

## ADMINISTRATIVE PROCEDURE

Business Administration

Capital Planning Process

BUS #15

Revised: June 2024

### Background

The Board's [Budgeting Policy](#) indicates administration is to ensure adequate resources are directed toward key Board outcomes.

Capital costs associated with building modernizations and new builds, or equipment acquisition and replacement, can have a substantial financial impact on the division. The Division must determine Capital priorities that it contends to be under the authority and expense of the ministry, and which are at the expense of the division.

Therefore, the Board must establish:

- An annual priority list, documenting capital (construction) needs through a Three-Year Capital Plan submission process, in order to request funds from the Province, and
- From the division's own resources, a Capital Reserves Plan must be established to ensure sufficient funds are allocated to capital reserves through the regular budgeting process, while also recommending a list of potential expenditures of the same Capital Reserves.

### Procedures

#### 1. Capital Planning Processes:

School boards shall submit a Three-Year Capital Plan to Alberta Education by the 1st of April. Christ The Redeemer's Three-Year Capital Plan identifies prioritized capital projects that contain new school construction, additions, modernizations, and requests for design, planning, and pre-planning support. The Plan is reviewed and approved by the Board of Trustees to ensure the vision aligns with the overall objectives of the division as well as the criteria within the *School Capital Manual*.

#### 2. Capital Reserve Planning Process:

- a. For projects requiring use of Christ The Redeemer's capital reserves, the following types of reserve funds may be established:
  - i. buildings and building modernizations
  - ii. equipment
  - iii. vehicles
  - iv. computer hardware
  - v. land and site improvements
- b. The Superintendent or designate will determine capital reserve plans to be shared with the Board for their input and awareness.
- c. As per the Education Act 143 (1), all funds that are accumulated for the purpose of capital expenditures must be used only for capital projects.

3. Budget: Capital Reserves Accumulation and Expenditure:

The Board may approve transfers to capital reserves for spending on capital projects. Transfers out of capital reserves to operating reserves requires Ministerial approval. Various factors will be considered in determining if transfers to and spending from capital reserves are deemed appropriate, including:

- i. Useful life of the asset and the estimated replacement value. The division will contribute an amount based on the annual depreciation of the entity's unsupported assets, whenever fiscally feasible to do so in a given budget year.
- ii. The Provincial Three-Year Capital Plan and the division's plan for use of its capital reserves.
- iii. Current Board budget plans, programming and goals within the Four-Year Education Plan, and provincial government priorities.