

I. PURPOSE

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

II. GENERAL STATEMENT OF POLICY

It is the policy of NWSISD 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 NWSISD.

III. REQUIREMENT

- A. The Superintendent or her/his designee or the school board shall each year prepare preliminary revenue and expenditure budgets for review by the school board. 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 school board and the public. The school board shall review the projected NWSISD revenues and expenditures 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. Prior to July 1 of each year, the school board shall approve and adopt its initial and reallocated revenue and expenditure budgets for the next fiscal year. The adopted expenditure budget document shall be considered the school board's expenditure authorization for that fiscal year. No funds may be expended for any purpose in any fiscal 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.

- C. NWSISD 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 NWSISD member school districts. The publication shall be made in the form prescribed by the Commissioner of the Minnesota Department of Education. A statement shall be included in the publication that the complete budget in detail may be inspected by any resident of the NWSISD member school districts upon request to the Superintendent. At the same time as this publication, NWSISD shall publish the other information required by Minn. Stat. §123B.10.

- D. Each year, the school district 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 school board, or November 30, whichever is earlier. 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 superintendent. These budgets, reports of revenue, expenditures, and fund balances must be published in a newspaper of general circulation in the school district. At the same time as this publication, the school district shall publish the other information required by Minn. Stat. § 123B.10.
- E. At the public hearing on the adoption of the school district's proposed property tax levy, the school board shall review its current budget and the proposed property taxes payable in the following calendar year.
- 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.
- G. The school district must also include the budget information specified in Paragraph III.D. above in the materials provided as part of its truth-in-taxation hearing.

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 NWSISD staff, 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 Superintendent or her/his designee is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to school board approval.
- D. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the school board. If additional staff 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 fiscal year may not be encumbered prior to budget adoption unless specifically approved by the school board.

E. NWSISD 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.77 (Accounting, Budgeting and Reporting Requirements)
Minn. Stat. §123B.10 (Publication of Financial Information)
Minn. Stat. § 123B.76 (Expenditures; Reporting)
Minn. Stat. §126C.23 (Allocation of General Education Revenue)
Minn. Stat. § 275.065 (Truth in Taxation; Proposed Property Taxes; Notice)

Cross References: MSBA Service Manual, Chapter 7, Education Funding
NWSISD Policy 701.1 (Modification of the NWSISD Budget)
NWSISD Policy 702 (Accounting)

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