

<b>TITLE: BUDGETING</b>	<b>SECTION: FINANCIAL SERVICES</b>
<b>DATE: June 23, 2011</b>	<b>POLICY NO.: FNS-III-03</b>
<b>APPROVED BY: Resolution No. 2011-92 Resolution No. 2019-232</b>	<b>REVISED/REVIEWED DATE: December 12, 2019</b>

**1. POLICY STATEMENT**

The Board is committed to the provision of effective and efficient district-wide services that support its individuals, families and communities in reaching their full potential. The Board's plans and priorities are established and implemented, through an allocation of resources to accomplish the desired goals necessary to meet the service mandates and regulatory and statutory obligation.

The objectives of this policy and related zero based budgeting directives are to encourage managerial accountability, innovation, initiative, operational and program responsibility, and to promote effective strategic and operating analysis and planning, while ensuring effective budget control.

**2. PROCEDURES:**

1. A budget will be approved annually by the Board of Directors which encompasses all service functions including both capital assets and operating revenues and expenses.
2. The budget must include the estimated amount of each of the following expenses and transfers:
  - a. The amount needed to provide for the Board's policies and programs.
  - b. The amount needed to pay the debt obligations in respect of borrowings made to acquire, construct, remove or improve capital property.
  - c. The amount to be transferred to reserves and/or reserve funds.
  - d. The amount to be contributed to the capital asset budget.
3. The budget must include the estimated amount of each of the following sources of revenue and transfers:
  - a. Grants.
  - b. Local levy from municipalities and unincorporated areas.
  - c. Tenant revenues and charges.
  - d. Transfers from reserves and/or reserve funds.
  - e. Any other source
4. The budget must include estimated amounts for each of the following types of capital asset activity:
  - a. The amount needed to acquire, construct, remove or improve capital property.
  - b. The anticipated sources and amounts of money to pay the costs referred to in clause (a).
  - c. The amount to be contributed from the annual operating budget.

**Budget Philosophy and Process:**

1. The annual budget will be prepared using a simplified version of the Zero Based Budgeting (ZBB) process.

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2. Zero based budgeting is defined as a method of budgeting that ignores historical budgetary allocations and identifies the costs that are necessary to implement identified strategies through operational needs analysis and processes and other analytical need methodologies. The simplified version of Zero based budgeting requires each department to describe and justify how their service plan and related expense requests support the organizations strategic direction.
3. Budget parameters and inflators will be identified annually by the Chief Administrative Officer and the Director of Finance in both ZBB process and non-ZBB budget years.

**3. IMPLEMENTATION OF PROCESS AND PROCEDURES**

The Chief Administrative Officer shall ensure that appropriate Directives detailing process and procedures are issued and maintained to implement and carry out the intent of this policy.