

701 ESTABLISHMENT AND ADOPTION OF SCHOOL DISTRICT BUDGET

I. PURPOSE

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

II. GENERAL STATEMENT OF POLICY

~~It is the~~ The policy of ~~this the~~ school district ~~is~~ to establish 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 ~~Ss~~school ~~Bb~~oard goals and the priorities of the school district.

III. REQUIREMENT

- A. The ~~Ss~~uperintendent or ~~superintendent's~~ designee shall, each year, prepare preliminary revenue and expenditure budgets for review by the ~~Ss~~chool ~~Bb~~oard or its ~~designated committee or committees~~. 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 ~~Ss~~chool ~~Bb~~oard and the public. The ~~Ss~~chool ~~Bb~~oard 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 ~~Minn. Stat. §~~ ~~Minnesota Statutes section~~ 123B.76.
- C. Prior to July 1 of each year, the ~~Ss~~chool ~~Bb~~oard shall approve and adopt its initial revenue and expenditure budgets for the next school year. The adopted expenditure budget document shall be considered the ~~Ss~~chool ~~Bb~~oard'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 ~~Ss~~chool ~~Bb~~oard to authorize that expenditure for that year.
- D. Each year, the school district shall publish 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 the form prescribed by the ~~Minnesota~~ Commissioner of Education within one week of the acceptance of the final audit by the ~~Ss~~chool ~~Bb~~oard, or November 30, whichever is earlier. 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. A summary of this information and the address of the school district's official website where the information can be found must be published in a newspaper of general circulation in the school district. At the same time as this publication, the school district shall publish the other information required by **Minn. Stat. § Minnesota Statutes section** 123B.10.

- E. At the public hearing on the adoption of the school district's proposed property tax levy, the **S**chool **B**oard shall review its current budget and the proposed property taxes payable in the following calendar year.
- F. The school district must also post the materials specified in Paragraph III.D. above 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, and publish a summary of information and the address of the school district's website where the information can be found in a qualified newspaper of general circulation in the district.

IV. IMPLEMENTATION

- A. The **S**chool **B**oard places the responsibility for administering the adopted budget with the **S**uperintendent. The **S**uperintendent may delegate duties related thereto to other school officials, but **the superintendent** 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 **S**uperintendent or the **S**uperintendent's designee is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to **S**chool **B**oard approval.
- D. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the **S**chool **B**oard. If additional personnel are provided in the proposed budget, actual hiring may not occur until the budget is adopted unless otherwise approved by the **S**chool **B**oard. Other funds to be expended in a subsequent school year may not be encumbered prior to budget adoption unless specifically approved by the **S**chool **B**oard.
- E. The school district shall make such reports to the **Minnesota** Commissioner **of Education** as required relating to initial allocations of revenue, reallocations of revenue and expenditures of funds.



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Minn. Stat. § 123B.76 (Expenditures; Reporting)

Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)

~~Minn. Stat. § 126C.23 (Allocation of General Education Revenue)~~

Cross References: MSBA/MASA Model Policy 701.1 (Modification of School District Budget)
MSBA/MASA Model Policy 702 (Accounting)
~~MSBA Service Manual, Chapter 7, Education Funding~~

POLICY ADOPTED: May 24, 2007

POLICY REVIEWED: May, 2011, February 15, 2018

POLICY REVISED: June 16, 2011, August 20, 2015, October 19, 2021, **November 21, 2024**