

BlueSky Charter School

Policy # 7.3.1: ESTABLISHMENT AND ADOPTION OF SCHOOL BUDGET AND EXPENDITURE AUTHORITY

Effective Date: September 25, 2013

Reviewed Date: September 25, 2013

Revision Date: September 25, 2013

Approved: September 25, 2013

PURPOSE:

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

It is the policy of this school to establish its revenue and expenditure budgets in accordance with the applicable provisions of the law. Budget planning is an integral part of program planning so that the annual budget will effectively express and implement school goals and the priorities of the school.

I. Requirements

- A. The Executive Director or such other school official as designated by the Executive Director or the school board shall each year prepare preliminary revenue and expenditure budgets for review by the school board or designated committee. 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 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 the adoption of the initial budget for a school year, the school board must set the enrollment for the next school year.
- C. The school must maintain separate accounts to identify revenues and expenditures. Expenditures shall be reported in compliance with Minn. Stat. 123B.76.
- D. 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.

II. Implementation

- A. The school 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.
 - 1. Non-budgeted items in excess of \$10,000 must have board approval.
 - 2. Contractual obligations of more than 1 year or greater than \$10,000 must be approved by the school board. Approval can be either a summary of the material terms of the contract or the distribution and acceptance of the contract. In either instance, a copy of the contract shall be made available to the school board.
- 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's (UFARS).
- C. Supplies and capital equipment can be ordered prior to the budget adoption only by authority of the school 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 school board. Other funds to be expended in a subsequent year may not be encumbered prior to budget adoption unless specifically approved by the school board.
- D. The school shall make such reports to the Commissioner as required relating to initial allocations of revenue, reallocations of revenue and expenditure of funds.