

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

Budget: Transfer of Funds

A. Requirement Funds Be Appropriated

No money may be paid out or become available to be paid out for any contemplated expenditure until there has first been made an annual, semi-annual, quarterly, or monthly appropriation for such contemplated expenditure by City Council.

B. Lump Sum Appropriation

In the event that the City Council appropriates funds to the School Board in a lump sum, the School Board may transfer appropriated funds from one Budget Major Classification (Instruction, Administration, Attendance and Health, Transportation, Operations and Maintenance, Technology) to another and between funds (except the Capital Improvement Fund) without approval from City Council.

C. Categorical Appropriation

In the event that the City Council appropriates funds for the School Board by Budget Major Classification (a “Categorical Appropriation”), the School Board may transfer appropriated funds between ~~Budget Units~~Cost Centers within each Budget Major Classification, but may not transfer appropriated funds from one Budget Major Classification to another without prior approval from the City Council.

In the event of a Categorical Appropriation the ~~School~~ Board is required to adopt a resolution requesting the City Council to authorize a transfer between Budget Major Classifications, and no transfer, expenditure, or encumbrance of funds may be made prior to City Council approval of the transfer between Budget Major Classification.

D. Definitions and Restrictions

Within Budget Major Classifications are ~~Budget Unit Codes~~Cost Centers. Total expenditures and encumbrances within ~~Budget Unit Codes~~Cost Centers may not exceed total ~~Budget Unit Code~~Cost Centers appropriations.

E. Transfer Limits and Authority

The Superintendent may transfer funds up to \$250,000 per transfer between ~~Budget Unit~~Cost Centers Codes or within ~~Budget Unit Codes~~Cost Centers. The Superintendent may delegate transfer authority up to \$125,000 per transfer to the Chief Financial Officer. Reporting will be handled through the monthly interim financial statements to the School

Board and will reflect all approved budget transfers and provide a listing and explanation of all approved transfers for the previous month.

Budget transfers exceeding \$250,000 must be approved by the School Board prior to execution of the transfer or commitment of funds. All transfers of funds must be in compliance with the law, this policy, and the procedures outlined in School Board Regulation 3-10.1.

F. Emergency Budget Transfers

In certain emergency situations, the Superintendent, or his designee, is authorized to commit funds in excess of \$400,000 prior to meetings of the School Board. The following procedures for emergency purchases will be in effect:

1. Termination of Services/Dangerous Situations
Emergency purchases up to \$400,000 may be made by the Superintendent or his designee. Purchases above that amount must be authorized by the School Board. An emergency exists when a breakdown in machinery or equipment and/or a threatened termination of essential services or a dangerous condition develops, or when any unforeseen circumstances arise causing curtailment or diminution of an essential service or where materials or services are needed to prevent loss of life or property.
2. Life-Threatening Situations/Excess Property Damage Prevention
The School Board authorizes the Superintendent to make emergency purchases in excess of \$400,000 in life-threatening situations and in circumstances where immediate action is needed to impede further damage to property.
3. Notice to School Board
The Superintendent shall inform the School Board of emergency situations as soon as practicable. Depending on the situation, the Superintendent will request the School Board chairman to call a special meeting of the School Board to make emergency purchases or will notify the School Board of emergency purchases authorized by the Superintendent.
4. Compliance with Categorical Appropriation Requirement/Reporting
 - a. Absent a lump sum appropriation by City Council, the Superintendent shall make no emergency purchases which will require transfers between Budget Major Classifications described in Section B of this Policy;
 - b. Emergency transfers are subject to the listing, explanation, and monthly interim financial statement reporting requirements of Section D of this Policy.

G. General Limitation

1. Notwithstanding the foregoing provisions, neither the School Board, the Superintendent, nor School staff shall expend nor contract to expend, in any fiscal year, any sum of money in excess of the funds available for School purposes for that fiscal year without the consent of the City Council.
2. "~~Budget Unit Code~~Cost Center," "Expenditure Categories," and "Line Item," are defined in School Board Regulation 3-10.1, and change in those definitions requires approval of the School Board.

Legal Reference

Code of Virginia § 22.1-89, as amended. Management of funds.

Code of Virginia § 22.1-91, as amended. Limitation on expenditures; penalty.

Code of Virginia § 22.1-115, as amended. System of accounting; statements of funds available; classification of expenditures.

Code of Virginia § 15.2-2506, as amended. Publication and notice; public hearing; adjournment; moneys not to be paid out until appropriated.

Related Links

School Board [Regulation 3-10.1](#)

Adopted by School Board: February 16, 1993

Amended by School Board: April 20, 1999

Amended by School Board: June 20, 2006

Amended by School Board: June 8, 2010

Amended by School Board: September 16, 2014

Amended by School Board: January 11, 2022

APPROVED AS TO
LEGAL SUFFICIENCY


