

■ Section 6 – The School Budget

Background

[Section 95](#) of the [Education Act](#) states “The governing board is responsible for adopting the school’s annual budget proposed by the principal, and shall submit the budget to the school board for approval.”

[Section 96.20](#) of the [Education Act](#) states “After consulting with the school staff, the principal shall inform the school board, on the date and in the form determined by the school board, of the needs of the school in respect of each staff category and of the professional development needs of the staff”

[Section 96.22](#) of the [Education Act](#) states “After consulting with the governing board, the principal shall inform the school board of the requirements of the school as regards goods and services, and of any required improvement, equipment, construction, conversion or repair of the premises or immovables placed at the disposal of the school.”

[Section 96.24](#) of the [Education Act](#) states “The principal shall prepare the annual budget of the school, submit it to the governing board for adoption, administer the budget and render an account thereof to the governing board.

The budget must maintain a balance between expenditures, on the one hand, and the financial resources allocated to the school by the school board and the school’s own revenues, on the other.

The approved school budget shall constitute separate appropriations within the school board’s budget, and the expenditures for that school shall be charged to those appropriations.

At the end of every fiscal year, the school’s surpluses shall be transferred to the school board. However, the surpluses must be added to the school’s appropriations for the following fiscal year if the management and educational success agreement entered into under [section 209.2](#) so provides.

If a school closes, the school’s surpluses and funds shall be transferred to the school board.”

[Section 276](#) of the [Education Act](#) states that “Every school board is responsible for approving the budget of its schools, vocational training centres and adult education centres. The budget of an educational institution shall be without effect until it is approved by the school board. However, the school board may, subject to the conditions it determines, authorize an institution to incur expenses that have not been approved.”

[Section 277](#) of the [Education Act](#) states “Every school board shall adopt its operating, investment and debt service budget for the following school year and transmit it to the Minister before such date and in such form as he determines.

The budget of every school board shall indicate the financial resources allocated to its committees and the financial resources allotted to services for handicapped students and students with social maladjustments or learning disabilities.

The budgets of the educational institutions of the school board shall constitute separate appropriations within the school board’s budget.”

Procedure

1. As per [section 96.24](#), the principal prepares the annual school budget for the upcoming school year and submits it to the governing board for adoption during the months of May or June. It is then forwarded to the attention of the Director General by June 23rd.
2. The Council of Commissioners adopts the Lester B. Pearson School Board budget for the following school year during the month of June. It is forwarded to the Minister of Education before June 30th.
3. Sector directors confirm school budgets during the month of October based on September 30th enrolment (for the youth sector) or prior-year ETP’s (for the continuing education sector).

4. Principals and centre directors propose and governing boards adopt the “November revised” school budget for the current year. The budget is submitted by December 15th to the sector director for written approval.
5. Principals and centre directors provide Financial Services with the school’s budget breakdown in November.
6. Financial Services inputs the school budgets into the school board accounting system during November and early December.

The day-to-day administration of the budget is the responsibility of the principal/centre director.

School-Based Funds

Each school and centre has its own bank account.

The school and centre collects consumable fees, field trip costs, extracurricular activities fees, etc. from parents and students. The school or centre may also draw from its budget allocation at the board level by submitting receipts for expenses incurred at the school and centre level.

Cheques written are signed by the school principal or centre director and one other authorized employee of the school or centre. Schools and centres submit a bank reconciliation monthly to Financial Services. Two Financial Services technicians are available to provide support to schools & centres throughout the year.

At each school, there is a designated employee to perform the accounting functions.

In early October, Financial Services forwards prior year financial statements to the schools and centres. The principals and centre directors add the November revised budget to the template and presents it to the governing board. Financial Services provides each school and centre with a March 31st update of actual revenues and expenses. This update is presented to the governing board with the following year’s June proposed budget.

Board-Based Funds

The school board decentralizes a budget allocation to each school and centre following confirmation of the official September 30th enrolment. Schools and centres access these budgets by:

- ordering goods through the Purchasing Department of the school board
- arranging service contracts through Payroll Services or Financial Services (e.g. for extracurricular activities, lunch activities)
- submitting receipts for local expenses to Financial Services.

Fund 1 (Operating funds)

Operating funds are used for purchases that are depleted within one school year.

Using the official September 30th enrolment for that year, the school board assigns the operating budget on a “per student” basis. (At the elementary level, there is also a standard “site-based” grant of \$10,000.)

Operating expenses include:

- consumable materials (for pedagogical use, often derived from school fees paid by parents)
- administration expenses
- printing contracts and paper supplies (photocopiers)
- library supplies
- audio-visual supplies
- computer software and supplies

- telephone and delivery costs.
- small furniture expenses

Special allocation (discretionary funds that are allocated by the board when possible) could also be included in Fund 1. The principal or centre director may propose using any special allocation for short term, temporary human resources or materials of any kind, at his/her discretion. He/she will present it to the governing board for approval.

Fund 2 (Capital funds)

Capital funds are used for purchases of a more lasting nature. The school board assigns the capital budget on a “per student” basis, using the official September 30th enrolment for that year.

Capital purchases may include:

- computer hardware
- tables and chairs
- furniture
- appliances
- playground equipment
- building upgrades.

If overspent, deficits in Funds 1 and 2 must be covered by funds from the school’s bank account.

Fund 3 (Salaries)

Salaries are the responsibility of the school board and are not presented to governing boards in any way.

Fund 4 (Daycare and Lunch Program)

Elementary schools are assigned operating funds in Fund 4 for daycare/lunch program salaries, materials, capital expenditures, snacks, etc. Daycare grants from the MEESR are used to cover a portion of the daycare expenses. The school also collects user fees from parents to cover the balance of daycare expenses and the lunch program expenses. The school issues cheques to the school board to cover these expenses. This fund should be included in the school’s budget to be adopted by the governing board.

Fund 5 (Special Programs)

This is a fund which is assigned to the principal or centre director. Budget lines in this fund vary from year to year, since many are dependent on grants that have specific guidelines. These are “in-and-out” budgets.

Some of these might include:

- student teachers
- director’s days (teacher substitution)
- early literacy project
- PELO (3rd language training)
- homework assistance program

The School Budget Template

The current, five-column budget template used by principals and centre directors for submitting a proposed budget to governing boards was standardized across the Lester B. Pearson School

Board in April 2005. (Please see pages 35-36 for the [Elementary Budget Template](#), pages 37-38 for the [IB Elementary Budget Template](#), pages 42-43 for the [Secondary Budget Template](#), pages 46-47 for the [Continuing Education Budget Template](#), and pages 49-50 for the [Daycare Budget Template](#).) Schools/centres will report their year-end results on this same template, by filling in the left column only. The deadline to submit their year-end actuals to the school board is early October. Then, they will receive their final budgets for the year in October and will report same to governing boards in November or December (November revised).

There are two pages:

Income Statement (profit & loss): The income statement gives the total revenues and total expenses for both board-based and school-based funds for a one-year period

Calculation of Accumulated Surplus: This page calculates the net amount of surplus funds available to the school on June 30th, after deducting commitments for purchases made and/or funds held in trust for student activities.