

BUSINESS AND BOARD ADMINISTRATION	3000
BUDGET VARIANCE PROCEDURES	3026

DRAFT- November 14, 2023

1. Policy

It is the policy of Lakehead District School Board that programs and activities related to the annual delivery of public education shall be governed by allocations approved during the budget process and adopted by the Board as the approved budget for that year. However, it is recognized that there are circumstances that arise during a fiscal period that result in actual revenues and expenditures varying from budgeted amounts.

2. Definitions

2.1 Administration

In the context of this policy, administration includes the Director of Education, Superintendents and Managers.

2.2 Director's Council

Director's Council is a committee comprised of the Director of Education and the Superintendents.

2.3 Audit Committee

The Audit Committee is a committee of the Board appointed in accordance with Ontario Regulation 361/10 Audit Committees.

2.4 Board

In this policy, Board refers to the Trustees acting in their capacities of elected officials in accordance with the Education Act.

3. Implementation Procedures

3.1 Approvals

In recognition of the necessity to react to actual reasons for variance from approved budgets, the following procedures shall be employed:

- 3.1.1 Director's Council will meet on a regular basis and review ongoing operational and financial issues. Director's Council will manage the variances that occur within the overall framework of the budget as they consider necessary.
- 3.1.2 Administration will seek approval from the Board to vary from the approved budget in the following circumstances:

- a change in policy affects the budget;
- the parameters are changed for delivery of a program previously approved by the Board;
- there is a change of direction or budget focus;
- new or additional discretionary funds are received;
- a variance from budget will materially impact upon the financial position of the Board.

3.1.3 With the approval of administration, and in keeping with established practice, variances in class supplies and equipment budgets at the school level may be transferred to the subsequent fiscal period.

3.1.4 In circumstances where new or enhanced grant programs are available which would involve additions to approved program delivery and/or expenditure on supplies and equipment, and utilization of available grant funds is required within time frames which prohibit prior Board approval, the following will apply:

3.1.4.1 If an expenditure would be offset completely by additional revenue, and represents no additional cost in future years because of program continuation or additional administrative or maintenance costs, the prior approval of Director's Council is required and notification to the Board will be a part of the periodic interim report.

3.1.4.2 If an expenditure, net of additional revenue, results in additional continuing costs in subsequent years, the prior approval of the Board shall be obtained.

3.2 Variance Analysis

3.2.1 In instances where over-expenditure has resulted from increased grants or other revenues, variance analysis will encompass the revenue portions of the budget as they relate directly to expenditures.

3.2.2 Budget variance analysis is not limited to expenditures. Enrolment-based grant revenues are to be reviewed, and variances from initial estimates projected. Reductions in grant revenue due to declines in enrolment, or other causes, will require appropriate system-wide adjustments in order to match system expenditure with projected system revenue.

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- 3.2.3 Detailed variance analysis incorporated in the year-end report will be based on the following threshold amounts:

Decision Unit Total Budget	Variance Threshold
500,000 - 2,000,000	5%
2,000,000 - 10,000,000	100,000
Over 10,000,000	200,000

- 3.2.4 Administration will provide such additional, specific variance analyses as required by the Audit Committee or the Board.

4. Review

These procedures shall be reviewed in accordance with Policy Development and Review Policy 2010.

<u>Cross Reference</u>	<u>Date Approved</u>	<u>Legal Reference</u>
Ontario Regulation 361/10 Audit Committees	November 1990	
	<u>Date Revised</u>	
	June 24, 2003	
	May 24, 2016	