

## Billings School District 2

### FINANCIAL MANAGEMENT

#### Budget, Program Planning, and Assessment

The Board approves budgets that support the immediate and long-range goals and established priorities within instructional, non-instructional, and administrative programs. The Board requires that, before presentation of a proposed budget for adoption, the Superintendent will prepare, for Board consideration, appropriate documentation supporting recommendations for meeting District needs within the limits of anticipated revenues. Once adopted by the Board, the operating budget shall be administered by the Superintendent's designees.

#### Accounting System Design

The District accounting system shall be established to present with full disclosure the financial position and results of the financial operations of the District funds and account groups in conformity with generally accepted accounting principles. The accounting system will conform to the accounting and reporting manual published by the Office of Public Instruction. The Board requires that financial reports reflect financial activity and status of District fund accounts and are in a format readily understandable to the Board and to the public.

The District accounting system shall be organized on a fund basis. A fund is defined as "a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources." All related liabilities and residual equities or balances and changes therein are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or commitments.

#### Budgeted and Non-Budgeted Funds

A "budgeted" fund is any fund for which a budget must be adopted in order to expend money from the fund. The General Fund, Transportation Fund, Bus Depreciation Reserve Fund, Tuition Fund, Retirement Fund, Debt Service Fund, Building Reserve Fund, Adult Education Fund, Nonoperating Funds, and any other funds so designated by the Legislature are budgeted funds.

A "non-budgeted" fund is any fund for which a budget is not required in order to expend money on deposit in the fund. The School Food Services Fund, Miscellaneous Programs Fund, Building Fund, Lease or Rental Agreement Fund, Traffic Education Fund, Interlocal Cooperative Fund, Internal Service Fund, Impact Aid Fund, Enterprise Fund, Agency Fund, Extracurricular Fund, Endowment Fund, and any other funds so designated by the Legislature are non-budgeted funds.

Assessment

The Board requires appropriate interim financial statements and reports of financial position, operating results, and other pertinent information be prepared to facilitate management and control of financial operations. A comprehensive audit shall be conducted annually, in accordance with Montana law and with generally accepted governmental auditing standards.

The Superintendent will provide the Board with an annual assessment of budget performance for the fiscal year just ended, comparing adopted budgets to actual revenue collected and expenditures made and incurred.

Legal References:      § 20-9-210, MCA Expenditure Limitation of Nonbudgeted Fund  
                                 § 20-9-201, MCA Definitions and application  
                                 § 20-7-503, MCA Financial reports and audits of local government entities  
                                 § 20-7-514, MCA Filing of audit report and financial report

Policy History:

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