

New Century School Policy No. 701

Adopted: 3.7.16

Revised: _____

701: ANNUAL BUDGETING PRINCIPLES

I. PURPOSE

The purpose of this policy is to establish lines of authority and procedures for the establishment of the school's revenue and expenditure budgets.

II. GENERAL STATEMENT OF POLICY

It is the policy of this school 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 New Century School Board of Directors goals and the priorities of the school.

III. REQUIREMENT

- A. The Director or such other school official as designated by the Board of Directors shall each year prepare preliminary revenue and expenditure budgets for review by the Board of Directors 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 Board of Directors and the public. The Board of Directors shall review the projected revenues and expenditures for the school 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 Board of Directors may, by resolution, adjust the initial allocation so as to expend revenue for any purpose.
- C. Prior to July 1 of each year, the Board of Directors shall approve and adopt its initial and reallocated revenue and expenditure budgets for the next school year. The adopted expenditure budget document shall be considered the Board of Director'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 Board of Directors to authorize that expenditure for that year.
- D. If required, the school shall, prior to October 1 of each year, 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 a qualified newspaper of general circulation in the school. The publication shall be made in the form prescribed by the Commissioner. A statement shall be included in the publication that the complete

budget in detail may be inspected by any resident of the school upon request to the Director.

IV. IMPLEMENTATION

- A. The Board of Directors 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 Board of Directors approval.
- D. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the Board of Directors. If additional personnel are provided in the proposed budget, actual hiring may not occur until the budget is adopted unless otherwise approved by the Board of Directors. Other funds to be expended in a subsequent school year may not be encumbered prior to budget adoption unless specifically approved by the Board of Directors.
- E. The school shall make such reports to the public as required relating to initial allocations of revenue, reallocations of revenue and expenditures of funds.