



SCHOOL DISTRICT NO. 22 (Vernon)

TO: Board of Education

FROM: Adrian Johnson, Secretary Treasurer
Anne Cooper, Consultant

DATE: October 25, 2023

SUBJECT: Policy Renovation Project – Section 600 Finance and Business Operations

CONTENT FOR SECTION 600 – FINANCE AND BUSINESS OPERATIONS

A fulsome review of all Board policies and regulations has now taken place, with the objective of compiling all documentation that relates to Finance and Business Operations within one section of the revised policy manual. The review concluded that documents that essentially impact finance and business operations exist currently in Section 2, with one newer policy in Section 600 to incorporate.

All potential documents are accounted for within this memo with appropriate hyperlinks. Several policies and regulations are no longer current and are recommended for repeal outright. Further, some current policies and regulations would be best established as an Administrative Procedure and be repealed. The approach to documents in this section is detailed below.

SUGGESTED CURRENT POLICY CANDIDATES FOR NEW SECTION 600

[610 Financial Planning and Reporting Policy](#)

[2.2.0 Signing Authorities](#)

[2.12.0 Commercial Enterprise & Schools](#)

[2.14.0 Corporate Sponsorship](#)

[2.15.0 Operating Budget](#)

[2.16.0 Authority for Expenditures](#)

[2.18.0 Investment of Funds](#)

[2.22.0 Financial Surplus and Inter-Fund Transfer Policy](#)

CURRENT DOCUMENTS RECOMMENDED TO BE REPEALED WITH THE CONTENT ESTABLISHED AS AN ADMINISTRATIVE PROCEDURE

The documents below include current Policy or Regulations that seem to fit within this category and are recommended to be repealed in favour of moving the content to an Administrative Procedure.

[Policy 2.20.0 Honorariums](#)

[Policy 2.24.0 Financial Hardship](#)

[Regulation 2.6.0 Band Instrument Rentals](#)

[Regulation 2.7.0 Insurance - Business Coverage](#)

[Regulation 2.7.1 Insurance - PAC activities](#)

[Regulation 2.8.0 Purchasing Department](#)
[Regulation 2.9.0 Expense Claims](#)
[Regulation 2.10.0 Banking Auditing Services](#)

POLICIES AND REGULATIONS RECOMMENDED TO BE REPEALED OUTRIGHT

The list below highlights policies and regulations that fit within this category, however, subsequent to review are recommended to be repealed outright, as they are no longer current to the *School Act*, *School Act Regulations*, or Ministerial Orders; are redundant due to Ministry of Education and Child Care Policy; or offer no current or substantive guidance to the system.

[2.1.0 Office & Accounting](#)
[2.3.0 Loss, Theft or Damage of School District Equipment Used by Employees Away from District Premises](#)
[2.17.0 District Generated Revenue](#)
[2.21.0 Contract Agreement](#)
[2.23.0 Budget Development Guiding Principles and Budget Criteria](#)

[Regulation 2.4.0 School Funds](#)

SUGGESTED SECTION 600 ORGANIZATION

Suggestions have been made with respect to the groupings and order of policies within the new section, with new numbering in place. Current policies are referenced and hyperlinked. The revised section is summarized as follows:

Policy 610 Financial Planning and Reporting ([610 Financial Planning and Reporting Policy](#))
Policy 611 Financial Surplus and Inter-Fund Transfer ([2.22.0 Financial Surplus and Inter-Fund Transfer Policy](#))
Policy 612 Investment of Funds ([2.18.0 Investment of Funds](#))

Policy 620 Budget Management ([2.15.0 Operating Budget & 2.16.0 Authority for Expenditures](#))

Policy 630 Signing Authorities ([2.2.0 Signing Authorities](#))

Policy 640 Corporate Sponsorship and Commercial Enterprise ([2.14.0 Corporate Sponsorship and 2.12.0 Commercial Enterprise & Schools](#))

Policies 610 through 630 are attached to this agenda, illustrating the changes made from the original policies. The Board's audit committee reviewed and discussed initial drafts of these policies on September 28th, and the revised policies included here incorporate feedback from that committee.

Policy 640 has yet to be updated and will be presented to the Board at a later meeting.

BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: 610

Financial Planning and Reporting	
Approval Date:	February 16, 2022
Amendment Date(s):	
Reference(s):	Ministry of Education and Child Care K-12 public education financial planning and reporting policy

The Board believes that establishing strategic priorities and associated operational plans will enhance student educational outcomes. The Board also believes that aligning funding and resources to those strategic priorities, and engaging in multi-year financial planning, are crucial for the effective operation of the school district and provision of quality educational programs and learning environments for students and staff. This requires a collaborative process that is transparent, inclusive and timely.

This policy responds to and ensures compliance with the Ministry requirements for financial planning, as stipulated within Ministry policy.

The Board will develop, implement, adopt and provide to the Ministry a financial plan spanning three years. This financial plan will outline how the Board will use funding and resources, including any accumulated operating surplus, to support the Board's strategic and operating plans.

The Board represents the community and will be open and transparent about the resource allocations, along with seeking community input on those allocations. To support meaningful engagement and promote transparency, materials and reports will be developed in a manner that will enhance readers' understanding of the school district's financial position and changes to its financial position.

Budget Development Process

- a. The Board commits to develop the *Financial Plan* in a consultative and open manner with appropriate engagement of staff and education partners. Representatives of the Board will consult with representatives of the Okanagan Indian Band to determine how best to gain informed input from the Okanagan Indian Band.
- b. The Board will establish and annually approve an engagement process to receive input from staff, education partner groups, Vernon & District Métis Association, and the community on the strategic objectives, resource priorities and allocation options.
- c. When developing the engagement process for the *Financial Plan*, the Board will ensure that information and engagement opportunities are provided throughout the process. Specific dates and times will be published about key opportunities to receive information, provide input and raise questions.

Board Responsibilities

- a. The Board will amend the budget as conditions change and will formally approve an annual budget by June 30 and amended budget by February 28.

- b. The Board will evaluate the financial and budget planning processes on an annual basis, identifying lessons learned and revisions for future consideration.
- c. The Board will make plans or reports publicly available by inclusion in the School District's website.

Management Responsibilities

- a. As part of the annual budget development process, management will report on the Board's progress on the alignment of resources with strategic goals.
- b. Management will provide the Board with quarterly financial reporting. This reporting will compare actual and forecasted expenditures to the budget plan.
- c. Management will produce a Financial Statement Discussion and Analysis report to assist readers in understanding the financial position and financial performance presented in the financial statements. This report is one element of the annual school district financial reporting framework established by the Ministry to address the reporting requirements, as specified in the *School Act* and to align with the *Budget Transparency and Accountability Act*.

BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: 610

Financial Planning and Reporting	
Approval Date:	February 16, 2022
Amendment Date(s):	
Reference(s):	Ministry of Education and Child Care K-12 public education financial planning and reporting policy

Purpose of the policy

The Board believes that establishing strategic priorities and associated operational plans will enhance student educational outcomes. The Board also believes that aligning funding and resources to those strategic priorities, and engaging in multi-year financial planning, are crucial for the effective operation of the school district and provision of quality educational programs and learning environments for students and staff. ~~The Board believes that it should build a financial plan to allocate its forecast revenue and reserves to achieve its strategic and operational plans, and that local community and education partner groups, including the Okanagan Indian Band and Indigenous Education Advisory Committee, should be engaged to provide input into this financial plan. Such engagement~~ This requires a collaborative process that is transparent, inclusive and timely.

This policy ~~aligns~~ responds to ~~with~~ and ensures compliance with the Ministry ~~of Education requirements for financial planning, as stipulated within Ministry policy.~~ Financial Planning and Reporting Policy. ~~It also aligns with the planning, reporting and consultation requirements of the Ministry of Education's Accumulated Operating Surplus policy.~~

How to comply with policy

The Board will develop, implement, adopt and provide to the Ministry, ~~annually,~~ a financial plan spanning at least three years. This financial plan will outline how the Board will use funding and resources, including any accumulated operating surplus, to support the Board's strategic and operating plans.

The Board represents the community and will be open and transparent about ~~on~~ the resource allocations, along with seeking community input on those allocations. To support meaningful engagement and promote transparency, materials and reports will be developed in a manner that will enhance readers' understanding of the school district's financial position and changes to its financial position.

~~The Board will engage local community and education partner groups, including the Okanagan Indian Band and Indigenous Education Advisory Committee (the 'stakeholders and rights holders'), to provide input into:~~

- ~~the Board's strategic plan, in the year of its creation,~~
- ~~every year, a continuous improvement of the Board's operating plans, and~~

- ~~• every year, how the Board's financial plan can best achieve the strategic and operating plans.~~

~~When developing the financial plan, the Board will ensure that they consult and engage the stakeholders and rights holders by providing public information on:~~

- ~~• where, when and how long stakeholders and rights holders will have the opportunity to provide input, feedback and ask questions on the board's annual budget;~~
- ~~• specific opportunities for stakeholders and rights holders to provide feedback on the board's strategic goals and provide suggestions on prioritizing the use of operating surplus, and~~
- ~~• how the board will report out to stakeholders and rights holders on its progress towards meeting its strategic goals and use of surplus.~~

~~Representatives of the Board will consult with representatives of the Okanagan Indian Band to determine how best to gain informed input from the Okanagan Indian Band.~~

~~At least annually, management will present the Board with a report or reports outlining~~

- ~~• progress towards aligning funding and resources, including the use of any accumulated surplus, with:

 - ~~○ the Board's strategic plan,~~
 - ~~○ other operational needs of the School District; and~~
 - ~~○ enhanced student educational outcomes.~~~~
- ~~• amounts of inter-fund transfers~~
- ~~• the accumulation and spending of operating surplus funds~~

~~The Board will make this or reports publicly available by inclusion in the School District's website.~~

~~Annually, the Board will consider a review of the consultation process to identify lessons learned and revisions for future consideration.~~

Financial Plan Principles

Budget Development Process

- ~~The Board commits to develop the *Financial Plan* in a consultative and open manner with appropriate engagement of staff and education partners. Representatives of the Board will consult with representatives of the Okanagan Indian Band to determine how best to gain informed input from the Okanagan Indian Band.~~
- ~~The Board will establish and annually approve an engagement process to receive input from staff, education partner groups, Vernon & District Métis Association, and the community on the strategic objectives, resource priorities and allocation options.~~
- ~~When developing the engagement process for the *Financial Plan*, the Board will ensure that information and engagement opportunities are provided throughout the process. Specific dates and times will be published about key opportunities to receive information, provide input and raise questions.~~

- ~~As part of the annual budget development process, management will report on the Board's progress on the alignment of resources with strategic goals.~~

~~— Management will provide the Board with regular financial reporting. This reporting will compare actual and forecasted expenditures to the budget plan. Management will produce a Financial Statement Discussion and Analysis report to assist readers in understanding the financial position and financial performance presented in the financial statements. This report is one element of the annual school district financial reporting framework established by the Ministry to address the reporting requirements, as specified in the *School Act* and to align with the *Budget Transparency and Accountability Act*.~~

Board Responsibilities

- a. The Board will amend the budget as conditions change and will formally approve an annual budget by June 30 and amended budget by February 28.
- b. The Board will evaluate the financial and budget planning processes on an annual basis, identifying lessons learned and revisions for future consideration.
- c. The Board will make plans or reports publicly available by inclusion in the School District's website.

Management Responsibilities

- a. As part of the annual budget development process, management will report on the Board's progress on the alignment of resources with strategic goals.
- b. Management will provide the Board with quarterly financial reporting. This reporting will compare actual and forecasted expenditures to the budget plan.
- c. Management will produce a Financial Statement Discussion and Analysis report to assist readers in understanding the financial position and financial performance presented in the financial statements. This report is one element of the annual school district financial reporting framework established by the Ministry to address the reporting requirements, as specified in the *School Act* and to align with the *Budget Transparency and Accountability Act*.

BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: 611

Accumulated Operating Surplus	
Approval Date:	June 2018
Amendment Date(s):	February 16, 2022
Reference(s):	<i>School Act</i> 156 (6), Ministry of Education and Child Care K-12 public education accumulated operating surplus policy

The Board is required by legislation to prepare a balanced annual budget. As stipulated within the *School Act*, boards of education are not permitted to incur a deficit of any kind and therefore must plan appropriately.

Estimated spending in the annual budget must not exceed estimated revenue plus any allocation of accumulated operating surplus.

An accumulated operating surplus represents the extent to which revenue from all previous years exceeds expenditures from all previous years. The use of an operating surplus enables the Board to engage in long-term planning, mitigate financial risk and support programs and services for students. Surplus balances provide flexibility to absorb future year one-time costs, unforeseen expenditures or reduced revenue due to declining enrolment. To support long-term financial planning the Board can restrict operating surplus for use in future years.

This policy ensures accountable and transparent financial planning; establishes procedures that guide the accumulation, spending and reporting of operating surplus funds; and outlines how the Board will engage with local community and education partner groups, including the Okanagan Indian Band and Vernon and District Metis Association. This policy aligns with and ensures compliance with the Ministry of Education and Child Care's [Accumulated Operating Surplus Policy](#).

To increase transparency, surplus appropriations require a Board motion in a public meeting, save for motions that are appropriately made in a closed Board meeting, such as matters related to land, legal or personnel matters.

Inter-fund transfers facilitate the allocation of funds to support capital purchases and improvements.

The reporting of surpluses and inter-fund transfers are publicly provided through both the financial statement and budget reporting processes. The budget reporting processes outline the initial plan for surpluses and transfers and the financial statements will report on the actual surpluses and transfers in any given budget year.

Consultation and Engagement

Prior to approval of the Annual Budget, the Board of Education will engage with the education partners, the Okanagan Indian Band Vernon & District Métis Association on all proposed uses of the Accumulated Operating Surplus. This engagement will be consistent with the consultation

process required by the Board's Financial Planning and Reporting Policy. Information regarding these processes will be provided on the district website.

Categories of Operating Surplus

The Board uses the following categories to manage operating surplus.

Internally Restricted Operating Surplus

The Board can make restrictions for items that are identified by the Board, have defined timelines, are directly related to the Board's goals outlined in its strategic, operational and financial plans or meet the specified needs of the school district. The three streams of internally restricted operating surplus are:

- restricted due to the nature of constraints on the funds;
- restricted for anticipated unusual expenses identified by the Board; and
- restricted for operations spanning multiple school years.

Unrestricted Operating Surplus

The Board is responsible for ensuring the district is protected financially from financial risk and unforeseen circumstances that could negatively impact the education of students. The district may require emergency funds from time to time or need contingency funds available for unexpected increases in expenses and/or decreases in anticipated revenues. When this occurs, the Board will need to have access to enough funds to continue to provide educational services and operate the district. To support effective planning that includes risk mitigation strategies, the Board will maintain a reasonable amount of unrestricted operating surplus as a contingency reserve.

Generally, management will propose budget strategies to the Board to achieve or maintain a contingency reserve of no less than 2% and no more than 5% of total operating budget. The Board will consider these strategies in the context of all the Board's strategic goals.

Restricted for Future Capital Cost-Sharing

To support major capital projects that are identified in the Boards' five-year Capital Plan and approved by the Ministry for concept plan or business case development, the Board may restrict operating surplus to satisfy capital project cost-share expectations at the time the project is brought forward for funding approval.

Local Capital

Local Capital represents surpluses the Board has allocated to fund future capital purchases. The Board will establish inter-fund allocations to Local Capital to support ongoing projects necessary to maintain capital infrastructure. Unused funds will remain in each local capital account and carried forward to the next year.

Local Capital will also include the Board's portion of any proceeds from the disposition of capital assets.

Reporting Requirements

The Board will provide the Ministry with an annual report on its budget allocation decisions (including operating surplus and Local Capital), demonstrating that approved allocations support the Board's strategic objectives.

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BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: ~~2.22.0611~~

<u>Accumulated Operating Surplus</u> Financial Surplus and Inter-Fund Transfer Policy	
Approval Date:	June 2018
Amendment Date(s):	February 16, 2022
Reference(s):	<u>School Act 156 (6), Ministry of Education and Child Care K-12 public education accumulated operating surplus policy</u>

[The Board is required by legislation to prepare a balanced annual budget. As stipulated within the School Act,](#) boards of education are not permitted to incur a deficit of any kind and therefore must plan appropriately. ~~This results in accumulated surpluses being realized at the end of each year.~~

[Estimated spending in the annual budget must not exceed estimated revenue plus any allocation of accumulated operating surplus.](#)

An accumulated operating surplus represents the extent to which revenue from all previous years exceeds expenditures from all previous years. [The use of an operating surplus enables the Board to engage in long-term planning, mitigate financial risk and support programs and services for students.](#) Surplus balances provide flexibility to absorb future year one-time costs, unforeseen expenditures or reduced revenue due to declining enrolment. [To support long-term financial planning the Board can restrict operating surplus for use in future years.](#)

~~The Board of Education is responsible for ensuring the district is protected financially from financial forecasting risk and unforeseen circumstances which could negatively impact the education of students.~~

~~An accumulated surplus within a fund allows a School District to budget for expenditures in excess of revenues in a given year, and also serves to reduce the financial risk that results from financial forecasting uncertainty and unforeseen circumstances.~~

~~Surpluses shall only be budgeted for use to cover one-time costs.~~

This policy ensures accountable and transparent financial planning; establishes procedures that guide the accumulation, spending and reporting of operating surplus funds; and outlines how the Board will engage with local community and education partner groups, including the Okanagan Indian Band and ~~Métis Nation BC~~ [Vernon and District Metis Association](#). This policy aligns with and ensures compliance with the Ministry of Education ~~and Child Care's~~ [Accumulated Operating Surplus Policy](#) ~~and Financial Planning and Reporting Policy.~~

To increase transparency, surplus appropriations require a Board motion in a public meeting, save for motions that are appropriately made in a closed Board meeting, such as matters related to land, legal or personnel matters.

Inter-fund transfers facilitate the allocation of funds to support capital purchases and improvements.

The reporting of surpluses and inter-fund transfers are publicly provided through both the financial statement and budget reporting processes. The budget reporting processes outline the initial plan

for surpluses and transfers and the financial statements will report on the actual surpluses and transfers in any given budget year.

~~Budgets and Financial Statements will include additional supporting information that provide details outlining the nature and scope of surpluses and inter-fund transfers.~~

Consultation and Engagement

Prior to approval of the ~~Preliminary~~ Annual Budget, the Board of Education will engage with the education partners, the Okanagan Indian Band Vernon & District Métis Association on all proposed uses of the Accumulated Operating Surplus. This engagement will ~~follow~~ be consistent with the consultation process required by the Board's Financial Planning and Reporting Policy. Information regarding these processes will be provided on the district website.

Categories of Operating Surplus

The Board uses the following categories to manage operating surplus. ~~manages its financial resources in three distinct areas: the operating fund, special purpose funds, and capital funds. The Board's annual budgets and financial statements encompass all three of these areas.~~

Internally Restricted Operating Surplus

The Board can make restrictions for items that are identified by the Board, have defined timelines, are directly related to the Board's goals outlined in its strategic, operational and financial plans or meet the specified needs of the school district. The three streams of internally restricted operating surplus are:

- restricted due to the nature of constraints on the funds;
- restricted for anticipated unusual expenses identified by the Board; and
- restricted for operations spanning multiple school years.

Operating fund

~~To discharge this responsibility, the Board will establish a restricted portion of its accumulated operating fund surplus and/or its annual operating fund budget as a contingency reserve to be used to mitigate any negative impact such circumstances might cause.~~

~~Any accumulated surplus in the operating fund in excess of the contingency reserve, restricted surpluses and inter-fund transfers will be allocated by the Board of Education to support the Boards' strategic objectives and other operational priorities through the adoption of an annual budget.~~

Unrestricted Operating Surplus ~~(Contingency)~~

The Board is responsible for ensuring the district is protected financially from ~~forecasted~~ financial risk and unforeseen circumstances that could negatively impact the education of students. The district may require emergency funds from time to time or need contingency funds available for unexpected increases in expenses and/or decreases in anticipated revenues. When this occurs, the Board will need to have access to enough funds to continue to provide educational services and operate the district. To support effective planning that includes risk mitigation strategies, the

Board will maintain a reasonable amount of unrestricted operating surplus as a contingency reserve.

~~To mitigate financial risk-Generally, management the district will plan propose budget strategies to the Board for to achieve or maintain an Unrestricted Operating Surplus a contingency reserve at of no less than 2% and no more than 5% of total operating budget. The Board will consider these strategies in the context of all the Board's strategic goals. When use of the contingency reduces the balance below what is determined to be sufficient, the district will adopt strategies for replenishing the contingency reserve.~~

Restricted for Future Capital Cost-Sharing

To support major capital projects that are identified in the Boards' five-year Capital Plan and approved by the Ministry for concept plan or business case development, the Board may restrict operating surplus to satisfy capital project cost-share expectations at the time the project is brought forward for funding approval.

Local Capital

Local Capital represents surpluses the Board has allocated to fund future capital purchases. Annual inter-fund allocations The Board will establish inter-fund allocations to Local Capital will be established to support the ongoing projects necessary to maintain our vehicles and equipment and the capital and technology plans capital infrastructure. Unused funds will remain in each local capital account and carried forward to the next year.

Local Capital will also include funds from the sale of assets the Board's portion of any proceeds from the disposition of capital assets, transfers other funds.

Capital funds

~~The Board of Education is responsible for ensuring the district maintains adequate and safe capital assets.~~

Therefore, the Board will

- ~~• Establish a local capital fund;~~
- ~~• Annually approve a capital plan;~~
- ~~• Approve, through inclusion within the adopted annual budget, the transfer of sufficient amounts from the operating and special purpose funds to the local capital fund; and~~
- ~~• Approve, through the approval of the annual financial statements, other transfers to support approved capital projects.~~

Special Purpose Funds

~~The Board of Education will maintain a surplus within a Special Purpose Fund where it is beneficial to do so in achieving the intent of that fund.~~

Inter-fund Transfers

~~The Board of Education may transfer amounts between funds, unless a third party has placed a conflicting restriction on the use of those funds.~~

~~Purchases for computers, equipment, furniture, vehicles, and other improvements that are required to be capitalized, funded out of operating or special purpose fund revenues, need to be purchased through the Capital Fund. Transfers between funds are necessary to allocate the financial resources to the applicable fund for the budgeted and actual expenses.~~

~~The Board will reflect anticipated inter-fund transfers in the annual budget, and will plan, report and consult on the amounts of inter-fund transfers as required by the Board's Financial Planning and Reporting Policy.~~

Reporting Requirements

~~The Board will provide the Ministry with an annual report on its budget allocation decisions (including operating surplus and Local Capital), demonstrating that approved allocations support the Board's strategic objectives.~~

BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: 612

Investment of Funds	
Approval Date:	June 21, 2011
Amendment Date(s):	
Reference(s):	

The Board believes that where cash is available it should be invested in order to generate revenue for the benefit of the school district. Investments are to be made in minimal-risk financial instruments based on the following order of priority:

- preservation of capital;
- assurance of liquidity; and
- an appropriate return consistent with safety and liquidity

The Secretary Treasurer is responsible for cash management and investment of funds and is hereby authorized to invest available cash in order to generate investment revenue.

Principles for Investments

1. Capital Preservation

- 1.1. Investment of funds shall only occur when principal is guaranteed. This may be accomplished through the placement of funds with institutions that have achieved the highest creditworthiness in the marketplace and earned a public reputation as a good credit risk.
- 1.2. The following are eligible investments under this policy:
 - 1.2.1. Financial instruments are guaranteed as to repayment of principal and interest by: The Government of Canada or by any of the Provinces of Canada; Canadian Chartered Banks and Trust companies incorporated under the laws of Canada; and Credit Unions incorporated under the Credit Union Act (British Columbia)
 - 1.2.2. Interest-bearing cash and cash equivalents, including guaranteed investment certificates or term deposits with banks, credit Unions or trust companies. Investments for operating cash requirements shall be in Canadian cash equivalents and short-term commercial paper rated (minimum rating R-1 Low by the Dominion Bond Rating Service), an equivalent rating from another agency, or, where not rated, an equivalent level as determined by the market.
 - 1.2.3. Debt securities of Canadian issuers, issued in Canadian currency, including sovereign, provincial, municipal and corporate bonds, debentures, notes and other debt instruments. All investments in fixed income securities shall be in securities that are the subject of regular price quotations by recognized investment dealers and for which ratings are available for the borrower or the debt issuer. The corporate and government bond and debenture portfolio in aggregate shall contain only instruments with an assigned a minimum rating of R-1 low (short-term)"/"A" (long- term) or equivalent by any major bond rating agency at the time of purchase.
 - 1.2.4. Deposits in the Provincial Treasury's Central Deposit Program.

- 1.3. Credit risk minimization shall be achieved through diversification whenever possible and appropriate.
2. Liquidity Assurance
 - 2.1. The assurance of liquidity is the ability to fund operating commitments through the drawdown of the investment portfolio.
3. Optimizing Returns
 - 3.1. Optimizing returns is obtained through monitoring of marketplace opportunities and realigning investments, accordingly, balanced with the Capital Preservation and Liquidity Assurance guidelines described above.

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BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: **2.18612**

Investment of Funds	
Approval Date:	June 21, 2011
Amendment Date(s):	
Reference(s):	

PHILOSOPHY

The Board believes that where cash is available ~~for investment~~ it should be invested in order to generate investment revenue for the benefit of the school district. in minimal risk financial instruments in order to generate investment revenue for the benefit of the school district. Investments are to be made in minimal-risk financial instruments based on the following order of priority:

- preservation of capital;
- assurance of liquidity; and
- an appropriate return consistent with safety and liquidity

AUTHORITY

The Secretary-Treasurer is responsible for cash management and investment of funds ~~pursuant to Board Policy~~ and is hereby authorized to invest available cash in order to generate investment revenue.

Principles for Investments

1. Capital Preservation

1.1. Investment of funds shall only occur when principal is guaranteed. This may be accomplished through the placement of funds with institutions that have achieved the highest creditworthiness in the marketplace and earned a public reputation as a good credit risk.

1.2. The following are eligible investments under this policy:

1.2.1. Financial instruments are guaranteed as to repayment of principal and interest by: The Government of Canada or by any of the Provinces of Canada; Canadian Chartered Banks and Trust companies incorporated under the laws of Canada; and Credit Unions incorporated under the Credit Union Act (British Columbia)

1.2.2. Interest-bearing cash and cash equivalents, including guaranteed investment certificates or term deposits with banks, credit Unions or trust companies. Investments for operating cash requirements shall be in Canadian cash equivalents and ~~short term~~ short-term commercial paper rated (minimum rating R-1 Low by the Dominion Bond Rating Service), an equivalent rating from another agency, or, where not rated, an equivalent level as determined by the market.

1.2.3. Debt securities of Canadian issuers, issued in Canadian currency, including sovereign, provincial, municipal and corporate bonds, debentures, notes and other debt instruments. All investments in fixed income securities shall be in securities that are the subject of regular price quotations by recognized investment dealers and for which ratings are available for the borrower or the debt issuer. The corporate and government bond and debenture portfolio in aggregate shall contain only instruments with an assigned a minimum rating of R-1 low (short-term)/"A" (long- term) or equivalent by any major bond rating agency at the time of purchase.

1.2.4. Deposits in the Provincial Treasury's Central Deposit Program.

1.3. Credit risk minimization shall be achieved through diversification whenever possible and appropriate.

~~1. Investments may be made in interest bearing accounts, investment securities or discounted instruments that are issued or guaranteed by the Federal, Provincial or British Columbia Municipal governments, Canadian Chartered bank, trust companies or credit unions. Such investments may be made in or through institutions other than the Board's primary bank.~~

~~2. Investments may be made through the pooled investment facility of the Municipal Finance Authority of British Columbia.~~

2. Liquidity Assurance

2.1. The assurance of liquidity is the ability to fund operating commitments through the drawdown of the investment portfolio.

3. Optimizing Returns

Optimizing returns is obtained through monitoring of marketplace opportunities and realigning ~~investments~~ investments, accordingly, balanced with the Capital Preservation and Liquidity Assurance guidelines described above.

BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: 620

Budget Management	
Approval Date:	June 21, 2011
Amendment Date(s):	
Reference(s):	<i>School Act 111</i>

The Board believes that the budget should reflect the objectives established by the Board for the fiscal year to which the budget applies. The objectives reflected in the budget are to be consistent with the Board's Strategic Plan.

The Board approved budget constitutes authority for Management to expend funds.

The budget is a "living" document that identifies the financial resources appropriated by the Board to provide the human and material resources necessary to meet the School District's education and operational objectives. To this end the Board, through policy, intends to provide appropriate flexibility in budget management to enable Management to maximize the use of fiscal resources while exercising effective budget control.

1. Responsibilities for Managing Budgets

- 1.1. Responsibility for the overall management of the educational and operational programs that are supported by the annual budget, is that of the Superintendent. The Secretary Treasurer is responsible for the financial management of the budget, and all financial reports.
- 1.2. Each budget account shall be assigned to a member of management. Those assigned expenditure accounts will be responsible for ensuring that the funds are used for the purpose intended, and for monitoring expenditures to ensure they do not exceed funds allocated, without proper authority. Managers for revenue accounts will monitor activity to ensure that revenue objectives are achieved.

2. Budget Variances

- 2.1. The Secretary Treasurer or designate may authorize budget variances to facilitate meeting contractual obligations, statutory requirements, approved staffing complement, or approved educational and operational objectives.

3. Reporting

- 3.1. Quarterly information shall be presented to the Board providing information as to the status of the budget, and potentially significant forecast variances that may impact the Board's ability to achieve its financial goals.

BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: 2.15620

<u>Operating Budget</u> <u>Budget Management</u> <u>Financial Controls</u>	
Approval Date:	June 21, 2011
Amendment Date(s):	
Reference(s):	<u>School Act 111</u>

Philosophy

~~The Board's annual operating budget is a Financial Plan reflecting the implementation and maintenance of the District's Educational and Operational Plan.~~ The Board believes that The the budget should reflect the objectives established by the Board for the ~~school~~/fiscal year to which the budget applies. The objectives, ~~reflected in the budget~~ should are to be consistent with the Board's ~~mission and goals statements~~ Strategic Plan.

The Board approved budget, constitutes authority for AdministrationManagement to expend funds.

~~1. Budget Development~~

- ~~1.1. The Board is required by the School Act to develop an annual operating budget and submit it to the Ministry of Education in a prescribed form by prescribed dates.~~
- ~~1.2. The budget document presented to the Board will contain estimates of revenue and expenditures in a format that is consistent with that required by the Ministry, detailing such estimates by program and objects bearing both numerical and titled references.~~
- ~~1.3. The budget approved by the Board, will be supported by specific staff complement approvals.~~
- ~~1.4. Whether a preliminary of a final budget, once approved by the Board, for purposes of managing the District, they shall have the same effect.~~

~~2. Nature of the Budget~~

The ~~budget~~ is a "living" document that identifies the financial resources appropriated by the Board to provide the human and material resources necessary to meet the School District's educational and operational objectives. To this end the Board, through policy, intends to provide appropriate flexibility in budget management to enable ~~Administration~~ Management to maximize the use of fiscal resources while exercising effective budget control.

Guidelines

~~3.1.~~ Responsibilities for Managing Budgets

~~3.1.1.1.~~ Responsibility for the overall management of the educational and operational programs that are supported by the annual budget, is that of the Superintendent. The Secretary-Treasurer is responsible for the financial management of the budget, and all financial reports.

~~3.2.1.2.~~ Each budget account shall be assigned to a ~~member of senior or manager~~ member of management ~~middle management, (including administrative officers).~~ The ~~member~~ Those assigned for expenditure accounts will be responsible for ensuring that the funds are used for the purpose intended, and for monitoring expenditures to ensure they do not exceed funds allocated, without proper authority. ~~The member~~ Managers for revenue accounts will monitor activity to ensure that revenue objectives are achieved.

~~4.~~ Budget Management

~~4.1.~~ Budget management and reporting will be conducted at a macro and micro level. Typically the Board and senior executives would receive reports and oversee the budget at a macro level, reviewing information presented by major objects of expenditure. Management and the Assistant Secretary Treasurer are expected to manage the budget at the micro level, reviewing information presented by function, program and objects of expenditure.

~~4.2.~~ Financial data to assist in the management of budgets will be provided by the Finance Department, which is responsible for the proper coding of all revenues and expenditures, in accordance with the Chart of Account.

~~4.3.~~ The implementation or maintenance of programs shall be carried out in accordance with the policies, decisions and directions of the Board, generally within the amount budgeted for them.

~~4.4.~~ It is recognized that the fiscal resources allocated may be greater or less than the cost of providing the service. All those involved in managing the budget are expected to at all times be governed by prudence, remembering that the object is to meet the District's educational and operational objectives. Any funds remaining after the objectives have been met will become reserved for general budget management purposes. Where funds are obviously insufficient, budget transfers or excess expenditures may be approved, in accordance with the provisions of this policy.

~~5.2.~~ Budget Transfers Variances

~~5.1.~~ The Secretary-Treasurer or ~~designee~~ designate, may authorize budget ~~transfers~~ variances ~~within object codes and amounts specified herein~~, to facilitate meeting contractual obligations, statutory requirements, approved staffing complement, or approved educational and /operational objectives.;

2.1.

~~Transfers, as required may be made within object codes 100 and 200. Transfers within other object codes, and functions may be made in amounts up to \$50,000 each to an aggregate of \$500,000 per year.~~

~~5.2. Transfers between objects or beyond the stated maxima will require Board approval.~~

~~5.3. Budget transfers that would cause an over expenditure in the account from which funds are transferred are not approved under any circumstances.~~

~~5.4. Where "parent" account budget arrangement have been established for an organizational unit, total spending for the organizational unit is to be governed by the total budget. This provides Account Coordinators flexibility to allocate expenditures between objects of expenditure authorized in relation to the parent account.~~

~~6. Requests for Change in Staff Complement~~

~~6.1. A Position Control document will be used to reflect the Board's approved staff complement, and to control the salaries and benefit costs.~~

~~6.2. Should the staff complement need to be increased, reduced or altered by crossing function and object codes, prior Board or Superintendent approval will be required except where the teaching staff complement is used to employ Teacher Assistants to meet educational needs, in which case the Board will be requested to ratify decisions made by Administration.~~

~~6.3. Any request submitted by Administration to the Board or Superintendent that would result in additional cost, shall identify a funding source.~~

~~6.4. The foregoing in this section does not apply to trust accounts and self-funded activities.~~

~~7. Excess Expenditures~~

~~7.1. It is recognized that some costs are "on demand" and therefore difficult to control. Examples include, substitute costs, payroll taxes, contractual benefit premiums, statutory and contractual obligations, utilities, debt services and uninsured losses. Administration is authorized to incur such expenditures when transfers can be made in accordance with section 5 above to accommodate the expense.~~

~~7.2. When Administration has projected that the approved budget will be insufficient to accommodate the expense, and transfers in sufficient sums to provide for the expenditures cannot be made, the Board shall be notified and provided with options.~~

~~7.3. Expenditure estimates may be exceeded where directly related revenue sources (e.g. cafeteria sales) fully provide for the increased expenditure.~~

~~8.3.~~ 8.3. Reporting

~~8.1.~~ Quarterly information shall be presented to the Board providing “macro” information as to the status of the budget, and potentially significant forecast variances that may impact the Board’s ability to achieve its financial goals.

3.1.

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BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: 630

Signing Authorities	
Approval Date:	January 26, 1993; April 21, 2021
Amendment Date(s):	
Reference(s):	School Act 65 2(c)

The Board, in designating the Superintendent as its Chief Executive Officer delegates to the Superintendent the authority to establish the district's signing authorities.

Signing Authority is the authority granted to an individual by virtue of their position in the organization to approve or commit the expenditure of funds on behalf of the Board. The three types of Signing Authority are Spending Authority, Contracting Authority, and Payment Authority.

Signing authorities will be established to match, to the extent possible, decision making and accountability at the level of the organization closest to the operational impact of those decisions.

Spending Authority

An individual with spending authority has full authority to commit funds within their assigned budget and within the limitations established by the Superintendent or designate. The individual must ensure that sufficient funds exist within a budget to cover a particular expenditure as well as all known obligations.

The Superintendent or designate will establish:

- limitations on spending authority, typically in the form of a dollar amount threshold; and
- procedures for approval of expenditure for amounts exceeding thresholds.

Individuals shall not approve spending that will confer a benefit on that same individual or that individual's family members or related parties.

Individuals shall not authorize their own reimbursement for business expenses or expenses charged to their District Purchase Card. These expenses must be approved by their supervisor. Superintendent and Trustee expenses will be reviewed by the Secretary Treasurer. The Board will be provided with a summary of Superintendent and Trustee expenses on a quarterly basis.

Contracting Authority

Contracting authorities are permitted to sign legal documentation giving effect to contracts. Contracting authority is limited to a select number of individuals who, by virtue of their position and background, have the ability to examine fully the implications of a particular contractual obligation.

Contracting authority may vary depending on the nature of the contract, including employment contracts.

The Superintendent's employment contract must be approved by the Board and signed by the Board Chair and Vice Chair. Amendments to the contract, including salary changes, must be approved by Board motion.

The Secretary Treasurer's employment contact must be signed by the Board Chair or Vice Chair and the Superintendent.

Payment Authority

Payment authority is the function of releasing payment for authorized spending or for authorized investment purposes from District bank accounts or credit facilities. Payment authority is tightly controlled given the nature of this function.

Two staff, including a member of finance management, must authorize any disbursement from District bank accounts.

Staff may pay authorized expenditures using School District Purchase Cards with limits on transactions and cumulative card balances established in a manner proportionate to the staff member's reasonable purchasing needs.

BOARD OF EDUCATION OF SCHOOL DISTRICT NO.22 (VERNON)

BOARD POLICY NO: ~~2.2.0~~630

Signing Authorities	
Approval Date:	January 26, 1993; April 21, 2021
Amendment Date(s):	
Reference(s):	School Act 65 2(c)

SIGNING AUTHORITIES

The Board, in designating the Superintendent as its Chief Executive Officer delegates to the Superintendent the authority to establish the district's signing authorities.

~~Unless otherwise required by policy or legislation, the Superintendent or Secretary Treasurer or School District employee delegated such authority by the Superintendent or Secretary Treasurer are authorized to commit the Board of Education to legally binding agreements with third parties.~~
Signing Authority is the authority granted to an individual by virtue of their position in the organization to approve or commit the expenditure of funds on behalf of the Board. The three types of Signing Authority are Spending Authority, Contracting Authority, and Payment Authority.

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~~BANK SIGNING AUTHORITIES~~

~~Bank signing authorities for School District No. 22 (Vernon) shall be any two of the Chair of the Board or Vice Chair and Secretary Treasurer or the Assistant Secretary Treasurer~~

~~SIGNING AUTHORITY DURING ABSENTEEISM – CHAIR~~

~~Where the signature of the Chair of the Board, as such, is a mandatory requirement, then, in the absence of the Board Chair, and at an appropriate meeting of the Board of Education, the Vice-Chair shall be so appointed Chair of the Board to satisfy the mandatory requirements and for that purpose only.~~

~~SIGNING AUTHORITY DURING ABSENTEEISM – SUPERINTENDENT~~

~~Where the signature of the Superintendent, as such, is a mandatory requirement, then, in the absence of the Superintendent, and at an appropriate meeting of the Board of Education, the Assistant Superintendent or Director shall be so appointed Superintendent to satisfy the mandatory requirements and for that purpose only.~~

~~SIGNING AUTHORITY DURING ABSENTEEISM – SECRETARY TREASURER~~

~~Where the signing of the Secretary Treasurer, as such, is a mandatory requirement, then, in the absence of the Secretary Treasurer, and at an appropriate meeting of the Board of Education, the Assistant Secretary Treasurer or Director shall be so appointed Secretary Treasurer to satisfy the mandatory requirements and for that purpose only.~~

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