

Mansfield Independent School District
Business Procedures Manual
Section 3
Budget

3.0 General Information

3.1 The annual operating budget is the foundation on which annual school district activities are dependent.

3.2 The budget is reflective of the district's educational plan and should be viewed as an operating subset of a more comprehensive financial plan that directly correlates to the goals and objectives established to achieve the district's mission. Listed below are the MISD mission statement, goals and objectives.

Mission:

Mansfield Independent School District ensures educational and personal success by:

- aspiring to high academic standards
- fostering a community built on mutual support and excellence
- delivering innovative educational opportunities
- cultivating productive, lifelong learners.

Beliefs:

We believe that...

1. Our foundation is built on personal beliefs, integrity and respect.
2. Building positive relationships is vital for success.
3. Effective communication is essential.
4. Development and achievement are self-determined.
5. Responsibility and accountability are crucial.
6. Lifelong learning is imperative.
7. A safe, nurturing environment strengthens education.
8. Leadership is inherent within all of us.

Strategic Objectives:

Each student will:

- master and demonstrate skills that build character and integrity.
- actively engage in extracurricular activities and community involvement beyond the classroom setting.
- creatively pursue hopes and dreams which will have a positive impact on society.
- graduate on the Distinguished Achievement Program.

Strategic Parameters:

We will...

1. make decisions in the best interest of students.
2. honor relationships, maintain integrity, and treat all people with respect and compassion.
3. ensure a culture of creativity, imagination, and innovation.
4. recognize, develop, and provide opportunities for leadership throughout the entire organization.
5. be responsible and accountable in everything we do.
6. not compromise excellence.

3.3 School districts are labor-intensive organizations. As such, salary and benefits constitute the major portion of the annual operating budget (approximately 88%).

3.4 The budget is prepared in accordance with generally accepted accounting principles and state guidelines.

3.4.1 State guidelines are administered and monitored by the Texas Education Agency (TEA). Detailed information can be obtained at <http://www.tea.state.tx.us/school.finance/audit/resguide15/far> by referencing the Financial Accountability System Resource Guide (FASRG).

3.5 The budget is adopted by the Board of Trustees prior to the beginning of the fiscal year (September 1 – August 31). Listed below is the budget calendar followed by the district:

Budget Calendar

<u>September</u>	Post current school year budgets Provide campuses and departments with account detail First Proposed Budget Amendment prepared on current school year Administrative Cost Ratio Calculation for current school year budget Roll prior year purchase orders with goods not received by 8/31
<u>October</u>	Present Proposed Budget Amendment to Board of Trustees Adopt current year tax rate Load current school year PEIMS budget file
<u>November</u>	Evaluate prior year ending budget vs. audited actual Calculate roll-forward amounts from prior year on dedicated funding sources Begin decision-making process regarding mandated TEC and TEA changes

- December** Submission of PEIMS budget information to TEA
 Study current year payroll budget based on September - November expenditures
 Compute Administrative Cost Ratio for prior year audited expenditures
 Calculate revised per pupil allocations based on actual enrollment variances
 Second Budget Review prepared on current school year
- January** Present Proposed Budget Amendment to Board of Trustees
 Conduct budget workshop for next school year with Board of Trustees and administration
 Preliminary local property tax values are estimated
 Initial next school year state aid projection prepared
- February** Prepare budget documents for next school year
 Third Proposed Budget Amendment prepared on current school year
 Next school year payroll estimates prepared
 Update and load crosswalk tables for next school year
- March** Budget gathering documents/manual sent to campuses and departments
 Present Proposed Budget Amendment to Board of Trustees
 Staffing team meets to review and recommend next school year campus staffing adjustments
 Next school year salary schedules developed
 Budget preparation training conducted with campus, department and program leadership
- April** Extract current year budget data into next year budget preparation module
 Review and load campus and department budget requests
 Staffing team meets to review and recommend next school year non-campus staffing adjustments
- May** Conduct comprehensive analysis of current year budget vs. actual
 Fourth Proposed Budget Amendment prepared on current school year
 Budget gathering documents sent to special revenue program directors
- June** Present Proposed Budget Amendment to Board of Trustees
 Present next school year Preliminary Budget overview to Board of Trustees
 Modifications continue with state aid, local revenue and expenditure projections
 Submit next school year Working Budget document to Board of Trustees

July

Conduct second budget workshop with Board of Trustees
Perform final analysis of current school year budgets to estimated year-end expenditures/accruals
Final Proposed Budget Amendment prepared on current school year

August

Complete Truth-In-Taxation calculation
Present current school year Final Proposed Budget Amendment to Board of Trustees
Submit next school year Proposed Budget to Board of Trustees after final budget review
Adopt next school year budget

3.6 Budget Preparation for Campuses

- 3.6.1 Budget documents/manual are sent to the campuses in February/March for the next fiscal year.
- 3.6.2 Staff participation in the budget process is appropriate.
- 3.6.3 It is now a requirement of the Texas Education Code that your Campus Improvement Council (CIC) also participate in the budget process.
- 3.6.4 The *per pupil allocation* is established each year by the budget office based on need as well as existing budget constraints.
- 3.6.5 A different *per pupil allocation* is established for high schools, intermediate schools and elementary schools.
- 3.6.6 All enrollment projections are tentative at the time you receive your budget documents.
- 3.6.7 Using the October PEIMS snapshot enrollment data, adjustments may be made to your instructional supply budget (11-6399-00) during the January district-wide budget review for increases in enrollment.
- 3.6.8 You may then redistribute this adjustment among the accounts within function 11 (instruction) for which you budgeted initially from your *per pupil allocation*. Transfers within Function 11 should be submitted via Skyward Budget Transfer.
- 3.6.9 The *per pupil allocation* is to be budgeted in the manner that best suits your school within the categories of cost indicated on the budget worksheet.

- 3.6.10 The following costs will be added when the final budget is prepared and will not come from your *per pupil allocation*: salaries, library books, and Mansfield Academic Acceleration Program.
- 3.6.11 The instructional office will contact you relative to your campus participation in district-wide programs including, but not limited to, special education, vocational, technology, bilingual, gifted and talented, staff development, and compensatory education.
- 3.6.12 Professional services (6219, 6291, 6299 accounts) must be justified on the forms provided in your budget documents.
- 3.6.13 Current personnel listings will be included so that each employee, his or her stated job classification, assignment and budget code can be verified for accuracy.
- 3.6.14 Supplies common to special education, physical education and music, as well as regular students are to be provided from your *per pupil allocation*.
- 3.6.15 Health services (function 33) expenditures for nurses' supplies and travel costs are to be budgeted from your *per pupil allocation*.
- 3.6.16 Expenditures for rentals/operating leases (i.e. – copier rental) are to be budgeted from your *per pupil allocation* and should cover twelve (12) months of rental fees as well as usual overage charges. Small copiers placed in the principal's office, library, attendance, fine arts, etc. should be budgeted through the per pupil allocation—Larger copiers are designated by building and budgeted district-wide.
- 3.6.17 Funds may be transferred between your per pupil funded budget accounts within the same function code at any time during the year by submitting a budget transfer in Skyward.
- 3.6.18 Transfers between function codes should be labeled “Amendment” and submitted as a budget transfer in Skyward. These will be subject to board approval and processed according to the business calendar on the website.

3.7 Budget Preparation for Departments and Special Revenue Funds

- 3.7.1 Budget documents are sent to the departments in February/March for the next fiscal year. Special revenue documents are sent in

April/May to allow for receipt of Notice of Grant Awards (NOGA).

3.7.2 Department budget documents include the following:

- Budget Allocation Document (Budget Worksheet)
- Staffing Verification Document
- Professional Services Request Form (6219, 6291, 6299)

3.7.3 Detailed instructions/manual will be provided by the budget office regarding the preparation of your budget worksheet.

3.7.4 New program needs should be explained in detail and reference the related accounts.

3.7.5 Salaries and related benefit accounts are calculated by the budget office.

3.7.6 Extra pay, part-time pay and substitutes should be budgeted by your department, if applicable.

3.7.7 The budget amount is for accounts 6200-6600 and the items noted in 3.3.3 above.

3.7.8 The Staffing Verification Document should be reviewed by line item to verify accuracy of data. The document will only reflect filled positions. Any funded but unfilled positions should also be noted on return documents.

3.7.9 If you are proposing to increase the number of positions, please submit detailed explanations and/or justifications to the Human Resources Department for approval and attach a copy to the Staffing Document.

3.7.10 Amounts budgeted for professional services should be included on the budget worksheet and properly supported on the form provided in the budget documents.

3.8 Budget Amendments

3.8.1 There are two ways in which budget accounts may be amended/changed: internal amendments and organizational changes.

- 3.8.2 Internal amendments are initiated by the organization director and involve the transfer of appropriations from one object account to another without increasing or decreasing the total budget for that particular organization. For example, monies budgeted for travel (6411) may be transferred to a supply (6399) account.
- 3.8.2.1 These amendments apply only to 6200, 6300 and 6400 series of object accounts. They may not be used for payroll except budgets for overtime, part-time and extra duty pay provided by campus or department allocation. Transfers to/from 66XX require written justification for administrative review and approval.
- 3.8.2.2 To initiate a request for an internal amendment, the organization director should submit a budget transfer for approval within the Skyward system.
- 3.8.2.3 Internal amendments between function codes should be submitted on a separate transfer request for processing at the next available budget review requesting Board of Trustees approval.
- 3.8.3 Organizational changes are initiated by the organization director and involve an increase or decrease in the total amount budgeted for a particular organization, or an increase or decrease in the 6100 or 6600 series of object accounts.
- 3.8.3.1 To initiate a request for an internal amendment, the organization director should complete a BCR and submit it to the budget office. The BCR form can be found on the Mansfieldisd.org under forms.
- 3.8.3.2 This type of change, if approved by administration, will be processed at the next available budget review requesting Board of Trustees approval.
- 3.8.3.3 Periodically all budget accounts will be reviewed by the budget office. Amendments may be necessary when over or under estimates have been made relative to revenues or expenditures, or when general budgetary cutbacks become necessary.
- 3.8.3.4 These type of changes will be processed at the next available budget review requesting Board of Trustees approval.

3.8.3.5 The organization director will be notified of changes to be made to their budget accounts.

3.9 When submitting transfers/amendments, please note the following guidelines:

- 3.9.1 Enter the request in the Skyward budget transfer.
- 3.9.2 Review account balances.
- 3.9.3 Prepare transfers using whole numbers (no pennies), except for special revenue funds needing to spend 100% of grant, and include written explanation for change.
- 3.9.4 Obtain necessary approvals prior to submission.
- 3.9.5 Plan transfers/amendments to include all foreseeable transfers.
- 3.9.6 Plan ahead to avoid “emergency” transfers.
- 3.9.7 Plan ahead for transfers requiring Board of Trustees approval.
- 3.9.8 The correcting of an actual expenditure (not the budget) that was recorded in the wrong account should not be done on a transfers/amendments. These type of changes should be done via a journal entry. For assistance, please contact the accounting director at (817) 249-6311 in the accounting department.

3.10 Fiscal Authorization

- 3.10.1 The person in charge of the budget, approving expenditures, transfers/amendments, etc. is considered the primary fiscal authorization.
- 3.10.2 An alternate designee must be named to approve in your absence.
- 3.10.3 The above items should be handled by completing a fiscal authorization form. This form can be obtained by contacting the secretary to the controller at (817) 299-6304.

3.11 Account Code Structure

- 3.11.1 The overall account code structure is designed to serve as both an efficient account code facility and a basic management tool. It

creates a common language for use in controlling, recording, accumulating and reporting the activities of the school district.

3.11.2 On pages 9 - 43 is additional information to assist in the understanding of the account code structure.

3.12 Using Skyward as a Budget Tool

3.12.1 On pages 45 - 48 are all of the steps to query budget control and print expenditure status reports.