

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

### **I. GENERAL STATEMENT OF POLICY**

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

### **II. REQUIREMENTS**

- A. The superintendent or designee shall each year prepare preliminary revenue and expenditure budgets for review by the school board or its designated committee or committees. The superintendent or designee shall annually prepare a budget development calendar for review and adoption by the school board. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the school board and the public. The school board shall review the projected revenues and expenditures for the school district for the next fiscal year and make such adjustments in the expenditure budget as necessary to carry out the education program within the revenues projected.
- B. The school district must maintain separate accounts to identify revenues and expenditures for each building. Expenditures shall be reported in compliance with state statutes.
- C. Prior to July 1 of each year, the school board shall approve and adopt its initial 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 November 30, whichever is earlier. A statement shall be included in the publication that, upon request to the superintendent, the complete budget in detail may be inspected by any resident of the school district. A summary of this information and the address of the school district's website where the information can be found 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 state statutes.
- E. At the public hearing on the adoption of the school district's proposed property tax levy, the school board shall review its current budget and the proposed property taxes payable in the following calendar year.
- F. The school district shall also post the materials specified in Paragraph II.D. above on the school district's official website, including a link to the school district's school report card on the Minnesota Department of Education's website, and publish a summary of information and the address of the school district's website where the information can be found in a qualified newspaper of general circulation in the district.

### **III. IMPLEMENTATION**

- A. The school board places the responsibility for administering the adopted budget with the superintendent. The superintendent 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 superintendent or the superintendent's designee is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to school board approval.
- D. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the school board. If additional personnel are provided in the proposed budget, actual hiring may not occur until the budget is adopted unless otherwise 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.
- E. The school district shall make such reports to the Commissioner as required relating to initial allocations of revenue, reallocations of revenue and expenditures of funds.

### **IV. MODIFICATION**

- A. If revisions or modifications in the adopted expenditure budget are determined to be advisable by the administration, the superintendent shall recommend the proposed changes to the school board. The proposed changes shall be accompanied by sufficient and appropriate background information on the revenue and policy issues involved to allow the school board to make an informed decision.
- B. If sufficient funds are not included in the expenditure budget in a particular fund to allow the proposed expenditure, funds for this purpose may not be expended from that fund prior to the adoption of an expenditure budget amendment by the school board to authorize that expenditure for that school year. An amended expenditure shall not exceed the projected revenues available for that purpose in that fund.
- C. The school district's revenue budget shall be amended from time to time during a fiscal year to reflect updated or revised revenue estimates. The superintendent shall make recommendations to the school board for appropriate revisions. If necessary, the school board shall also make necessary revisions in the expenditure budget if it appears that expenditures would otherwise exceed revenues and fund balances in a fund.

Policy 701 – Establishment and Adoption of School District Budget

Adopted: 12.8.08

Updated: 4/12

School Board

INDEPENDENT SCHOOL DISTRICT 659

Northfield, Minnesota

***Legal References:*** Minn. Stat. § 123B.76 (Expenditures; Reporting)

Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)  
Minn. Stat. § 123B.10 (Publication of Financial Information)

***Cross References:*** MSBA/MASA Model Policy 702 (Accounting)  
MSBA Service Manual, Chapter 7, Education Funding