

CHAPTER 2

BUDGETING

Overview

The school budget is probably the most important single publication which the school district presents to the local citizens. It is the document which expresses the local district's plan for operating its schools; the budget is also the expression in dollars of the school district's educational program. The budget serves as both a guide and control over the operations of the district during the fiscal year.

School Districts

The superintendent, as budget officer of the board, should furnish the leadership in developing the budget through various significant steps. The superintendent or his designee, such as the school business official, is responsible for initiating the budgeting process and insuring that the steps leading to final acceptance of the budget and approval by the board of education are carried out in the proper time frame. Since the budget is essentially a plan, it should be based on the best information available at the time it is prepared. The persons in the best position to provide this information for any particular area should be involved in the budgeting process at their level of responsibility and at the appropriate time. The superintendent has the responsibility for coordinating the overall budget scheme and providing for such factors as growth, inflation, etc. It is the superintendent's responsibility to maintain the highest level of education services possible within the amount of available funds. A carefully prepared budget with periodic evaluation is essential to the attainment of this goal.

Budgeting helps the superintendent and his staff to plan together on what needs to be done, how it will be done, and by whom. The benefits of good budgeting may be summarized as follows:

1. Establishes a plan of action for the coming fiscal year.
2. Requires an evaluation of past programs and activities in relation to planned programs and activities.
3. Necessitates the establishment of goals and work plans.
4. Provides security for the administration by assuring the financing and approval of the course of action for the fiscal year.
5. Necessitates foreseeing expenditures and estimating revenue.
6. Requires orderly planning and coordination throughout the organization.
7. Establishes a system for evaluation and management control.
8. Provides an orderly process of expansion in both personnel and facilities.

9. Provides for coordination with accounting and auditing to meet legal requirements and proper administrative accountability.
10. May serve as a public information device.

Schedule and Legal Requirements

The budget process should be cyclical, a continuous function consisting of the general basic steps of planning, coordinating, interpreting, approving, administering, and evaluating. These are suggested continuous activities, and although any one of them may take place throughout the fiscal year, there are certain times when one activity or another may be intensified.

Important Utah legal requirements related to the school district budget are summarized as follows: for additional important detail refer to the laws cited

(53A-19-101) School District Budget - Superintendent Responsibility

The Superintendent of each school district is the Budget Officer of the district. Prior to June 1 of each year, the superintendent shall prepare and file with the local school board a tentative budget and supporting documents shall include the following items:

The tentative budget shall include the revenues and expenditures of the preceding fiscal year, the estimated revenues and expenditures for the current fiscal year, and his estimate of the revenues for the next succeeding fiscal year based upon the lowest rate of tax levy which in his opinion will raise the required amount of revenue by using the current years taxable value as the basis for this calculation, a detailed estimate of the essential expenditures for all purposes for the next year, and the estimated financial condition of the district at the close of the current fiscal year.

Such tentative budget shall be filed with the district business administrator for public inspection at least fifteen (15) days prior to the date of the proposed adoption by the local school board.

(53A-19-102) Local School board budget procedures

Before June 22 of each year a local school board shall adopt a budget and make appropriations for the next fiscal year.

Prior to adoption or amendment of a budget, notice of the meeting of the board for the adoption of the budget shall have been published in a daily newspaper published in the district, and of general circulation therein, if such is published in the district, but in any event in a newspaper of general circulation in the district, at least 10 days in advance of the holding of such meeting and also posted on the web.

Undistributed Reserve

Utah law (53A-19-103) further states that the district may adopt a budget containing an amount known as the Undistributed Reserve. This reserve shall not be more than five percent of the maintenance and

operation budget adopted by the board of education in accordance with a scale developed by the State Board of Education based upon the size of the budget of the school district.

Appropriations may be made from the undistributed reserve to any expenditure classification in the maintenance and operation budget of the district by written resolution adopted by a majority vote of the board setting forth the reasons for the appropriation and filed with the State Board of Education and the State Auditor.

The undistributed reserves may not be used in negotiation or settlement of contract salaries for school district employees

Any Budget Appropriation may be reduced by action of the board of education at any regular meeting of the board, if notice of the proposed action is given to all members of the board and to the superintendent of the district at least one week in advance of such action.

An increase in an appropriation may not be made by the board unless the board receives a written request from the district superintendent setting forth the reason for the request, the notice of request is published at least one week prior to the board meeting where the request will be considered and the board holds a public hearing on the request prior to action on the request.

(53A-19-106) Warrants drawn by business administrator

Business administrators may not draw warrants on school district funds which exceed the limits of the budget passed by the local school board.

(53A-19-107) Emergency Expenditures

The provisions of Chapter 19 shall not apply to appropriations necessitated by emergencies involving the loss of life or great loss of property.

(53A-19-108) Monthly budget reports

The business administrator of each board of education shall furnish each member of the board with a report on a monthly basis setting forth the amounts of all budget appropriations, the disbursements as of the date of the report and the percentage of the disbursements as of the date of the report.

A copy of the report shall be made available for public review.

Charter Schools

A budget shall be provided to the local charter school board before June 30 for adoption. The approved budget shall be submitted to the USOE on the approved AFR form by July 15 of each year. (See R 277-484)

Charter Schools are exempt from the provisions of 53A-19-Section 1

While many of the items listed above for school districts are not required for charter schools, many of the concepts may be of use in preparing, explaining and using a budget. For example, the monthly budget reports can be a valuable internal control mechanism for the charter school to make sure everything is running smoothly at the school.