

Guiding Principles for Budget Development

Guiding principles flow directly from the School Divisions' Mission Statement, Core Values and Beliefs.

Mission Statement

Rejoicing in the way of Christ, we nurture a love of learning in faith-filled Catholic schools!

Vision

Souls seeking Christ on a journey of faith, learning and love.

Core Values

We are dedicated to dignity, love of God and each other, the Gospel message, excellence, Catholic education . . . for life!

Belief Statements

1. We believe that Christ is the focus of our Catholic Education and integral to our everyday actions.
2. We believe that parents are the first and most important educators of children and that schools exist to assist them in providing a high-quality education.
3. We believe that the education of students is a shared responsibility among the home, school and parish.
4. We believe that all students have the right to receive a sound academic education to enable them to apply learning to daily life.
5. We believe that every member of our community has the right to a safe, secure environment where everyone is consistently treated with dignity and respect.
6. We believe in accepting, understanding, and celebrating the diverse cultures within our school communities.
7. We believe in the need to inspire all with a sense of hope.

Budget Development Principles

The Board is committed to the enhancement of Catholic identity and faith dimensions of all aspects of the Division's operation consistent with the Division's Mission, Beliefs and Values.

In achieving the mission of quality education and meeting the Division's Education Plan, the provision of an effective teaching-learning environment for students will be the first priority for budget allocation.

The Board is committed to a consultative process with our stakeholders in the development of the budget.

In Consultation with Division administration, responsibility and accountability for school programs, activities and services will rest on the school administration.

School administration will develop plans consistent with the Education Plan for programs and services in consultation with staff, parents, and students where appropriate, and the Catholic community.

The Board, through the budget process, wishes to encourage effective innovation and consistency in Catholic leadership, organization, learning, teaching, administrative and resource distribution practices.

The objective of the Board is to achieve value within a balanced budget for each year of the plan.

Think of the Division as a whole.

Budget Development Process

In accordance with *Board Policy 2 – Role of the Board*, the Board of Trustees annually approves the budget ensuring that the resources are allocated to achieve desired results as outlined in the Education Plan, Board Priorities and Alberta Education evolving priorities. These plans provide overall direction for the Division by establishing mission, vision, beliefs, core values, strategic priorities and key results.

Input from various stakeholders such as Trustees, administrators, School Councils, Parents/Guardians and staff are sought in the development of the Education Plan which in turn directs the key framework for the Division's annual budget.

The annual budget is the financial component of the Division's operating plan. The budget is not the plan itself but a mechanism to achieve the goals and objectives of the plan.

Each school year, the Superintendent, with the assistance of staff, prepares for Board consideration and adoption a detailed estimate of the revenues and expenditures required to operate the programs of the school system.

The Secretary-Treasurer will update the *Guiding Principles for Budget Development* document outlining budget allocations and budgetary processes for each school year. The document will be provided to school principals as a guide and resource in their budgetary planning.

Once approved by the Board, the annual budget plan and schedules are to be adhered to for the duration of the school year and until a new annual budget is approved.

School-Based Decision Making

The Board of Trustees is responsible for ensuring resources are allocated to ensure the success of all students on an equitable basis. Each school shall deploy its allocations based on a strategy that best suits its school community, keeping in mind the following:

1. School-based decision making is defined as a process for allowing appropriate responsibility and accountability for decisions to the stakeholders at the site level.
2. The basic premise of school-based decision making is that the most effective decisions are made by those who are most closely connected with the education of children.
3. The objective of school-based decision making is to enhance student achievement and to increase accountability of the delivery of the school's instructional programs.

The implementation of school-based decision making requires the schools to meet the following legal conditions:

1. Provincial statutes and regulations;
2. Alberta Education funding manual guidelines
3. School board policies and administrative procedures;
4. All contracts and terms of employment; and
5. Board resolutions.

The School Principal is the key educational leader at the school level and will provide leadership in successful School-based decision making. The School Principal shall be responsible and accountable to the Superintendent for the implementation of school-based decision making at the school level.

School-Based Budget Allocations

School-based budget allocations are subject to the following provisions:

1. That Base Funding includes Base Grants for Kindergarten students to Grade 12
2. That a basic allocation be provided to all schools to enable the school to have the basic needs required to run a school. This includes costs related to administration, basic number of teachers and supplies.
3. Step allocations are subsequently provided to schools based on tiered enrolment for each eligible student in Kindergarten to Grade-12. A further allocation is provided to high schools to cater for their unique needs.
4. The outreach school is allocated funding as per the funding profiles.
5. That funding available for school-based allocations be subject to a reduction for Centralized services and may include the following categories:
 - Base Instruction (ECS, Grades 1 to 9, Grades 10 to 12, and Outreach)
 - Class Complexity grants
 - Community Based grants
 - Supernet
 - Supplemental enrolment growth
 - Specific grants related to Teaching Staff
 - Outreach Program Grant
 - Revenue from MESC
6. That funding received for specific programs is not included in the school-based allocation formula and may include the following categories:
 - Inclusive Education
 - PUF
 - Board & Systems
 - Socio-Economic
 - Equity of Opportunity Grant
 - ESL (English Second Language)
 - FNMI (First Nations, Metis & Inuit)
 - Student Transportation (Including bus fees)
 - Plant Operations and Maintenance
 - Nutrition
 - Any other grants designated for specific purposes
7. That the funds received for special initiatives are to be deployed for the specific intended uses such as:
 - Provincial Contribution to ATRF
 - Regional Collaborative Service Delivery
 - External Services
 - School Fees
 - Preschool, Afterschool and KinderCare Fees
 - Foreign Student Fees

School Generated Funds
Capital Allocations
Infrastructure Maintenance Renewal
Supported Capital Interest
Supported Lease Revenues
School Specific Donations

8. That the working site for the divisional budget will be MyBudgetFile (MBF).
9. That the preliminary school-based budget is based on enrolment projections confirmed by the school on or prior to specific deadlines communicated by the Secretary-Treasurer. The MBF budget will be closed according to established timelines to maintain the information and support the Budget submission to Alberta Education. Subsequent working budgets will be made available for school input from time to time, thereafter.
10. That the operating school-based budget is based on actual enrolments confirmed by the school on March 31st of each school year. The budget will be opened at the beginning of -October to allow schools to update MBF with emerging budget items and remain open until the closure of the fall update period - Dec 31st.

Allocation Model

The allocation model reflects the belief that some efficiency is attained through centralization of certain shared functions. Funding for this purpose is achieved by taking funds off the top from select base grants received from Alberta Education and MESCC leaving enough to be allocated for school decentralized budgets. The allocation model will consist of the following components:

OPERATING RESERVES

1. Operating Reserves are established by any available divisional operating surplus and reviewed on an annual basis. The Unrestricted Operating Reserves should not exceed 6% of annual expenditure as established by Alberta Education. The operating reserves will be used to address unforeseen growth and decline circumstances in the Division, any other extraordinary circumstances that may occur in any given school year, or at the discretion of the Board.

INCLUSIVE EDUCATION

2. A portion of the Inclusive Education funding will be centralized in support of the following services:
 - a. Student Services Facilitation
 - b. Learning Coach Services (SLP,OT)
 - c. Wellness Coordination
 - d. Early-entry Consulting Services
 - e. Contingency for post-September influx of students with special needs
 - f. Low Incident Services (SLP; Psych Assessments)
 - g. Professional Development for Inclusive Education Facilitators
 - h. Specialized equipment

3. Inclusive Education Support Allocation will be dispensed to qualifying schools with identified special needs students. The Director of Student Services assesses the needs at each school and work with Senior Administration on allocation formula of the remaining contingency funds.
4. All schools receive a per-pupil Inclusive Education allocation and is calculated by pooling all Inclusive Education targeted grants less the centralized Inclusive Education expenses and the special needs allocations then divided by the projected student count. This Allocation will be set during the school-budget development process in the spring.

CENTRALIZED SUPPORT

5. The needs of the Centralized Support System recognizes the additional support required to effectively carry out the mandate of the Board.

CORE FUNDING

6. All schools receive a Core Funding Allocation and an allocation based on the grade configurations. The rates are set in recognition of the needs of small schools to ensure there are sufficient funds to cover the salary of school administrators, teachers and that of administrative clerical/secretarial support.

BASIC INSTRUCTION

7. Step Allocations
 - a. All schools are allocated funds based on calculated per-pupil rates for Step 1 (up to 200 students), Step 2 (between 201 – 500 students) and Step 3 (500+ students).
 - b. High schools are allocated High School Top-up Funding for their uniqueness, especially in teaching staff/student ratios.
 - c. Outreach Grant Funding is directly allocated to the Outreach School including a step allocation as well.
8. A School Supplementary Core Allocation may be made available to address the needs for schools to hire sufficient staff and ensure they can deliver the minimum required school programs. The allocation may be accessed under certain conditions and upon approval by the Superintendent.

ENGLISH SECOND LANGUAGE (ESL)

9. All schools receive an English Second Language (ESL) Allocation based on the number of eligible ESL students enrolled in their schools. The ESL rate is based on the Alberta Education ESL funding rate less and \$XX per student to cover the cost of a divisional Software License.

FIRST NATIONS, METIS, INUIT (FNMI)

10. All schools receive a First Nations, Metis, and Inuit (FNMI) Allocation based on the number of eligible FNMI students enrolled in their schools. The FNMI rate is based on the Alberta Education FNMI funding rate less any centralized learning costs.

CLASS SIZE INITIATIVE

11. Schools with K to Grade 3 students receive a Class Size Initiative (CSI) Allocation. The CSI Allocation rate is based on the Alberta Education CSI funding rate per eligible funded student in K to Grade 3. CSI funding does not apply to federal ward students living on Indian reserves.

PROGRAM UNIT FUND (PUF)

12. Schools with approved Program Unit Fund (PUF) students receive a support staff FTE allocation to address the needs of the qualifying students. The allocation is determined by the Director of Student Services based on the funding approved by Alberta Education. Allocations will only occur for the Spring Budgets of each school. The fall budget will be available once the spring budget is finalized and then the following timelines are in effect:
13. Initial list to Schools in April for the following school year and will be funded at 100%. New children arriving between December 2 and February 3 will receive 50 per cent of the Program Unit Funding Grant only.

DISTANCE

14. Schools located outside of Leduc receive a Distance Allocation to help address the cost of travel to and from Leduc for monthly administration meetings. The allocation is calculated using the divisional per kilometer reimbursement rate times the number of anticipated administration meetings plus allowances for Division directed professional development of staff for the year and the distance from the school to Leduc in kilometers.

FAITH

15. All schools receive an allocation for student faith development distributed on a per student basis.

FRENCH IMMERSION

16. As designated bilingual French/English schools, Académie Saint-André Academy, École Father Leduc and École Notre Dame School receive an allocation for French resources based on the Federal French Grant rate.

ALTERNATIVE SCHOOL

17. As an alternative school, Outreach receives an allocation based on the Alberta Education Outreach Grant Rate.

NUTRITION GRANT

18. The grant shall be allocated based on student enrollment numbers per each school. Any unutilised funds at the end of the school year shall be recorded in Deferred Revenue and be available to schools upon requests in the spring. Requests will be considered and approved by Senior Administration based on the merit of justification.

BUDGET SURPLUS OR DEFICIT

19. All schools are required to submit a balanced budget with a minimum on contracted services and general supplies of 7% on total deployment. Exceptions must be approved in writing by the Secretary-Treasurer.
20. Any school operating surplus will be carried forward to the following school year subject to the school principal providing details of anticipated operating and capital expenditures for such.
21. Any school operating deficit will be automatically applied to the following school year as a reduction to the subsequent school allocation unless the school wishes to use available (non-fees) school generated funds subject to AP 512 to cover the operating deficit.

AMORTIZATION

22. Schools may purchase major items and amortize the cost over a period of not more than five (5) years, provided the total value is at least \$5000 per item.
23. Schools will be charged for approved amortized purchases with a five-year amortization period as follows:
 - a. 1/5 of the invoice cost the fiscal year the asset is put into productive use;
 - b. 1/5 of the invoice cost at the beginning of the following fiscal year for the succeeding four years.
24. All purchases requiring amortization must receive the prior approval of the Secretary-Treasurer or designate. Prior to amortized deductions being processed each year, the correct coding will be confirmed with the principal.

Contingency

A central fund at Division Office may be established for the purpose of alleviating financial pressures of new curriculum implementation or class sizes. The amount may be modified as required by the Senior Leadership Team.

Any request for special consideration funding to address class size issues or any other programming needs must be made in writing and include educational justification for all requested dollars. The written plan should only be exercised after all other potential sources of funding (for example, non-fees school generated funds reserves) have been exhausted.

If funds are available, requests will be reviewed by the Senior Leadership Team and if the interest of the greater school community is enhanced then the request will be recommended for approval. All approvals will be confirmed in writing by the Secretary-Treasurer. Schools should keep a copy of the approval in their files.

Budget Transfers

There is flexibility in expenditures among non-staff objects in all programs.

Changes in expenditures from staff to non-staff objects require the prior approval of the Secretary Treasurer and completion of a written budget transfer request.

Principals, non-school based Directors or other Budget Managers may reallocate approved non-salary budget account codes to other non-salary budget account codes within their approved budgetary control. Such transfers are subject to expenditures being made only for the approved purpose of the budget provided.

The use of non-salary budget codes for salary expenditures, or the use of salary budget codes for non-salary expenditures is only permitted in rare and exceptional circumstances and require the prior approval of the Secretary-Treasurer.

Principals who wish to transfer funds from their school's budget to another school's budget can do this by simply sending the Secretary-Treasurer or designate a signed memo describing the amount of money and what budget line it is to be withdrawn from, as well as which school and which budget line the money is to be placed into. Written confirmation of the budget transfer will be issued by the Secretary-Treasurer.

Fees

Foreign Student Fees are determined by the Board annually. These fees are collected at the school level and forwarded to Division Office for inclusion in the individual school's budget. Foreign student fees are fully applied to the Instruction Program Allocations section of MBF.

Transportation fees are set by the Board annually and are collected at the school level and forwarded to Division Office. These fees are applied to the Division's Transportation budget and are not reflected in the school budgets.

Adult Student Registration Fees are set by the Board annually and are collected at the Star Outreach School and forwarded to Division Office for inclusion in the school's budget.

School-Generated Funds

Schools have the ability to include local non-instructional revenues and fees or transfer School-Generated Funds (SGF) in their school budgets. Such revenues may include but are not limited to the following types:

1. Preschool Fees
2. After School Fees
3. Canteen Revenues
4. Scholarship Revenues
5. Donations (not targeted)

The SGF's budgeted revenue is calculated by the Director of Finance as an average of the past three (3) years. The Administrator is given an opportunity to review the budget and request adjustments based on local knowledge that is not known to the Director of Finance.

All schools are required to maintain accurate and thorough accounting records for all revenue generated in the school. The program designated for the purposes of book keeping at the school will be School Cash (KEV).

The principals are accountable for all school-generated funds.

GUIDELINES

1. Signing authority shall be the Principal, or Assistant Principal and Administrative Assistant,
2. All other accounts used by the school shall have written guidelines as to how and why the funds are being raised and how the funds will be spent.
3. Division funds collected by the school or fees collected that form part of the school's budget will be forwarded to the Division office on a monthly basis and submitted using the designated form.
4. Funds forwarded to Division that form part of the school's budget will be credited to the school's budget.
5. The school's General Account must not be placed in a deficit position.

Proper Use of Division Purchase Cards

The use of division purchase cards at the schools helps to alleviate expense reimbursement claims and as such the Administrators have the ability to request a division purchase card for staff members that are often out of pocket for school expenses. The following are reminders of the documentation required, and information needed for our stakeholders when purchases are made with division purchase cards, which is also available in Administrative Procedure 516:

6. Meals: detailed receipts must be obtained from the restaurant. It is required to have written on the receipt the purpose of the meal and who was in attendance.
7. Accommodation: detailed receipt from the hotel must be obtained that shows the full cost including all taxes paid. The confirmation of the reservation is not sufficient documentation.
8. Personal purchases: it is forbidden to use a division purchase card for any personal purchases. If used accidentally, the purchase card holder must reimburse the division the full cost of the purchasing including GST with the submission of the staff member's visa reconciliation.
9. Missing detailed receipts: if a full detailed receipt was not obtained at the point of purchase, steps should be made to acquire the missing receipt, or a missing detailed receipt form (Form 516-1) must be filled out and signed off by the Division Purchase Card holder's supervisor.

Gift Cards

Gift cards are often purchased to recognize the achievements of staff, students, and volunteers. These gift cards must be tracked using the "Gift Card Reconciliation" form (Form 515-1) that has been uploaded to STAR's google drive and shared with all school Administrative Assistants in the Division.

The purpose of this form is to track all gift cards purchased in the Division and ensure there is an audit trail. It is essential that STAR is abiding by CRA rules regarding Taxable Benefits; as a gift card is considered a taxable benefit to an employee the Division needs to track them and apply the benefit to the employee's payroll file.

The form must be filled out in its entirety, attached to the purchase card holder's reconciliation, and a copy sent in to the Director of Finance and Business to forward on to the payroll department if required. It is recommended to avoid "bulk" purchases of gift cards because the tracking can become onerous, and the audit trail may be broken. Gift cards should be purchased closer to the date that recipients will receive so that reporting is done in an accurate and timely manner.

Honorariums

Honorariums are defined as a token of appreciation for participation in an activity. It is not a contractual obligation to pay for services rendered. An honorarium assumes some level of volunteerism and is typically a token amount. It should not be linked to an hourly amount that may be used for other employees. If an individual was to be compensated at a rate equivalent to the market rate for the service, then it is not an honorarium and should be invoiced as a regular expense.

If an honorarium is required a cheque request form needs to be filled out and forwarded to the Accounts Payable clerk within regular timeframes to process the request, this is the preferred method for processing an honorarium.

Examples of honorariums are as follows:

1. Clergy, elders or presenters may be presented with an honorarium of a monetary sum, a gift certificate or other gift in recognition of service provided.
2. Schools providing gift cards in recognition of extraordinary service must follow the gift cards procedure noted above.

Professional Development

Professional development is an essential and ongoing requirement for today's educators. Accordingly, principals will allocate funds to staff professional development as they deem fit.

The expenditure of funds is to be based on the following considerations:

1. Established Division priorities for professional development for the year;
2. Established school priorities for staff development; and
3. Identified individual staff development needs.

Furniture and Equipment

Schools are responsible for the acquisition and replacement of all furniture and equipment unless otherwise specified. To maximize the efficient procurement and utilization of equipment, the Division will standardize the specifications and purchases wherever possible.

Furniture and equipment shall be purchased through the normal purchasing procedures.

Surplus, obsolete or unfixable furniture and equipment will be disposed of in accordance with Administrative Procedure 517. Proceeds of which will go into general revenue.

Schools are responsible for the cost of the repair of all instructional furniture and equipment.

Technology Evergreening

The Division developed a 3 Year Technology Plan to ensure that all schools and departments have equitable access and support from the technology department. The range of support will be minimized through standardization. An electronic ticketing system is in place to submit work orders and to track work that needs completion.

Facility Upgrading

The Division is responsible for all upgrading of buildings and grounds. Requests for upgrading should be submitted on the appropriate form to the Director of Facilities by the third week of October of each school year. The extent of the process is to address major upgrading or capital requirements, not routine minor maintenance items.

Utilities

All utility costs will be budgeted through the Division Office. Costs to be deducted from Operations and Maintenance budget.

Operations and Maintenance

School custodial FTE allocations are calculated using a formula based on area and student population. Custodial salaries and benefits are centralized.

The following budget lines are calculated by school allocations but administered centrally:

1. Grounds maintenance
2. Basic building maintenance
3. Electrical maintenance
4. Plumbing and heating maintenance
5. Joint-use maintenance
6. Vandalism
7. Custodial supplies and materials
8. Custodial equipment