The APC’s Fiduciary Responsibility

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What is fiduciary responsibility?
(Discuss with your elbow partner)
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**
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?
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

- **November**: Winter Budget Revision
- **December**: Budget Development
- **January**: State Certifies October number
  - Begin Hearing Process
- **May / June**: Final Adjustments
- **July**: Submit to State
- **October**: 20 Day Count
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:
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