

## **701 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 Carver-Scott Educational Cooperative (CSEC).

### **III. REQUIREMENT**

- A. The executive director or such other school official as designated by the executive 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 CSEC 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 CSEC must maintain separate accounts to identify revenues and expenditures for each site. Expenditures shall be reported in compliance with Minn. Stat. § 123B.76.
- C. Prior to July 1 of each year, the governing 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 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 which 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.
- D. Each year, the CSEC 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 Commissioner within one week of the acceptance of the final audit by the governing board, or November 30, whichever is earlier. The forms prescribed must be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. A statement shall 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 executive director. 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. At the same time as this publication, the CSEC shall publish the other information required by Minn. Stat. § 123B.10.

#### **IV. IMPLEMENTATION**

- A. The governing board places the responsibility for administering the adopted budget with the executive director. The executive 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 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 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 CSEC shall make such reports to the Commissioner 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)  
Minn. Stat. § 126C.23 (Allocation of General Education Revenue)  
Minn. Stat. § 275.065 (Truth in Taxation; Proposed Property Taxes; Notice)

**Cross References:** MSBA/MASA Model Policy 701.1 (Modification of School District Budget)  
MSBA/MASA Model Policy 702 (Accounting)  
MSBA Service Manual, Chapter 7, Education Funding

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