

**DISTRICT CODE: 701
ESTABLISHMENT AND ADOPTION OF SCHOOL DISTRICT BUDGET**

Policy reflects Minnesota statute and aligns with other District 270 policies.

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

The policy of this 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 School Board goals and the priorities of the School District.

III. REQUIREMENT

- A. The superintendent or such other school official as designated by the superintendent or the School Board must each year prepare preliminary revenue and expenditure budgets for review by the School Board. The preliminary budgets must be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the School Board and the public. The School Board must 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 as directed by statute.
- C. Prior to July 1 of each year, the School Board must approve and adopt its initial revenue and expenditure budgets for the next school year. The adopted expenditure budget document must be considered the School 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 School Board to authorize that expenditure for that year.
- D. Each year, the School District must publish its adopted revenue and expenditure budgets for the current year, the actual revenues, expenditures, and fund balances for

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- the prior year, and the projected fund balances for the current year in the form prescribed by the commissioner. Publication of this information must occur within one week of the acceptance of the final audit by the School Board, or November 30, whichever is earlier. A statement must 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 and on the School District's official website. The School District must also publish an announcement in the newspaper that includes the Internet address where the information has been posted. At the same time as this publication, the School District must publish any additional information required by statute.
- E. The Board must review the School District's proposed property tax levy, current budget and the proposed property taxes payable in the following calendar year as directed by statute.
 - 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.

IV. IMPLEMENTATION

- A. The School Board places the responsibility for administering the adopted budget with the superintendent. The superintendent may delegate duties related thereto to other school officials, but maintains the ultimate responsibility for this function.
- B. The 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 superintendent or the superintendent's designee is authorized to make payments of adopted budgeted claims or salaries prior to School Board approval of the Treasurer's report.
- D. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the School 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 School Board. Other funds to be expended in a subsequent school year may not be encumbered prior to budget adoption unless specifically approved by the School Board.
- E. The School District's revenue budget must be amended from time to time during a fiscal year to reflect updated or revised revenue estimates. The superintendent or designee must make recommendations to the School Board for appropriate revisions. If necessary, the School Board must also make necessary revisions in the expenditure

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budget if it appears that expenditures would otherwise exceed revenues and fund balances.

Adopted: November 2004

Revised: January 24, 2008, May 3, 2012

Reviewed: February 18, 2016