

ANNUAL OPERATING BUDGET

CE
(LOCAL)

Background

~~One of the main focuses of decentralization is to place decision-making authority as close as possible to the teacher and the student. Schools are where the decisions should be made; accordingly, principals must be the leaders of that decision-making process. Long-term instructional planning by each school is essential. As part of the decentralization process, it has been a goal to allow schools to carryover unexpended funds to the next fiscal period.~~

School Carryover Policy

~~Schools shall annually be permitted to carry over unspent funds at the end of a fiscal year. The total amount of carryover for all schools for a fiscal year shall be included as part of the budget adoption process for that fiscal year.~~

~~The administration shall develop guidelines setting forth the rules for determining how much each school can carry over from one fiscal year to the next fiscal year.~~

Fiscal Year

The District shall operate on a fiscal year beginning July 1 and ending June 30.

Budget Planning

[The budget shall be aligned with and developed to achieve the Superintendent's Key Action Plan, thereby connecting financial resources to the District's strategic priorities and goals.](#)

~~Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District's programs and activities and provides the resources to implement them. In the planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered. Budget planning and evaluation are continuous processes and should be a part of each month's activities.~~

Ad Hoc Committees

~~The Superintendent or designee may appoint ad hoc committees to provide a wider expression of community opinion on financial aspects of the school program. The ad hoc committees shall be composed of representative citizens and District personnel. The Superintendent or designee shall define in precise terms the scope of the committee's charge and shall designate the period of time committee members shall serve. The committee shall be dissolved upon completion of its charge or the expiration of the term set by the Superintendent or designee, whichever comes first.~~

Schedules

~~The Superintendent or designee shall supervise the development of a budget calendar and a specific plan for budget preparation. The budget schedule shall include timelines for designated individuals or groups to submit their budget proposals.~~

Preparation of Proposed Budget

~~The budget shall be prepared in accordance with requirements of law and State Board rules and shall include the establishment of~~

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~~revenues and appropriations by fund, which includes but is not limited to the general fund, the child nutrition services fund, and the debt service fund.~~

Budget Hearing

The annual public hearing on the proposed budget shall be an item on the Board's regular June meeting agenda. The registration and hearing of speakers regarding the budget shall be the same as for other agenda item. [See BED(LOCAL)]~~conducted as follows:~~

- ~~1. The Board President shall request at the beginning of the hearing that all persons who desire to speak on the budget give their names to the secretary. Only those who sign in with the secretary shall be heard.~~
- ~~2. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget.~~
- ~~3. No officer or employee of the District shall be required to respond to questions from speakers at the hearing.~~

Authorized Expenditures

The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the District's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent or designee who shall ensure that funds are expended in accordance with the adopted budget.

To maximize the effective use of resources, campuses are encouraged to follow this order of expenditures:

1. Donated funds
2. Grant funds
3. General Fund allocations

Budget Amendments

School funds shall not be expended in any manner other than as provided for in the budget adopted by the Board, but the Board shall have the authority to amend a budget or adopt a supplementary emergency budget to cover necessary unforeseen expenses. Functional amendments to the budget shall be summarized by fund for the General Fund, the Child Nutrition Fund, and the Debt Service Fund by the Budget Office; presented to the Board ~~monthly~~ as needed for ratification and approval; and then filed in accordance with established practice.

Budget Control

~~Primary responsibility for budget control rests with the Superintendent. The director or principal is responsible for controlling and amending his or her budget as needed and ensuring that no expenditure is made unless funds have been properly authorized.~~

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	<p>Funds are properly authorized only when approved by the Board and submitted through the Office of Budget and Financial Planning.</p> <p>Special revenue projects must have approval of the Board as well as the external funding agency and the division office of the District. The administration is authorized to expend up to ten percent of the individual special revenue program budget prior to receipt of notification of the grant award if verbal approval has been given. The Superintendent may authorize expenditure of an amount exceeding ten percent of the budget on an individual approval basis.</p>
Budget to Actual	<p>The Budget Officer or designee shall prepare a quarterly budget to actual report for the General Fund, the Child Nutrition Fund, and the Debt Service Fund and provide to the Board.</p>
Fund Balance Classification	<p>Fund balance classification shall be recorded in accordance with governmental accounting standards as promulgated by the Governmental Accounting Standards Board.</p>
Order of Expenditure	<p>The order of spending and availability of the fund balance shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and unassigned. Negative amounts shall not be reported for restricted, committed, or assigned funds.</p>
Definitions	<p>Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet. Governmental fund assets are those of the general fund, special revenue funds, debt service funds, and capital project funds.</p>
<i>Fund Balance</i>	
<i>Fund Balance of the General Fund</i>	<p>The fund balance of the general fund, one of the governmental fund types, is of primary significance because the general fund is the primary fund, which finances most functions in the District. The fund balance of the general fund shall mean the gross difference between general fund assets and liabilities reflected on the balance sheet.</p> <p>The five classifications of fund balance of the governmental types are as follows:</p> <p>1. Non-spendable fund balance shall mean the portion of the gross fund balance that is not expendable (such as inventories) or is legally earmarked for a specific use (such as the self-funded reserves program).</p> <ul style="list-style-type: none">• Examples of non-spendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include:• Inventories; and• Prepaid items.

2. ~~Restricted fund balance~~ shall include amounts constrained to a specific purpose by the provider, such as a grantor.

• ~~Examples of restricted fund balances include:~~

• ~~Child nutrition programs;~~

• ~~Construction programs; and~~

• ~~Resources from other granting agencies.~~

3. ~~Committed fund balance~~ shall mean that portion of the fund balance that is constrained to a specific purpose by the Board.

• ~~Examples include:~~

• ~~Potential litigation, claims, and judgments; and~~

• ~~Operating Reserve.~~

4. ~~Assigned fund balance~~ shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Superintendent or designee.

• ~~In current practice, such plans or intent may change and may never be budgeted, or may result in expenditures in future periods of time.~~

• ~~Examples include:~~

• ~~Outstanding encumbrances;~~

• ~~Insurance deductibles;~~

• ~~Program start-up costs; and~~

• ~~Other legal uses.~~

5. ~~Unassigned fund balance~~ shall include amounts available for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures.

• ~~The unassigned fund balance shall be the difference between the total fund balance and the total of the non-spendable fund balance, restricted fund balance, committed fund balance, and assigned fund balance.~~

**Unassigned Fund
Balance Target**

The District's goal shall be to maintain a yearly minimum unassigned fund balance, as of fiscal year end, of three months of operating expenditures. The formula to calculate the unassigned

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~~fund balance minimum is to take the adopted general fund operating expenditures less excess revenue payments and any non-cash expenditures divided by 12 to determine the average monthly expenditure and then multiply by three.~~

~~Use~~

~~The unassigned fund balance represents funds available for appropriation by the Board of Education. However, these funds are used for any necessary increases in the committed or assigned fund balances and are used to support cash flow needs of the district.~~

~~The Board recognizes that the unassigned fund balance should be appropriated for non-recurring expenditures as a future revenue source is not guaranteed.~~

~~Effective Date~~

~~This policy shall be effective as of the adoption date, November 12, 2021.~~