

*Adopted: 8/22/00*

*Revised: 9/22/09*

## **701 ESTABLISHMENT AND ADOPTION OF SCHOOL DISTRICT BUDGET**

### **I. PURPOSE**

The purpose of this policy is to establish lines of authority and procedures for the establishment of the school district's revenue and expenditure budgets.

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of this school district to establish its revenue and expenditure budgets in accordance with the applicable provisions of law. Budget planning is an integral part of program planning so that the annual budget will effectively express and implement school board goals and the priorities of the school district.

### **III. REQUIREMENT**

- A. In December of the year prior to the budget, the Director and Business Manager will make available all budget information to the board and the Executive Advisory Committee (EAC). From December to March, administration meeting with staff should determine program needs. During this development period, feedback should be provided to the Board of Education and the EAC. At the April meeting, the administration should provide the board with a proposed budget. At that point in time, either reductions or additions of staff should be made as directed by the board. Once the legislature has adjourned, the Business Manager should prepare a final budget that would be approved in May.
- B. The school district must maintain separate accounts to identify revenues and expenditures for each building. Expenditures shall be reported in compliance with Minn. Stat. § 123B.76.
- C. Prior to July 1 of each year, the school board shall approve and adopt its revenue and expenditure budgets for the next school year. The adopted expenditure budget document shall be considered the school board's expenditure authorization for that school year. No funds may be expended for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure for that year, or prior to the adoption of an amendment to that budget document by the school board to authorize that expenditure for that year.

- D. Each year, the school district shall publish its adopted revenue and expenditure budgets for the current year, the actual revenues, expenditures and fund balances for the prior year, and the projected fund balances for the current year in the form prescribed by the Commissioner within one week of the acceptance of the final audit by the school board, or on November 30, whichever is earlier. A statement shall be included in the publication that the complete budget in detail may be inspected by any resident of the school district upon request to the superintendent. These budgets, reports of revenue, expenditures, and fund balances must be published in a newspaper of general circulation in the school district. At the same time as this publication, the school district shall publish the other information required by Minn. Stat. § 123B.10.

#### **IV. IMPLEMENTATION**

- A. The school board places the responsibility for administering the adopted budget with the Director. The Director may delegate duties related thereto to other school officials, but maintains the ultimate responsibility for this function.
- B. The program-oriented budgeting system will be supported by a program-oriented accounting structure organized and operated on a fund basis as provided for in Minnesota statutes through the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS).
- C. The Director or the Business Manager are authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to school board approval.
- D. If additional personnel are provided in the proposed budget, actual hiring may not occur until the staffing level adopted is approved by the school board. Other funds to be expended in a subsequent school year may not be encumbered prior to budget adoption unless specifically approved by the school board.

#### ***Legal References:***

Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)

Minn. Stat. § 123B.10 (Publication of Financial Information)

Minn. Stat. § 126B.23 (Allocation of General Education Revenue)

Minn. Stat. § 275.065 (Truth in Taxation; Proposed Property Taxes; Notice)

***Cross References:***

MSBA Service Manual, Chapter 9, Public School Finance

Policy 701.1 (Modification of the School District Budget)

Policy 702 (Accounting)