

<b>BUSINESS AND BOARD ADMINISTRATION</b>	<b>3000</b>
<b>BUDGET VARIANCE PROCEDURES</b>	<b>3026</b>

1. Policy

It is the policy of Lakehead District School Board (LDSB) 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 Executive Council

Executive Council is a committee comprised of the director of education and the superintendents.

2.3 Finance Committee

The Finance Committee is a committee of the Board-

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

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<b>BUDGET VARIANCE PROCEDURES</b>	<b>3026</b>

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 Executive Council will meet on a regular basis and review ongoing operational and financial issues. Executive 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; and
- a variance from budget will materially impact upon the financial position of the Board.

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**BUSINESS AND BOARD ADMINISTRATION****3000****BUDGET VARIANCE PROCEDURES****3026**

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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.
- 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 Finance Committee.

4. Review

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

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<u>Cross Reference</u>	<u>Date Approved</u>	<u>Legal Reference</u>
	November 1990	Ontario Regulation 361/10 Audit Committees
	<u>Date Revised</u>	
	June 24, 2003 May 24, 2016 November 28, 2023	

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