

Policy Title: 2.2 Budget

Section: 2.0 Financial Reporting

Last Approved: May 2023

BACKGROUND

The purpose of this policy is to assist in formalizing a defined and transparent budget process. This policy outlines the basic management processes, and provides guidance on standard procedures to ensure sound budget management.

APPLICATION

The Association is committed to demonstrating financial leadership and sustainability. This policy applies to the Executive, staff, and members.

POLICY STATEMENT

Budget Preparation

1. The Executive is responsible for providing direction to management to prepare a budget. Ideally, the budget will include initiatives from the Executive's strategic plan.
2. Membership fees are reviewed as part of the budget process. Membership fees may be adjusted to reflect current economic and/or operational needs.
3. The proposed annual operating budget of the Association for the next fiscal year, recommended by the Executive, with explanatory notes, shall be provided to boards of education by the bylaw amendment deadline prior to the annual general meeting.
4. A budget resolution specifying the portion of the annual operating budget that is funded by membership fees shall be voted on by members at the annual general meeting prior to the commencement of the fiscal year to which the budget applies.

Budget Management

5. The Association is expected to operate within their approved budget. Annually, if a surplus exists, it will be allocated to reserve funds based on existing reserve policies.
6. The Executive may approve additional funding or the use of reserves during a budget year for unique circumstances. Changes to the budget shall be communicated to the members.
7. The Association shall implement control actions to mitigate potential risks associated with the business process and establish the following:
 - 7.1. The Association must adhere to issued allotments and management is responsible and accountable for ensuring the prudent and efficient use of the budget. Management must proactively look for opportunities to maximize the effective and efficient use of budget resources and achieve savings, as much as possible, irrespective of the budget allotment provided.
 - 7.2. Management must keep abreast of, and apply, all relevant regulations, rules, policies, procedures and guidelines, and they must ensure all personnel under their supervision are informed of applicable policies and procedures regarding appropriate use of resources.

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- 7.3. The Director of Corporate Services must ensure accurate and timely recording and update of expenditure to reflect the up-to-date implementation of the budget.
- 7.4. The Executive Director must periodically assess the need for redistribution of budget allotments to ensure sufficient coverage of all charges.
8. The Director of Corporate Services shall support the Association in the execution of the budget management responsibilities by reviewing budget and expenditure information, monitoring budget implementation, executing control procedures, and performing other budget management tasks that may be required.
9. No budget carryover of the budget from one year to the next is permitted. Budget allotments are issued for one year only. All budget commitments, for which goods or services are not received in the current budget year, become a first claim against next year's budget allotment. Management must plan accordingly and will not receive additional budget provision for commitments carried over from the previous year.
10. The Executive shall receive regular financial reports that summarize expenditures against budget including a variance analysis, as required. The Executive shall provide direction to management on the thresholds required for reporting.

REFERENCES

SSBA Bylaw 3 - Association Finance and Membership Fees
SSBA Bylaw 4.2 - Executive – Powers and Duties
Financial and Operational Policy 1.1 – Role of the Executive
Financial and Operational Policy 1.3 – Financial signing authority
Financial and Operational Policy 2.1 – Reserves
Financial and Operational Policy 2.3 – Financial Reports
Audit and Investment Committee Terms of Reference