

# K-12 Public Education Financial Planning and Reporting Policy (FPAR) Guidelines

## (Questions & Answers)

### Overview of the Policy

The [Financial Planning and Reporting Policy](#) (Policy or FPAR Policy) provides greater transparency and accountability for the planning and reporting of the financial resources managed by boards of education (boards). The Policy requires boards to develop, implement and provide to the ministry multi-year financial plans to show how they will use their funding and resources to support their strategic objectives and operational needs with a focus on improving student educational outcomes for all students.

Boards must also develop and maintain public policies detailing how they will plan to report out to local community and education partner groups, including local First Nations and Métis Nation BC on their progress towards aligning funding and resources with board strategic plans and other operational needs of the school district.

Please see below for Questions and Answers that will guide boards on implementing the new Policy.

### Questions & Answers

#### 1. What is the Purpose of the Policy?

The main purpose of the Policy is to provide consistent direction and guidelines to boards that can result in a more effective and transparent use of resources to support board strategic plans, other operational needs of school districts and enhanced educational outcomes for all students.

The Policy also enhances accountability for the provincial funding utilized by boards to provide services and programs to all students.

To increase transparency, the Policy outlines that boards must have local policies that show how they plan to engage the local community and education partner groups, including local First Nations and Métis Nation BC when developing multi-year financial plans.

#### 2. How does the Policy relate to the [Accumulated Operating Surplus Policy](#)?

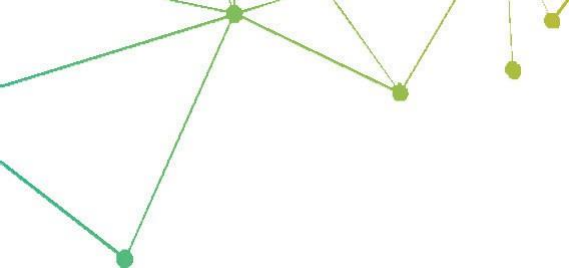
Surplus Policy is a component of FPAR Policy. Surplus Policy provides specific rules related to appropriate use by a board of a district's surplus. Surplus will be planned and reported through FPAR Policy.

Both the Financial Planning and Reporting and Accumulated Operating Surplus policies stem from financial management recommendations of the Independent Panel for the Funding Model Review.

Surplus Policy implementation details are found in the Companion Guide: [K-12 Public Education Accumulated Operating Surplus Policy](#). Objectives and guiding principles related to effective practices, transparency and accountability apply to both policies.

#### 3. How many years is considered “multi-year” for financial plans?

The Budget Transparency and Accountability Act requires that the Ministry of Education and Child Care use 3-year rolling service plans. The intent of the Policy is for boards to follow similar practices to that of the Ministry. Many school districts currently develop strategic plans over multiple years – generally between 3–5 years. Boards have a level of discretion but should forecast at least 3 years in advance.



4. Are School Districts supposed to use February enrolment predictions as a basis for multi-year financial planning?

The Ministry expects that every school district establishes trends and forecasts future enrolment. Multi-year financial planning is not intended to serve as a multi-year budget, but rather a forecasted and projected financial plan based on previous years and expectations of future events.

The purpose of a multi-year financial plan is to disclose to the public what a board's long-term plans may be, and what the future multi-year financial outlook may look like.

5. Will the multi-year financial plan require board approval through an annual budget by-law?

The Policy does not change or impact bylaw processes or annual budget processes established in the School Act. The Policy is outside the scope of a board's annual budget. Each board may establish their own approval process for multi-year financial plans.

However, while there is no formal board approval required for a multi-year financial plan, the Ministry expects there should be some fulsome discussion with the board regarding the content and direction in the plan. Preferably, there should be mention in board minutes that a discussion took place, and the board agrees with the content and direction of the multi-year financial plan.

6. Must local policies be formal board policies, or can they be administrative procedures?

The structure of local policies varies amongst boards. An administrative procedure may be sufficient, depending on the school district and if the Policy requirements are met.

7. Are the reporting requirements of FPAR Policy achieved through the FSD&A?

Currently, many boards submit some form of Financial Statement Discussion & Analysis, many using the financial reporting template provided by the Ministry in 2017. Pursuant to the Policy, all boards will be expected to prepare an FSD&A report. The Ministry, in conjunction with BC Association of School Business Officials (BCASBO), will provide direction on how to use the FSD&A, as well as other report formats, to meet the Policy reporting requirements.

8. How does this Policy align with the Framework for Enhancing Student Learning (Framework)?

The Framework for Enhancing Student Learning Policy (the Framework) directs boards to develop and implement multi-year strategic plans, supported by operational and financial plans, that are focused on improving student educational outcomes. The Enhancing Student Learning Order requires boards to annually report to the Ministry on student performance using specified outcomes and measures.

All boards are now expected to provide reports on their progress towards meeting the objectives and goals in their multi-year financial plans and link funding with enhanced outcomes for students. Boards can do this through the existing financial reporting framework and the FSD&A.

The Independent Panel for the Funding Model Review identified that strong financial governance and accountability support the education sector goals of enhanced student learning. The Policy supports multi-year strategic planning through transparent and accountable financial planning.

9. Is there a sample of a local board consultation and engagement policy that boards can use?

There is currently no sample policy available. The following details should be in the local policy:

- How the local policy will be made public.
- How the local community and education partner groups, including local First Nations and Métis Nation BC will be engaged in developing multi-year financial plans.
- The mechanisms that partners, rightsholders and stakeholders can use to provide feedback for engagement purposes (i.e., website, in-person, other).
- How boards will report out on progress made towards meeting their objectives in their multi-year financial plans.

10. What are the timelines for full implementation of the new Policy?

The Policy comes into effect gradually beginning July 1, 2021. See Policy Guidelines and Resources section for key dates to implement Policy requirements.

