



Adopted: MSBA/MASA Model Policy 701

Revised: 2022 (Originated 1995)

701 Establishment and Adoption of BrightWorks Budget

[Note: The provisions of this policy substantially reflect the requirements of Minnesota Statutes.]

I. PURPOSE

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

II. GENERAL STATEMENT OF POLICY

The policy of BrightWorks 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 BrightWorks' goals and the priorities of BrightWorks.

III. REQUIREMENT

- A. The Executive Director or such other BrightWorks official as designated by the Executive Director or the BrightWorks Board shall each year prepare preliminary revenue and expenditure budgets for review by the BrightWorks Board 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 BrightWorks Board and the public. The BrightWorks Board shall review the projected revenues and expenditures for BrightWorks for the next fiscal year and make such adjustments in the expenditure budget as necessary to express and implement BrightWorks' goals and priorities.
- B. BrightWorks must maintain separate accounts to identify revenues and expenditures for each building. Expenditures shall be reported in compliance with Minnesota Statutes section 123B.76.
- C. Prior to July 1 of each year, the BrightWorks 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 BrightWorks 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 BrightWorks Board to authorize that expenditure for that year.

- D. Each year, BrightWorks 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 BrightWorks Board, or November 30, whichever is earlier. The complete budget in detail may be inspected by any BrightWorks member school district upon request to the executive director.

IV. IMPLEMENTATION

- A. The BrightWorks Board places the responsibility for administering the adopted budget with the executive director. The executive director may delegate duties related thereto to other BrightWorks staffs, but the BrightWorks Board 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 executive director or the executive director's designee is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to BrightWorks Board approval.
- D. BrightWorks 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.

Legal References: Minn. Stat. § 123B.10 (Publication of Financial Information)
Minn. Stat. § 123B.76 (Expenditures; Reporting)
Minn. Stat. § 123B.77 (Accounting, Budgeting, and Reporting Requirements)

Cross References: MSBA/MASA Model Policy 701.1 (Modification of School District Budget)
MSBA/MASA Model Policy 702 (Accounting)