

ANNUAL BUDGET

The Board of Education shall consider and adopt the school district budget annually in accordance with state law.

The annual budget is the financial plan for the operation of the school system. It provides the framework for both expenditures and revenues for the year and translates into financial terms the educational programs and objectives of the district.

Public school budgeting is regulated and controlled by statutes and by requirements of the State Board of Education, which prescribe the form of district budgets in order to ensure uniformity throughout the state.

The budget format shall itemize expenditures of the district by fund and by student. It shall describe the expenditure and show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year. Enterprise funds shall be budgeted using the full accrual basis of accounting. The budget shall summarize revenues by revenue source and expenditures by function, fund and object.

The budget also shall disclose planned compliance with spending limitations outlined in Article X, Section 20, of the Colorado Constitution (Taxpayer's Bill of Rights, or TABOR), including holding TABOR reserve funds in an unrestricted general fund or in cash funds.

The Board assigns to the superintendent overall responsibility for budget preparation, budget presentation and budget administration. As part of the superintendent's budget responsibility, the superintendent shall cause to be prepared a budget preparation calendar, which shall ensure that all deadlines established by law for budget presentation, hearings and adoption and for certification of amounts to be raised by school tax levies are met by the school district. The budget calendar shall take into consideration the possible need to submit a request to raise additional local revenue to a vote by the district's electorate. The superintendent shall have authority to delegate portions of his or her budget responsibility to the Executive Director of Business Services.

The budget prepared and presented by the Executive Director of Business Services shall be consistent with the budget priorities of the Board, as established in policy DBC.

Year-end Reserves

The Board of Education recognizes that the school district's budget provides a yearly business plan. However, given the nature of school funding in Colorado along with unexpected economic fluctuations, it is prudent to establish reasonable financial reserves. Reserves are designed to meet short-term contingencies rather than to subsidize long-term needs.

Reserves are the accumulated excess of revenue over expenditures, which may include encumbered expenditures. The Board of Education assigns to the superintendent or designee the responsibility of accumulating and maintaining reserves according to the following guidelines:

General Fund

1. Total general fund reserves shall range between 5% and 15% of annual revenue. (15% is the maximum allowable by state law.)

2. Of these reserves, 3% shall be to comply with the requirements of TABOR and at least 2% shall be undesignated, to be used only for an unexpected loss of revenue or for extraordinary expenditures. Any expenditure from the undesignated reserve shall be reported to the Board.
3. If any part of the general fund reserve is used in any fiscal year to cover an unexpected loss of revenue or an extraordinary expenditure, in the subsequent fiscal year funds will be allocated to fulfill the 2% required year-end reserve before making any other budget allocations, unless the Board of Education approves otherwise.

Special Revenue Funds

1. Total reserves of each Special Revenue fund should be no less than 3% of annual revenue.
2. Of these reserves, TABOR shall comprise 3%, and the remaining reserve should be designated for the purpose of the special revenue fund, as required by law or Board direction.

Debt Service Fund

1. These reserves are legally restricted by state statutes and can only be spent on obligated bonded debt. The June 30 reserve must be an amount equal to the December principal and interest bond payments.

Capital Projects Funds

1. These reserves are legally restricted by state statutes and can only be spent on approved Capital projects. Once the bond issue has been spent, the reserves in this fund will equal Zero.

Nutritional Services Fund

1. Total reserves should range from approximately 5% to 10% of annual revenue.
2. Of these reserves, TABOR shall comprise 3% and at least 2% shall be unrestricted.

Risk Management Fund

1. Total reserves should range from approximately 5% to 10% of annual revenue.
2. Of these reserves, TABOR shall comprise 3% and at least 2% shall be unrestricted.

Trust and Agency Funds

1. Reserves are designated for the purpose of the Trust or Agency Fund as required by law or Board direction.

Adopted prior to 1985

Revised to conform with practice: date of manual adoption; Revised January 29, 2003; March 3, 2004; June 4, 2008 (CASB-Jul)

Legal ref: Article X, Section 20 of Colorado Constitution (*TABOR Amendment*)
C.R.S. 22-7-205 and 207 (budgetary recommendations of accountability committees)
C.R.S. 22-44-101 through 22-44-116 (school district budget law)
C.R.S. 29-1-103(3) (budget to reflect lease-purchase payment obligations)

C.R.S. 22-44-105(4) (conformance with statewide data management system)

Cross ref: DB and sub codes (all relate to the budget)

Note: The "Financial Policies and Procedures Handbook" adopted by the State Board of Education must be used in the development of the budget. [C.R.S. 22-44-203 (3)]