

## **701.1 MODIFICATION OF SCHOOL DISTRICT BUDGET**

### **I. PURPOSE**

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

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of this school district to modify its revenue and expenditure budgets in accordance with the applicable provisions of law.

### **III. REQUIREMENT**

- A. The Caver-Scott Educational Cooperative's (CSEC's) adopted expenditure budget shall be considered the governing board's expenditure authorization for that school year.
- B. If revisions or modifications in the adopted expenditure budget are determined to be advisable by the administration, the executive director shall recommend the proposed changes to the governing board. The proposed changes shall be accompanied by sufficient and appropriate background information on the revenue and policy issues involved to allow the governing board to make an informed decision. A governing board member may also propose modifications on that board member's own motion, provided, however, the governing board member is encouraged to review the proposed modifications with the executive director prior to their being proposed so that the administration may prepare necessary background materials for the governing board prior to its consideration of those proposed modifications.
- C. If sufficient funds are not included in the expenditure budget in a particular fund to allow the proposed expenditure, funds for this purpose may not be expended from that fund prior to the adoption of an expenditure budget amendment by the governing board to authorize that expenditure for that school year. An amended expenditure shall not exceed the projected revenues available for that purpose in that fund.
- D. The CSEC's revenue budget shall be amended from time to time during a fiscal year to reflect updated or revised revenue estimates. The executive director shall make recommendations to the governing board for appropriate revisions. If necessary, the governing board shall also make necessary revisions in the expenditure budget if it appears that expenditures would otherwise exceed revenues and fund balances in a fund.

***Legal References:*** 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 (Establishment and Adoption of School District Budget)  
MSBA Service Manual, Chapter 7, Education Funding

**Board Approved 3/16/2010**