
  - 6.2 Relevant funding commitments to support those goals that outline necessary staffing and resource related costs.
  - 6.3 The Mission, Vision, and Core Commitments of the School.
  - 6.4 An organization plan of class size for each grade level, enrollment projections, and relevant staffing commitments.
  - 6.5 A description of a school's profile regarding viability and / or pooled funding to assist schools in contributing to desired divisional outcomes.
  - 6.6 An articulation of how revenues and expenditures will balance relevant to the following line items:
    - 6.6.1 Salaries and Benefits – Certificated Staff
    - 6.6.2 Salaries and Benefits – Support Staff
    - 6.6.3 Salaries and Benefits – Special Education
    - 6.6.4 Substitute Teacher Replacement
    - 6.6.5 Substitute Support Staff Replacement
    - 6.6.6 Services:
      - a. Professional and Technical
      - b. Student, Staff, & Community Relations
      - c. Postage
      - d. Long distance telephone / fax / modem
      - e. Printing / duplicating
      - f. Advertising
      - g. Travel & Subsistence
      - h. Staff Professional Development
      - i. Administration Professional Development
      - j. Curricular Transportation
      - k. Extra Curricular Transportation
      - l. Instructional Texts, Software, and Supplies

- m. Operation, Maintenance, and Repair of Instructional Equipment (Non – computer related)
- n. Operation, Maintenance, and Repair of Instructional Equipment (Computer Technology Related)
- o. Dues and Fees
- p. Co – curricular programs
- q. Administrative Supplies and materials
- r. School Contingency Reserve Funds
- s. All Overtime Costs
- t. All Technology Costs

#### 6.6.7 Special Programs (Gifted / Talented):

- a. Special Education – PUF
- b. Special Education – Severely Disabled
- c. Special Education – Mild & Moderate
- d. Special Education – Gifted
- e. Other Miscellaneous Expenses

7. Surplus / Deficits: The allocations for all decentralized school accounts are guidelines only and the principal in accordance with the needs of the school may authorize expenditures. The annual aggregate expenditure for all decentralized accounts within a school shall not exceed the approved budget without the prior approval of the Superintendent.

In the event that the total expenditures from any school are either over or under budget at the end of the school year (as recorded by the financial statements) the budget for that school for the subsequent school year shall be increased or decreased accordingly. Schools will be required to account for the rationale for surplus or deficit status budgeting, according to how either practice contributes to serving the learning or improvement initiatives of the school.

8. Population Projections: For budget preparation, principals will develop population projections at the local school level. In the event that the school has a higher / lower enrollment in September than projected in the budget, a reassessment and reallocation of funding levels will occur.

## Administrative Procedure 505

---

### PURCHASING PROCEDURES

#### Background

The Division has a responsibility to ensure that all public funds are expended in the most efficient and effective manner.

#### Procedures

1. The Secretary-Treasurer shall be responsible for establishing and maintaining purchasing procedures.
2. Divisional staff are required to encourage suppliers to quote on requirements of the Division. The staff member making the request shall determine the specifications for the tender.
3. Purchases should be based on the supplier's reputation and experience, the ability to deliver or perform within the time specified, the ability to provide after sales service, past experience as well as cost.
4. A record of the tenders or quotation on each article or service for which tenders are called shall be retained.
5. The name of the successful bidder and the price on each tender shall be made available upon request.
6. Consideration will be given to local, provincial and Canadian suppliers in that order of preference.
7. Centralized purchasing is encouraged in order to provide for the needs of the various schools and centers of the Division.
8. Employees or trustees wishing to purchase personal items through the Division must secure the prior approval of the Secretary-Treasurer.
9. Purchase orders must be completed for all purchases made from Divisional funds in the following manner:
  - 9.1 Once approved by the Principal, the purchase order serves as the authority to supply
  - 9.2 A petty cash account may be maintained for small expenditures
  - 9.3 The Secretary-Treasurer shall make adjustments to the established procedures when necessary

10. The following guidelines shall be followed in obtaining prices for educational and administrative purposes:
  - 10.1 For items with an estimated value under \$500, two or more verbal quotations shall be obtained where possible and practical
  - 10.2 For items with an estimated value of \$501 to \$7,500, shall have a minimum of three written quotations will be obtained where possible  
For items having an estimated value over \$7,500, formal tenders shall be invited from suppliers appropriate to the item required
11. The following guidelines shall be followed in obtaining prices for construction and maintenance work:
  - 11.1 For work with an estimated value of under \$1000, two or more verbal quotations shall be obtained where possible and practical
  - 11.2 For work with an estimated value of between \$1,001 to \$20,000, at least three written quotations shall be obtained whenever possible
  - 11.3 For work with an estimated value of over \$20,000, formal tenders shall be invited and submitted to the Board for consideration
12. For immediate emergency repairs, the Secretary-Treasurer shall take whatever action is necessary to deal with the situation. The Board shall be advised of any emergency repairs resulting in an expenditure of in excess of \$2,000.
13. The Secretary-Treasurer shall be responsible for maintaining adequate insurance coverage.

## Administrative Procedure 506

---

### PETTY CASH

#### Background

In order to facilitate some flexibility in the accommodating minor miscellaneous expenses, a petty cash account will be established at the Division Office and in each of the schools.

#### Procedures

1. The Secretary-Treasurer shall establish an appropriate petty cash fund for the Divisional Office and each of the schools.
2. The petty cash fund shall not exceed \$500 at any single location.
3. The maximum purchase for a single item to be covered from the petty cash fund shall not exceed \$50.
4. The Principal shall be responsible for the control, custody and accountability of the school's petty cash fund.
5. A properly dated and identifiable receipt or approved petty cash voucher must be available for every expenditure.
6. The Secretary-Treasurer shall develop a form for reconciliation of petty cash funds. The form shall be completed and submitted not less than once a month. A copy of the form is included in the forms section in this manual.
7. Funds will only be issued for the replacement of petty cash funds only upon the approval of the reconciliation form.

## Administrative Procedure 507

---

### CREDIT CARDS FOR CENTRAL OFFICE STAFF

#### Background

In order to provide a more convenient, efficient, cost-effective method of purchase and payment for transactions, credit cards will be used at the central office. The credit card is to be used at the Central Office for the purchase of goods and services needing immediate payment. Record keeping will be necessary in order to ensure accountability.

#### Procedures

1. Transaction limits for cardholders shall be as follows:
  - 1.1 Single transactions limits for individual cardholders shall be up to \$5,000 maximum and may only be exceeded in accordance with a Board approved expenditure.
  - 1.2 Monthly charge limits for individual cardholder shall be up to \$5,000 maximum. (This limit will be reviewed as spending history is accumulated.)
2. Spot checks will be performed through exception reporting to identify any misuse of the card. (i.e. more than one transaction on same item, to same vendor, on the same day.)
3. Credit card transactions shall only be for approved purposes and shall not be used for:
  - 3.1 Cash advances or other financial services;
  - 3.2 Lottery tickets or other betting;
  - 3.3 Any merchant, product, or service normally considered an being inappropriate use of Division funds;
  - 3.4 Where a blanket, cover or open purchase order is in place;
  - 3.5 Any commitment requiring a purchasing agreement, contract or similar arrangement obligating the Division to future services;
  - 3.6 Any purchase intended to bypass the division's obligation to the competitive bidding process;
  - 3.7 Temporary help;
  - 3.8 Personal purchases; or
  - 3.9 The accumulation of air mile points from purchases.
4. The credit card administrator will control and maintain a central listing of all cardholders, limits, etc.

5. The cardholder must obtain and retain the cash register receipt and ensure that the supplier's GST number is on the receipt.
6. The cardholder must complete the purchasing/transaction log to maintain an ongoing record of all transactions made with the credit card. A copy of the log is included in the forms section in this manual.
7. Each cardholder will receive a monthly statement identifying each transaction made against the credit card during the previous month.
8. The cardholder is responsible to ensure that all transactions are accurate and legitimate. Any discrepancies must be reported to the Secretary-Treasurer and appropriate action taken to resolve any problems.
9. The credit card administrator shall request that the bank cancel the credit card of any staff member resigning from the Division.
10. Credit cards will be made available to:
  - 10.1. Superintendent;
  - 10.2. Deputy Superintendent/Principal at Large;
  - 10.3. Secretary/Treasurer; and
  - 10.4. AISI Coordinator

**Administrative Procedure 508**

---

**CASH MANAGEMENT****Background**

It is important to ensure that schools and other Divisional facilities do not contain significant amounts of cash in order to deter break-ins, theft and vandalism.

**Procedures**

1. The Principal shall establish and implement a cash management procedure for the school.
2. The Principal shall ensure that appropriate records are kept for all funds collected and disbursed.
3. The Principal shall ensure that the required bank accounts are established and that cash collected at the school is deposited daily.
4. Cash is not to be left in unlocked desks or unsecured areas of the school either during the school day or after hours.

## REGULAR AND CAPITAL MAINTENANCE OF TRANSPORTATION VEHICLES

### Background

Schooling involves both on-campus and off-campus experiences. To facilitate out-of-school experience, the Division may provide a transportation vehicle (i.e. school bus) for student transportation services. In addition, some schools may decide to provide to their students in-town bussing.

### Procedures

1. Please refer to the Administrative Procedure 360 for "Transportation of Students for Co/Extra-Curricular Activities" for additional guidelines.
2. The Bus Maintenance Committee will be established annually (September and October) to oversee the disposal and replacement of transportation vehicles for in-town bussing and extra-curricular activities. This committee will consist of the superintendent, deputy superintendent, secretary-treasurer, two trustees and one school administrator.
3. **Regular Repair and Maintenance of Transportation Vehicles:** The schools are responsible for financing of regular repair and maintenance of school transportation vehicles.
  - 3.1 The secretary treasurer will examine any large one-time repairs and if substantial, the Bus Maintenance Committee will review the costs and may consider payment of the invoice. Such expenses will be funded from a vehicle capital reserve.
4. **Disposal and Replacement of Transportation Vehicles:** The transportation vehicles will be disposed of at the end of their useful life. The useful life may not be the same for all transportation vehicles. Factors such as the physical life of the vehicles, their type and frequency of use and annual repair and maintenance costs will be considered to determine the useful life.
  - 4.1 Transportation vehicles may be disposed of by trade-in, consignment, auction or advertisement. Also refer to the Administrative Procedure 520 "Disposal of Division Property."
  - 4.2 The board will establish and maintain a capital reserve for transportation vehicles. The capital reserve will be used to replace any sold or salvaged transportation vehicles.
  - 4.3 Any proceeds from the sale of transportation vehicles should be forwarded to the secretary-treasurer and will be placed in the capital reserve.

- 4.4 The Bus Maintenance Committee will determine which school receives a replacement transportation vehicle.
- 4.5 The Bus Maintenance Committee will a make a proposal for the purchase of any replacement transportation vehicle and present it to the board to approve.

## Administrative Procedure 510

---

### ADMINISTRATION OF SCHOOL FUNDS

#### Background

Commonly accepted standards of accounting practices are to be applied to the management of all funds collected by schools for whatever purpose. This also includes funds decentralized to the school as well as fees that may be collected.

#### Procedures

1. The Principal is responsible for the administration of all school-based funds.
2. The Secretary-Treasurer shall upon request provide assistance in establishing and maintaining budgets and proper accounting records.
3. The Principal shall designate a staff member to act as the business manager of the school. The business manager shall keep records of all funds/ fees collected at the school level as well as records of the expenditure of these funds.
4. The Principal shall arrange for the deposit of school funds after banking hours in order to prevent money being left in school overnight.
5. All monies collected by the school for a designated purpose must be used only for the purpose so designated.
6. All undesignated monies collected by the school are to be classified as general revenue and may be spent in a manner determined by the Principal.
7. Temporary cash surpluses arising during the year may be invested for short periods in savings accounts and/or guaranteed term deposits. Interest earned is to be classified as general revenue.
8. A school shall not enter into loans or time payment plans.
9. The Principal shall provide an annual financial report for the school year to the Secretary-Treasurer by the end of the school year.
10. The Principal may request the Secretary-Treasurer at any time to request an audit of the school accounts.
11. The Superintendent may at any time direct an internal audit of any school's accounts.

## Administrative Procedure 511

---

### SALE OF INSTRUCTIONAL MATERIAL AND SUPPLIES

#### Background

An annual per student fee will be established to offset the cost of textbooks and other instructional materials used by students.

#### Procedures

1. The Principal shall recommend to the Superintendent by March 1 the fee structure for the coming school year based upon the following guidelines:
  - 1.1 The annual fee for elementary and junior high will reflect as close as possible the actual cost of the required supplies for basic instruction.
  - 1.2 The annual fee for textbook rentals will approximate 1/3 of the actual cost of purchase.
  - 1.3 Fees for the high school will be based on a per credit amount.
  - 1.4 Junior and senior high school students in special programs, which require additional material and supplies, will be levied an annual fee to offset the additional cost. Students who complete projects that will become their personal property are required to pay for the cost of materials.
2. The Superintendent shall give final approval for the rates to be levied and will advise the Board of the rates at the March Board meeting.
3. Fees charged for late registrants and refunds for students leaving the school will be based upon ten percent of the annual rate for each remaining month in the school year.
4. Collection for semestered courses may be collected at the beginning of each semester.
5. The Principal shall be responsible to ensure that all funds collected for student instructional fees are properly accounted for and submitted to the Secretary-Treasurer by mid October and March and at the end of each month as required.

## Administrative Procedure 512

---

### FUND RAISING/CANVASSING

#### Background

Educational programs provided to students within the Division should be fully funded by the provincial government. However, there are occasions where schools will be required to raise additional funds for extra-curricular activities or unusual projects. There is also a recognized value in students becoming involved in fund raising activities in support of worthwhile charities.

#### Procedures

1. The Principal is responsible for approving all fund raising activities undertaken at the school level.
2. The Principal is responsible for submitting to the Superintendent as complete a list as possible of all proposed fund raising activities planned for the year and their intended use.
3. All funds collected must be accounted for in accordance with Administrative Procedure # 510.
4. The following shall apply to school sponsored fund raising activities:
  - 4.1 Student participation must be voluntary;
  - 4.2 Fund raising activities shall not detract from the school instructional program;
  - 4.3 Students may not be used to advertise or promote private businesses;
  - 4.4 Fund raising activities shall not be established on a regular basis in direct competition with local business; and
  - 4.5 The purpose of the fund raising activity and the intended use shall be made known to students and parents.
5. The following shall apply to fund raising activities sponsored by charitable organizations or groups registered under the *Societies Act*.
  - 5.1 It should be noted that all such activities fall outside the jurisdiction of the Division and the Principal shall advise staff and students accordingly;
  - 5.2 Student participation must be voluntary;
  - 5.3 The activity can not detract from the school's instructional program; and
  - 5.4 The purpose of the funding raising activities and intended use must be made to known to students and parents.

## Administrative Procedure 520

---

### DISPOSAL OF DIVISION PROPERTY

#### Background

Changes in technology, program closures, school closures or the need to upgrade materials can result in surplus or obsolete furniture, equipment or materials. Disposition of these materials is necessary in order to maintain an orderly environment.

#### Procedures

1. Principals and facility managers shall periodically review the inventory of equipment, furniture and materials to determine whether they believe the items to be obsolete or surplus to the needs of the school.
2. Principals will consult with other Principals in the Division to determine if transferring surplus or obsolete material is desirable.
3. The Principal will then submit a list of all surplus or obsolete material to the Superintendent who will decide which items will be disposed of and the manner of disposition.
4. If a decision is made to sell the items, the Secretary-Treasurer will advertise in the local paper or other approved media, all such items and receive closed tenders.
5. Normally the highest bid will be accepted, but the Superintendent in consultation with the Secretary-Treasurer reserves the right not to approve the highest bid for reasonable cause.
6. Where public tender bids are not received, the Secretary-Treasurer will auction or price the items for sale. Preference will be given to Catholic school supporters.
7. Revenues from the sale of surplus goods will be placed in general revenues.

## Administrative Procedure 540

---

### REGISTERED CHARITABLE DONATIONS

#### Background

The Division is a registered charitable organization and may accept donations from individuals, groups, or organizations and issue receipts for tax deductions to donors.

#### Procedures

1. All cash donations received as donations eligible for income tax deduction must be for the advancement of education, specifically:
  - 1.1 The establishment of student or staff scholarships, or other awards;
  - 1.2 The purchasing of capital equipment and furnishings; or
  - 1.3 The enhancement of co- or extra-curricular programs.
2. All donations must be for application within the Division to the benefit of students of the Division.
3. All donations are directed to the Secretary-Treasurer as a valid donation. If the Secretary-Treasurer has any concerns with the donation, discussion shall be held with the Superintendent and a decision reached on whether the donation is charitable or is in the best interests of the Division.
4. All funds received shall be processed through the Division's regular accounting system, specifically identified and appropriately recorded.
5. Receipts for income tax purposes shall not be issued for donations of less than \$10.00.
6. All approved donations shall be disbursed as directed by the donor for the activity approved "for the advancement of education", as soon as possible. In the case of donations being received without specific instruction for their use, the Superintendent shall decide upon the use of such funds in discussion with school administrators.
7. The Secretary-Treasurer shall issue the official receipts. A copy of the official receipt is included in the forms section in this manual.
8. An administrator may wish to acknowledge a particular donation in some appropriate manner and is free to do so.
9. Any legal issues regarding charitable donations should be addressed to:  
**Director Charitable and Non Profit Organization Section**  
**Revenue Canada**