

The APC's Fiduciary Responsibility

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What is fiduciary responsibility?

(Discuss with your elbow partner)



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What is required of your APC?

- Develop & approve an annual budget
- Regular oversight of the budget
- Approval of budget adjustments
- Approval of purchases and transfers
- Accountability to the public and the district

What is a budget?

- An estimate of Revenue & Expense
- A guide for you and your stakeholders

The Budget is:

Detail of all Revenue and Expenditures
for a **future period of time**



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The Budget is Dynamic

- **Living, flexible management tool**
- **Based on best information at time of development**
- **Variance from original document is not necessarily negative**

What is a oversight?



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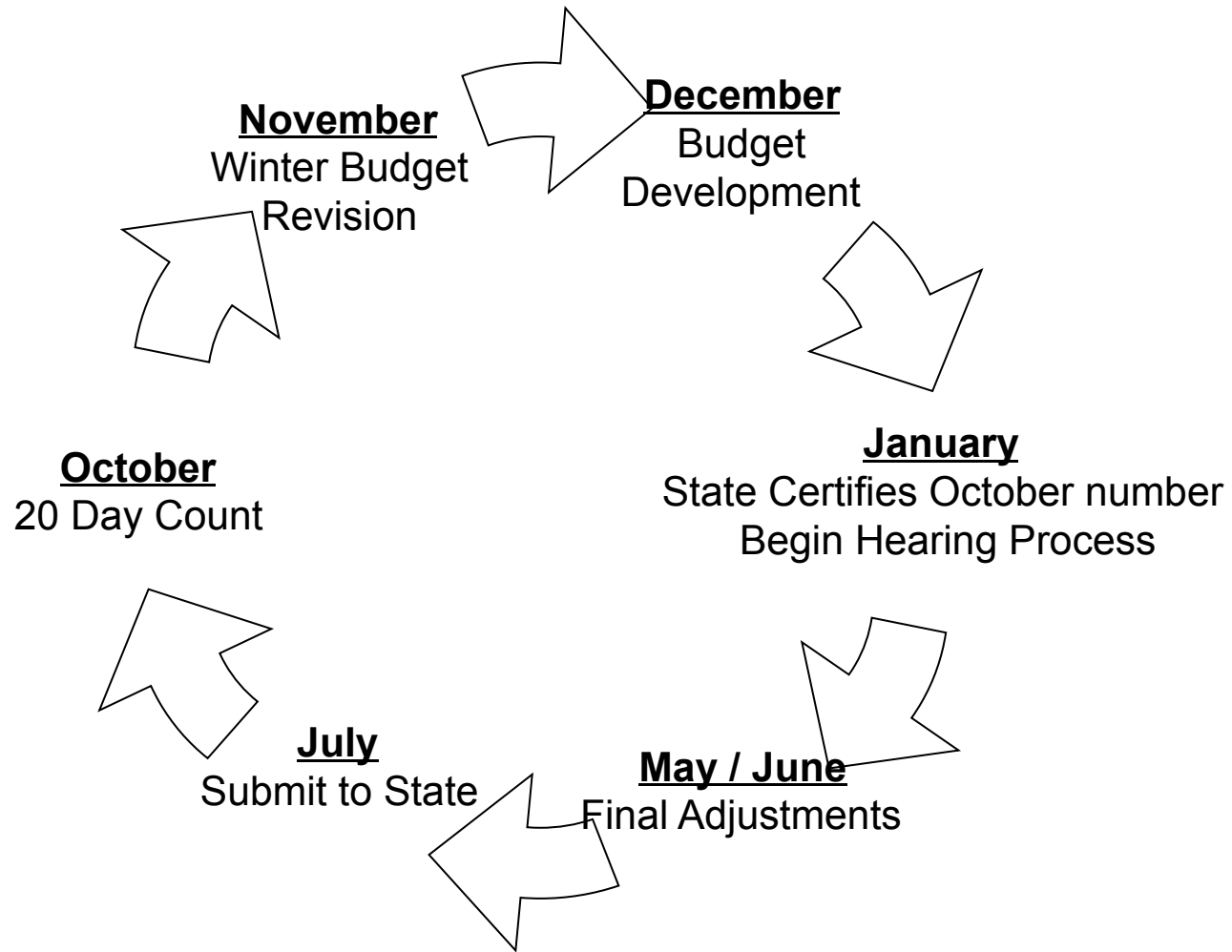
What is a Budget?

- **A budget represents a plan of how money will be spent**
- **City and Borough districts must submit budget to assembly for approval of local amount by May 1st.**
- **District must submit a balanced budget to EED NLT July 15**
- **District must submit to an annual audit of its budget**

Who are your Stakeholders?

- **Parents and Students**
- **Staff**
- **Taxpayers**
- **District administrators**
- **School Board**
- **Cities and Boroughs**
- **Alaska Department of Education**

Budget Cycle



What is a budget adjustment?

- **Budgets are our best estimate**
- **An adjustment is a change to a previously approved budgeted amount**



What is a budget adjustment?

- **Budget adjustments are initiated by the principal and require the approval of the APC.**
- **Usually occur about twice per year (mid year, end of year)**



Monthly Financial Reports

Ask your elbow partner if your reports are timely and understandable

- **Your principal or business manager should submit monthly Reports to the APC**
- **These reports are a snapshot in time**
- **Show monthly revenue/expenditure**
- **Understandable to all?**



Monthly Financial Reports

An example:



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Monthly Financial Reports

What to look for

- **Is the revenue side living up to expectations?**
 - Revenue at or above projection?
 - Attendance rates at or above projection? State funding estimate still good?
- **Are the expenditures following the budget?**
 - Any significant variances between budget and actual revenues and expenditures?

Annual Audit

- **What is it?**
- **Required?**
- **Best practice?**
- **For who is it intended?**

Annual Audit

- Snap shot - data & practices
- Budget to Actual
 - General Fund
 - Special Revenue Fund(s)
 - Capital Project Fund
- Management letter
 - Findings – material vs significant
- Fund Balance



Fund Balance

A financial goal of the District shall be to have a sufficient balance in the operating fund to be able to maintain fiscal independence in case of a financial need or crisis. The District shall strive to maintain a yearly unreserved/ undesignated fund balance of **8-10 percent** of the total operating expenditures.

Questions

