



**ESTABLISHMENT AND ADOPTION
OF SCHOOL DISTRICT BUDGET**

POLICY:	701
ADOPTED:	03/06/00
REVISED:	11/20/23

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 the 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 and Director of Business Services 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 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. Expenditures shall be reported in compliance with Minnesota Statutes section 123B.76.
- C. Prior to July 1 of each year, the school 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 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 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 Minnesota Commissioner of Education 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. A summary of this information and the address of the school district's official web site 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 school district shall publish the other information required by Minnesota Statutes section 123B.10.

- E. The school board shall review its current budget and the proposed property taxes payable in the following calendar year at a public hearing on adoption of the district's proposed property tax levy.
- 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 the superintendent 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 the superintendent's designee is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to school board approval.
- D. The school board may approve additional personnel hiring prior to the budget adoption.
- E. The school district shall make such reports to the Minnesota Commissioner of Education 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)

Cross References: Policy 701.1 - Modification of School District Budget
Policy 702 - Accounting