

MANUAL OF ADMINISTRATIVE POLICIES

MODULE 7

BUSINESS ADMINISTRATION

- ACCOUNTING GUIDELINES
- BUDGET
- INVENTORY MANAGEMENT
- INSURANCE
- PAYMENTS
- PURCHASING
- FUND ACCOUNTING
- RECORDS

POLICIES

AP 701 ACCOUNTING GUIDELINES

- Accounting System
- Classification of Accounts
- Reporting

AP 702 BUDGET

- Management and Procedures
- Calendar
- Decentralized Funding Allocation
- Capital Budget

AP 703 INVENTORY MANAGEMENT

- Inventory
- Replacement and Repair
- Disposal of Property

AP 704 INSURANCE

- Responsibility
- Specifications
- Loss or Damage

AP 705 PAYMENTS

- Pay Day Schedules
- Compensation for Expenses
- Vendors
- Petty Cash
- Honoraria

AP 706 PURCHASING

- Definitions
- Processing Purchases
- Responsibilities and Authorities

AP 707 FUND ACCOUNTING

- Responsibility
- Reserves Planning
- Trust Funds

AP 708 RECORDS

- Retention and Disposal
- Access to Information

ADMINISTRATIVE POLICY NO. 701

ACCOUNTING GUIDELINES

To the extent applicable, Light of Christ RCSSD is to use the accrual method of accounting for revenues and expenditures.

PROCEDURES***1. Accounting System***

The accounting system must make it possible to:

- a. Provide an accurate record of all financial transactions of the school division.
- b. Produce meaningful interim and annual financial reports.
- c. Show compliance with legal provisions.
- d. Provide a basis for safeguarding the financial resources of the school division.

2. Classification of Accounts

The classification of accounts within each fund is to be consistent with the requirements of the Department of Learning, and, in accordance, where applicable, with Generally Accepted Accounting Principles (G.A.A.P.).

3. Reporting

- a. Financial reports are to be prepared quarterly to reflect financial operations, the current condition of the budgetary accounts, and other information necessary to monitor operations.
- b. An audited financial report is to be prepared at the end of each fiscal year and presented to the Board.

ADMINISTRATIVE POLICY NO. 702**BUDGET**

The Director of Education or designate presents an annual operating and capital budget to the Board of Education for its approval.

The annual budget is to reflect the Board's budget principles and guidelines as established by the Board and Director annually. The vision, mission, guiding principles and goal statements as detailed in the Board's strategic plan guide the establishment of these principles and guidelines.

With respect to the ongoing financial operations of the school division, the Director is not to cause or allow the development of fiscal jeopardy, or material deviation of actual expenditures from Board priorities as established in the annual budget.

In preparing the annual budget the Director is responsible to ensure that a process for budget involving consultation is undertaken.

The Board establishes in its capital budget a five-year planning approach for capital construction.

PROCEDURES***1. Management and Procedures***

- a. The Director of Education directs the preparation of the budget. The Director guides and supervises activities and personnel in the budget process and coordinates educational and financial planning.
- b. The standard revenue and expenditure classifications as prescribed by the Province of Saskatchewan are to be used.
- c. The general expectations are that expenditures are not to exceed the amount budgeted in the major expenditure classifications.
 - i. Monies from a special fund are to be extended only for the purpose for which the fund was established.

- ii. The Director of Education may approve emergency expenditures up to an amount of \$50,000 in excess of budget. Emergency expenditures in excess of \$50,000 require Board approval on recommendation of the Director.
 - iii. The Director of Education may approve change orders on approved projects up to 10% of the project cost, or \$50,000, whichever is less.
- d. The budget appropriation for each classification constitutes authorization for making expenditures for that item up to the amount budgeted.
 - e. Decentralized expenditures are determined annually. Principals are responsible for the effective control of expenditures within the budgetary limits established for their school.
 - f. The Superintendent of Administration, in consultation with the Director, is to initiate procedures to accomplish all planned undertakings and continuous monitoring of the budget.
 - g. The Superintendent of Administration is responsible for managing budget control and for the preparation of summary reports to the Board of Education.
 - h. The Superintendent of Administration is responsible for: the determination and management of capital, plant operations, maintenance, and student transportation services budgets; processing budget data; developing the budget document; and preparing the budget for presentation to the Board.
 - i. The Superintendent of Instruction is responsible for the determination and management of the budget for operational items as directed.

2. Calendar

Attempts are to be made to meet the following target dates in the development of the budget. The dates are subject to minor changes due to receipt of data from other agencies.

Budget Calendar Guidelines

Target Date

January 1st to February 15th

Action

- Request to principals for:
1. Additions to and Changes in Program Offerings
 2. Enrolment Projections

Light of Christ RCSSD #16

3. Staffing Requirements
4. Current Fiscal Requirements
5. Exceptional Requests
6. Five-Year Capital Plan
7. School budget requests

Central Office

- | | |
|---|--|
| February 15 th to March 15 th | Prepare Preliminary Budgets |
| March 15 th | <ol style="list-style-type: none"> 1. Receive Grant Data from Saskatchewan Learning 2. Prepare Final Budget |
| April 1 st | <ol style="list-style-type: none"> 1. Adopt Final Budget 2. Determine Mill Rate—Notify Taxing Authorities 3. Submit Final Budget to Regional Director of Education. 4. Communicate Budget to School Personnel and Community. |

3. *Decentralized Funding Allocation*

- a. The Director will present annual decentralized and school budget appropriations to schools as part of the annual budget for approval by the Board of Education.
- b. The decentralized and school budget funding appropriations are to be structured to reflect the educational priorities of the school division and of the particular school.
- c. The decentralized and school budget allotments to schools are to be determined by formulae based on previous year September 30 enrolments and projected enrolments for the current year.
- d. Principals may access monthly financial statements of their decentralized budgets.
- e. Principals may plan to carry forward an amount not greater than plus or minus ten percent (10%) of the annual allocation. If a planned expenditure is greater than (10%) consultation with the Superintendent of Administration will occur. Amounts greater than ten percent will be allocated to any school division budget deficit or surplus for that fiscal year.

4. Capital Budget

- a. The Superintendent of Administration is to produce and maintain a five-year school facilities construction plan in accordance with ADMINISTRATIVE POLICY 901—FACILITIES PLANNING.
- b. The five-year school facilities plan is to be an integral part of the annual budget process.
- c. The Director of Education, in consultation with the Executive Council, is to recommend annually the five-year plan for Board approval. The plan is to include:
 - i. Changes in educational programming and services
 - ii. Projected population and enrolment shifts
 - iii. Review of assets and borrowing capacity
 - iv. Setting of priorities

ADMINISTRATIVE POLICY NO. 703

INVENTORY MANAGEMENT

Light of Christ RCSSD is required by *The Education Act, 1995* to prepare and regularly maintain an inventory of its assets sufficient for the purposes of property control and financial planning. Such planning includes consideration for placing insurance, replacing damaged equipment, and the disposal of property.

PROCEDURES***1. Inventory***

- a. The Superintendent of Administration is responsible for developing procedures for maintaining inventories.
- b. The inventory is to be updated annually, as required by the insurance company, using an independent appraisal source.

2. Replacement and Repair

- a. The Superintendent of Administration is to provide direction and procedures for the replacement and repair of school property.
- b. Procedures for the replacement and repair of school property incurred by careless or willful acts are to be in accordance with ADMINISTRATIVE POLICY 904—BREAK-IN, THEFT, AND VANDALISM.

3. Disposal of Property

- a. Property or material that has no further value to the school division is to be disposed of in a manner that provides maximum benefit to the division.
- b. The Superintendent of Administration, in consultation with the appropriate superintendent, supervisor, or principal, will determine what is surplus, obsolete, and worn out property.
- c. The Superintendent of Administration may use the following methods to dispose of school property other than lands and buildings:

i. Public Auction

An auction is to be used when a sizable accumulation of surplus property is available.

ii. Tenders

Competitive bidding is to be used when the quantity, type, or location of the surplus supplies will not encourage attendance at a sale:

Procedures

- The school division advertises the sale of property and requests sealed bids.
- Property is offered for sale “as is” and “where is”.
- The division makes no warranty.
- Property is available for inspection.
- Any expense involved in picking up of the properties is borne by the successful bidder.
- The division reserves the right to reject any or all quotations.
- Bids may be required to be accompanied by a deposit.
- Property is awarded to the highest bidder.

iii. Trade-In

Surplus equipment may be traded in if the trade-in value is expected to exceed the value estimated to be obtained in a sale.

iv. Salvage or Disposal

If the property is of insufficient value to defray the costs of sale, it may be disposed of by selling for salvage value. Property may be disposed of if it has no material value.

- d. Proceeds from sales will be credited to the general funds of the school division.
- e. Disposal of lands and buildings is a responsibility of the Board of Education. The Board may direct the Director of Education to lease, sell, transfer, or exchange any of its lands or buildings subject to the provisions of *The Education Act, 1995*.

ADMINISTRATIVE POLICY NO. 704

INSURANCE

The Board of Education provides continuous property and liability insurance as required by *The Education Act, 1995*.

Procedures***1. Responsibility***

- a. The Superintendent of Administration is responsible for insurance management functions of the Board and school division.

2. Specifications

- a. All specifications for the procurement of insurance are to be consistent with the Board's schedule of insurable values and guidelines for placing insurance:
 - i. Appraisal of buildings and contents:
 - To establish insurable values the services of a professional appraisal firm is to be retained.
 - The appraisal is to be current and updated on an annual basis.
 - Coverage for schools and Board facilities is to be 100% of replacement value, less non-insurable or excluded items.
 - ii. Liability insurance is to indemnify the Board and its employees in respect to claims for damages to property or for personal injury or death arising from any activity or service authorized by the Board.
 - iii. Student accident insurance is to assist in indemnifying guardians when a student is injured in a school sponsored activity.
 - iv. Exclusions and limitations:
 - Staff and parents are to be advised to carry personal all-risk coverage for personal belongings.
 - Teachers or parents transporting students in private or leased vehicles are to be informed that it is recommended that they have third party liability insurance of at least two million dollars in accordance with ADMINISTRATIVE POLICY NO. 807-TRANSPORTATION IN PRIVATE VEHICLES.

3. *Loss or Damage*

- a. When any property covered by insurance is lost, damaged, or destroyed, a notice and details concerning the loss is to be sent to the Superintendent of Administration.
- b. Procedures in terms of willful damage are to be followed in accordance with ADMINISTRATIVE POLICY NO.904 – BREAK-IN, THEFT, VANDALISM.

ADMINISTRATIVE POLICY NO. 705**PAYMENTS**

Payments to those persons, vendors, institutions, and agencies having provided goods or services to the school division are to be made in accordance with prevailing business practices.

PROCEDURES***1. Pay Day Schedules***

- a. Direct deposit of salary payments of regular teachers are to be issued in accordance with the provisions of the Local Collective Bargaining Agreement.
- b. For all other regular employees direct deposits of salary payments are to be issued not later than the 25th day of each month or not later than the 26th day if the 25th day of the month is a Sunday.

2. Compensation for Expenses

- a. The Superintendent of Administration is responsible to publish annually the schedule of rates and regulations governing the compensation of employees for expenses incurred related to their authorized duties.
- b. Provision for payment of expenses is to be made in a timely manner following receipt of the appropriate application or forms for the funds.

3. Vendors

- a. Payments are to be made in accordance with prevailing business practices to vendors who have provided goods or services to the school division.
- b. The general practice for payment of accounts for commercial vendors is to be net thirty (30) days, that is, payment within thirty (30) days of the invoice.

- c. Every reasonable effort is to be made to take advantage of cash discounts for early payment offered by certain vendors or to avoid financial penalties for late payment.
- d. Exceptions to the procedures are to be made only in extenuating circumstances by the authority of the Director of Education or the Superintendent of Administration.
- e. With the exception of subscriptions and similar reference materials, advance payment to vendors or suppliers shall not be made unless it is of obvious financial advantage.
- f. Payment will occur after the relevant budget manager has certified, by signature, satisfactory receipt of goods and services, coded the invoice, and the relevant pre-audit has been undertaken.

4. *Petty Cash*

- a. Petty Cash funds are to be administered by the principal.
- b. Petty cash funds are not to exceed \$500.00.
- c. Petty cash funds are to be used solely for payment of postage, minor office supplies, consumables, and other incidentals as may be necessary from time to time. Petty cash funds may not be used to purchase equipment. Except in extenuating circumstances, no single purchase other than postage or express charges made through the use of petty cash is to exceed \$50.00
- d. All purchases are to be supported by appropriate receipts and invoices.
- e. Petty cash funds are to be replenished upon receipt of a properly executed requisition with the required invoices and receipts attached.
- f. Petty cash funds are subject to audit at any time.

5. *Honoraria*

- a. Honoraria may be paid to individuals contributing to institutes, seminars, or workshops who are not employees of the Board.
- b. The honorarium is to appropriately compensate for the expertise and time of the resource person and should reflect the industry standard.
- c. Individuals are to be reimbursed for travel, meals, and accommodation, as required.
- d. Payment of honoraria is to be approved by the Director of Education or designate.

ADMINISTRATIVE POLICY NO. 706

PURCHASING

Purchase of materials, supplies, and equipment are to be made in accordance with principles and procedures designed to acquire best value for the Light of Christ RCSSD.

PROCEDURES***1. Definitions***

The following definitions are cited to ensure consistent interpretation:

- *Formal Tender*—A process requiring the tender to be advertised in the local newspaper(s) and tender opening to be made publicly.
- *Request for Proposal*—A formal process for obtaining offers from competing organizations and evaluating those proposals against stated requirements, using a predefined evaluation process and a predefined set of evaluation criteria in which price is not the only factor.
- *Written Quotation*—A process requiring selected vendors to submit written quotations, not required to be opened publicly.
- *Local Purchase Order*—A legal contract between the school division and a vendor that gives the vendor authority to ship and charge for the goods specified in the order.
- *Standing Order*—A contract that provides for a vendor to supply specified products or services for a specified period of time with actual requirements to be determined, requested, and delivered when and as required.

2. Processing Purchases

a. Formal tendering is required when:

- The Director of Education or designate deems it to be in the best interests of the school division; or
- It is a requirement of *The Education Act, 1995*.
- It is a requirement under federal legislation.

Light of Christ RCSSD #16

- b. A formal request for proposal process is used when the purchase is not solely a product or commodity but is more in the nature of a solution to a problem or need where the solutions are expected to be quite varied and/or difficult to evaluate or cost is not the only selection criteria.
- c. A minimum of three (3) written quotations should be requested when:
 - The value of the item is expected to be between \$5,000.00 and \$50,000.00; or
 - The Director of Education or designate deems it to be in the best interests of the school division.
- d. Goods and services up to an aggregate cost of \$5,000.00 may be purchased directly by budget managers utilizing a local purchase order. Goods and services obtained through the formal tender process are excluded from this authority.
- e. It is expected that all requirements for goods and services purchased through the formal tender process will be ordered by the schools and the Central Office at the time of the formal tender.
- f. The lists of goods and services to be obtained through the formal tender process is to be subject to an annual review to determine items of inferior quality and/or items to be added or deleted.
- g. The Superintendent of Administration has the lead responsibility for conducting formal tenders.
- h. In those cases where the tender or quotation process is utilized, consideration is to be given to process, quality, and the supplier's reputation, as evidenced by previous performance and service.
- i. Where no competitive supply market exists, or it is considered in the best interests of the Board, purchasing practices are to employ such value analysis and negotiation methods considered appropriate for obtaining acceptable materials at the lowest possible price.
- j. All goods and services purchased are to be obtained through the use of an approved purchase order with the exception of small goods and services purchased by means of petty cash funds.
- k. Purchasing processes, forms, and services are to be utilized only for authorized school division business.
- l. No school division employee utilizing purchasing processes is to accept any gift or benefit, whether in the form of goods, services, loans, or favours, from

any individual, organization, or corporation which is interested directly or indirectly in dealings with the Board, subject to normal exchange or hospitality between persons doing business together.

3. *Responsibilities and Authorities*

- a. The Board of Education is responsible for the award of tenders for capital expenditures for motor vehicles, furniture and fixtures, equipment and educational materials and supplies exceeding \$20,000.00, capital expenditures for building materials exceeding \$40,000, contracts for other capital works exceeding \$100,000 and transportation services exceeding \$50,000.00
- b. The Superintendent of Administration is responsible for purchasing practices and procedures.
- c. The Superintendent of Administration has the authority to revise requisitions according to established standards, provided such revisions are discussed with the requisitioner.
- d. Purchases may be authorized only by budget managers in the person of the Director of Education, Superintendents, Coordinators, Principals, Consultants, and other designated managers.

ADMINISTRATIVE POLICY NO. 707**FUND ACCOUNTING**

The Board of Education maintains provisions for a separate operating fund, capital fund and reserve fund for monies that are externally restricted in terms of use.

The *operating fund* contains the current revenue, expenditure, assets, and liabilities pertaining to the general operations of the school division.

The *capital fund* contains the capital assets, which are property and equipment, other capital related assets, and long-term debt, transactions relating to the capital fund activities, and the equity in capital fund assets.

Reserve funds contains the assets, liabilities, transactions, and fund balances of reserves that have been designated by the school division for anticipated future costs of planned projects. Reserves are created by authorization of the Board of Education. Contributions to and expenditure from reserves are made in accordance with terms and conditions established by the Board.

Trust funds will be maintained and will contain the assets, liabilities transactions, and fund balances from donations, and other contributions that are administered by the school division for scholarship and bursary benefiting students of the school division.

PROCEDURES***1. Responsibility***

- a. The Superintendent of Administration is responsible to maintain and manage the Board's fund accounting, and make recommendation to the Director of Education regarding the allocation of Board proceeds.

2. Reserves Planning

- a. A reserve for operating expenditures may be established on recommendation to the Board.

- b. A reserve for capital expenditure may be established on recommendation to the Board. The purpose of the reserve is to fund:
 - i. The purchase of land
 - ii. New buildings
 - iii. Renovations and additions
 - iv. Furniture, equipment, and supplies
 - v. Major building repairs, and
 - vi. Replacement of equipment
- c. Other reserves may be established from the proceeds of the disposal of land and buildings as required by the Minister of Learning.
- d. The annual contributions to and transfer from reserves is to be approved by the Board annually in conjunction with the adoption of the budget.
- e. The prior year's surplus is to be transferred into one or more reserve fund(s).

3. *Trust Funds*

- a. The Superintendent of Administration is authorized to receive donations for the purpose of establishing scholarships and student bursaries. Funds are to be held in trust for the purposes intended.
- b. The Superintendent of Administration is to make every effort to comply with the conditions specified by the donor.
- c. The Superintendent of Administration may recommend to the Director that funds be held in trust by the Board for purposes other than student scholarships and bursaries.

ADMINISTRATIVE POLICY NO. 708**RECORDS**

The Board has a responsibility to maintain and safeguard appropriate records. Records are to be managed to facilitate decision-making and expectations in regard to accountability.

PROCEDURES***1. Records Retention and Disposal***

Retention and disposal of records is to be in accordance with the directives of:

- a. The Education Act, 1995*
- b. The Local Government Election Act*
- c. The Archives Act, 2004*

The duration of the retention of records will be as set out in Saskatchewan Learning - Records Retention and Disposal Schedules.

2. Access to Information

- a. Individuals have the right of access to certain information, and concomitantly the Board has a responsibility to restrict access to personal information.
- b. The Director of Education is responsible for compliance with the *Local Authority Freedom of Information and Protection of Privacy Act* and Regulations.
- c. The Director of Education will designate an officer of the Board to serve as access officer in accordance with the Act.
- d. Fees for copies of information are to be in accordance with the Regulations of the Act.

3. Consistency

Procedures in regard to student records, cumulative and permanent records, are to be in accordance with ADMINISTRATIVE POLICY - 416—STUDENT RECORDS.