



Adopted: February 5, 2019

700 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 policy of this school district 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 Governing Board goals and the priorities of the school district.

III. REQUIREMENT

- A. The Director or such other school official as designated by the Director or the Governing Board shall each year prepare preliminary revenue and expenditure budgets for review by the Governing 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 Governing Board and the public. The Governing 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. Prior to July 1 of each year, the Governing Board shall approve and adopt its revenue and expenditure budgets for the next school year. The adopted expenditure budget document shall be considered the Governing 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 that authorizes that expenditure for that year, or prior to the adoption of an amendment to that budget document by the Governing Board to authorize that expenditure for that year.

IV. IMPLEMENTATION

- A. The Governing Board places the responsibility for administering the adopted budget with the Director. The Director 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 Director or the Director's designee is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to Governing Board approval.
- D. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the Governing 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 Governing Board. Other funds to be expended in a subsequent school year may not be encumbered prior to budget adoption unless specifically approved by the Governing 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.