

Standard 5: Fiscal Responsibility

Effective school boards sustain and enhance district resources through planning and fiduciary oversight.

Competencies	Indicators/Examples of Best Practice
<p>Financial Health – Monitors and evaluates the financial health of the district, ensuring accountability and transparency in board decision making.</p>	<ol style="list-style-type: none"> 1. Understands key concepts of school funding and fiduciary oversight. 2. Reviews district’s key financial measures and understands how district measures compare to recommended targets. 3. Adopts, reviews, and monitors progress toward achievement of financial goals for the district. 4. Receives and discusses monthly financial statements to understand changes in district finances. 5. Meets with auditor and reviews annual audit report highlights; monitors progress on actions taken to address audit recommendations
<p>Financial Forecasting – Ensures strong financial planning for the district.</p>	<ol style="list-style-type: none"> 6. Oversees a multi-year financial planning process for all district funds based on sound, realistic assumptions and district needs. 7. Annually reviews 5-year financial forecasts and sets parameters on key financial indicators. 8. Makes budget decisions understanding the impact of board decisions on the district’s viability into the future.
<p>Budgeting - Ensures the district budget aligns with district goals and multi-year plans.</p>	<ol style="list-style-type: none"> 9. Establishes clear, published budget parameters/priorities and uses them to guide budget discussions. 10. Supports the need for and ensures the development of a district line item budget aligned with all district goals and plans.

<p>Risk Oversight - Ensures sufficient risk management is in place to protect district resources.</p>	<ul style="list-style-type: none"> 11. Reviews risks to the district and ensures steps are taken to mitigate or sufficiently ensure against those risks. 12. Uses oversight mechanisms, such as independent audits and external reviews, to ensure accountability, to deepen their understanding of the organization, and reduce risks to loss of time, money or reputation for the district. 13. Ensures the district has adequate insurance, contingency plans, safety plans, and financial controls. 14. Hears reports from administration on significant district exposures to loss of time, money or reputation. Ensures administration is identifying strategies to mitigate risks and prevent loss.
<p>Facilities – Ensures school facilities enhance and enrich student and staff learning.</p>	<ul style="list-style-type: none"> 15. Adopts, evaluates and monitors progress in implementing the district’s long-term facilities plan. 16. Ensures adequate funds are budgeted to meet the physical plant needs of the district. 17. Advocates for funding sources needed to support the learning environment.

