

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

**I. PURPOSE**

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

**II. GENERAL STATEMENT OF POLICY**

It is the policy of this School District to establish and modify 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. The Superintendent or such other school official as designated by the Superintendent or the school board shall each year prepare preliminary revenue and expenditure budgets based on input from the full board in regards to their priorities and District Goals. 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 Statute.
- 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. The School District shall publish within one week of the acceptance of the final audit by the school board, or November 30, whichever is earlier, 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 a qualified newspaper of general circulation in the School District. The publication shall be made in the form prescribed by the Commissioner. 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. At the same time as this publication, the School District shall publish the other information required by State Statute. The school district must also post the materials 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.
- E. At the public hearing (Truth in Taxation) 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. If revisions or modifications in the total expenditure budget are determined to be advisable by the administration, the Superintendent and/or the Business Manager shall recommend the proposed changes to the school board. The Superintendent or designee may change budget line items within the expenditure budget in order to effectively manage the School District as long as the total expenditure budget remains unchanged. A school board member may also propose modifications on that board member's own motion, provided, however, the school board member is encouraged to review the proposed modifications with the Superintendent prior to their being proposed so that the administration may prepare necessary background materials for the school board prior to its consideration of those proposed modifications.
- G. 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 amendment to the expenditure budget 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.
- H. 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 or his designee 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.

#### **IV. 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 the 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.

Adopted and approved:	08/06/01
	01/23/06
	01/12/09
Reviewed	05/07/12
Revised:	09/21/15
Reviewed	04/06/20