

BDOTE LEARNING CENTER

Effective Date: 6/25/2014	701 BUDGET POLICY
Date: 6/10/14 Revisions: 6 /12/14	Approved by: Bdote Board of Directors 6.25.14

I. Purpose of Policy:

The purpose of this policy is to ensure that **Bdote Learning Center's (BLC's)** budgeting process is guided by the goal of maintaining a healthy fund balance through the practice of establishing and maintaining a balanced budget, and to establish lines of authority and procedures for the establishment and management of the school's revenue and expenditure budgets.

II. General Statement:

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.

Throughout the fiscal year, the School Board monitors actual financial performance against the established budget through review of monthly financial statements.

While the budget is built on a line item basis, the overall balancing of the budget is evaluated by the total performance for each Fund.

III. Requirements:

The School Director or such other school official as designated by the School 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.

- A. Prior to the adoption of the initial budget for a school year, the School Board must set the enrollment for the next school year.
- B. The school must maintain separate accounts to identify revenues and expenditures. Expenditures shall be reported in compliance with Minn. Stat. 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. Prior to October 31st, the School Board shall

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approve and adopt the final budget for the current academic school year and the Administration will report this updated budget as described below (Section E).

- D. The school will not approve a deficit budget unless the school's prior year fund balance is at or above the target as outlined in the school's Fund Balance Policy.
- E. A surplus budget will be established if at the end of the prior fiscal year the fund balance is not in compliance with the school's Fund Balance policy.
- F. Each year, the school shall publish its adopted revenue and expenditure budgets for the current year, the actual revenues, 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 detail may be inspected by any resident of the school upon request to the Executor Director. These budgets, reports of revenue, expenditures, and fund balances must be published on the school's official website with an announcement in the school's newspaper of general circulation. At the same time as this publication, the school shall publish the other information required by Minn. Stat. 123B.10.

IV. Implementation:

The School Board places the responsibility for administering the adopted budget with the School Director. The School Director may delegate duties related thereto to other school officials, but maintains the ultimate responsibility for this function.

- A. 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 school board must be notified at the next official Board meeting when projected spending on any individual line of the budget exceeds the approved amount (based on the October budget) by 10%.
- C. 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).
- D. 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.
- E. The school shall make such reports to the Commissioner as required relating to initial allocations of revenue, reallocations of revenue and expenditure of funds.