

Topic:	School Decentralized Budgets
Effective:	September 2013
Cross-Reference:	Halton District School Board Administrative Procedures: Procurement; Travel and Expense Reimbursement
Revision Date:	September 2017, November 2019, November 2022
Review Date:	November 2026
Responsibility:	Superintendent of Business Services and Treasurer

INTENDED PURPOSE:

The Halton District School Board allocates funds to schools as decentralized budgets based on a model, which supports the following principles:

- equitable distribution of discretionary funds to schools
- assistance to schools with meeting their school priorities in accordance with their annual School Improvement Plan for Student Achievement and Well-Being
- flexibility for schools to spend funds to meet the needs of their students.

The school budget model is based on school enrolments, in conjunction with information about specific higher cost programs such as Special Education, French Immersion, English as a Second Language, and Technological Education programs.

The HDSB School Decentralized Budget Administrative Procedure is intended to ensure decentralized budget funds are spent and tracked by schools in accordance with individual site School Improvement Plans and in adherence with all other HDSB administrative procedures.

PROCEDURES:**Surplus Funds:**

Decentralized budget surpluses of up to a maximum of 10% of unspent funds can be carried forward to the following year without a Family of Schools Superintendent written approval. The amount of the budget surplus will be calculated based on the annual decentralized budget minus expenses and minus committed funds. Surpluses in excess of 10% must be explained with a written surplus/deficit plan that is approved by the Family of Schools Superintendent. This plan will be filed with the Family of Schools Superintendent, and a copy provided to School Financial Services, no later than June 1st. Schools that do not file a written surplus plan to carry over greater than 10% of their decentralized budget will only be allowed to carry forward a maximum of 10% of their budget surplus into the next budget year. All school budget surpluses above the 10% carryover that have not been outlined in a written plan will be returned to the Board's central funds at year-end.

Deficits:

The full amount of all budget deficits will be carried forward and applied against the school's budget following year. Deficits in excess of 10% must be explained with a written deficit plan that is approved by the Family of Schools Superintendent. This plan will be filed with the Family of Schools Superintendent, and a copy provided to School Financial Services, no later than June 1st.

General:

The Superintendent of Business Services is authorized to issue mandatory operational procedures to ensure compliance with Ministry, Board and/or other regulatory requirements that impact school expenditures charged against the decentralized budget.

Preliminary decentralized budgets are communicated to schools each June, based on projected enrolment data approved as part of the HDSB annual operating budget. These decentralized budgets are then adjusted based on actual October 31 student enrolment as submitted to the Ministry of Education. There are no additional adjustments for enrolment changes to the school's budget following the October 31 changes.

The School Financial Services department will liaise semi-annually with Family of Schools Superintendents to keep them informed of the budget status of their assigned schools.

RESPONSIBILITIES:**School Principals**

1. At the start of the school year, the Principal, in consultation with other school staff, will effectively allocate budgets to meet both fixed and variable costs in accordance with individual School Improvement Plans.
2. Submit their budget allocations to School Financial Services by January 31 for upload into the Board's financial system, to allow for meaningful reporting and budget analysis.
3. Ensure decentralized budget funds are spent in accordance with HDSB Procurement and Travel and Expense Reimbursement Administrative Procedures.
4. Review the status of their decentralized budgets monthly, with a view to fully and effectively utilize these funds without generating a year-end surplus or deficit greater than 10% of the total annual school decentralized budget.
5. Communicate to their Family of School Superintendent a written plan for surpluses/deficits in their school decentralized budgets in excess of the guidelines; these plans must be approved and signed off by the applicable Family of Schools Superintendent before June 1 and filed with School Financial Services in order to be carried forward as part of the Board year-end financial statements.

Family of Schools Superintendents of Education

1. Review school budget allocations and spending status as an integral part of their evaluation of school administrative staff.
2. Approve or recommend changes to the school plan relating to surpluses in their school's decentralized budgets in excess of the guidelines. The written plan should be signed off by the Superintendent.
3. Approve or recommend changes to the school plan for dealing with deficits of over 10% before they are filed with School Financial Services. The written plan should be signed off by the Family of Schools Superintendent.
4. Approve any requisitions and/or payments for expenditures above the 10% deficit where a school does not submit a plan for dealing with a deficit over 10% to School Financial Services.

School Financial Services

1. Calculate and communicate an initial school decentralized budget allocation to the School Principal in June of the year before the next school year.
2. Calculate and communicate to schools when the actual enrolment adjustments and prior year surplus/deficit amounts are applied to the current year's budget.
3. Communicate with schools that are forecasting a surplus or deficit over 10% of their budget allocation.
4. Receive a copy of the written surplus/deficit plan from the Family of Schools Superintendent and use these plans to determine the appropriate surplus/deficit carry-forward for the following year.
5. Provide reporting to Family of Schools Superintendents throughout the year to keep them updated on school budget spending status.
6. Process budget adjustments to school budget account allocations.