

Annual Budget

The annual budget is the financial plan for the operation of the school system. It provides the framework for both expenditures and revenues for the year and future years and translates into financial terms the educational programs and priorities of the district.

Three-year budget forecast

The superintendent or designee is directed to put thought into the budget three years into the future, looking at the financial viability of the district and achievement of the district's objectives and taking into account future revenue, including tax and non-tax revenue, and future increases in operating expenses.

Budget process

Public school budgeting is regulated and controlled by statutes and by requirements of the State Board of Education that prescribe the form of district budgets in order to ensure uniformity throughout the state.

The budget shall be presented in a summary format that is understandable by any layperson. The budget format shall itemize expenditures of the district by fund and by student. It shall describe the expenditure and show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year. When budgeting for any enterprise funds, the district shall use the full accrual basis of accounting. The budget shall summarize revenues by revenue source and expenditures by function, fund and object.

The budget shall include a uniform summary sheet for each fund administered by the district that details the beginning fund balance and anticipated ending fund balance for the budget year; the anticipated fund revenues for the budget year; the anticipated transfers and allocations that will occur to and from the fund during the budget year; the anticipated expenditures that will be made from the fund during the budget year; and the amount of reserves in the fund.

The budget also shall disclose planned compliance with spending limitations outlined in Article X, Section 20, of the Colorado Constitution, including holding TABOR reserve funds in an unrestricted general fund or in cash funds.

The Board assigns to the superintendent overall responsibility for budget preparation, budget presentation and budget administration. The superintendent shall have the authority to delegate portions of this responsibility to the district bookkeeper.

The budget prepared and presented by the superintendent shall be consistent with the budget priorities of the Board as established in policy DBD.

Operating reserve

Maintaining a fiscal year-end fund balance as an operating reserve in the general fund is a beneficial and sound financial management practice. The Board of Education assigns to the superintendent or designee the responsibility of accumulating and maintaining a general fund balance amounting to 15% of the district's current fiscal year adopted budget as an operating reserve. This amount will be in excess of the emergency reserve required by Article X, Section 20 of the Colorado Constitution (TABOR).

The operating reserve is intended to serve as a "rainy day" fund and will be used only for an unexpected loss of revenue or an extraordinary expenditure. Expenditures from this reserve shall be reported to the Board.

If any part of the operating reserve is used in any fiscal year to cover an unexpected loss of revenue or an extraordinary expenditure, funds will be reallocated to restore the year-end fund balance in the operating reserve before any other budget allocations in the subsequent fiscal year, unless the Board of Education approves otherwise.

Capital reserve

Adopted: January 17, 1973

Revised: October 1989

Revised: October 20, 1993

Revised: November 16, 1994

Revised and recoded: May 18, 2011

Revised: June 15, 2011

LEGAL REFS.:

C.R.S. 22-11-302 (1)(a) *(district accountability committee budget recommendations)*

C.R.S. 22-11-402 (1)(a) *(school level accountability committee budget recommendations)*

C.R.S. 22-32-109 (1)(b)

C.R.S. 22-44-101 thorough 117 *(school district budget law, Board shall cause a proposed budget to be prepared and shall adopt a budget for each fiscal year)*

C.R.S. 22-44-106 *(operating reserve)*

C.R.S. 22-44-301 *et seq. (Public School financial Transparency Act)*

C.R.S. 22-44-103 (1)(c) *(authorized expenditures from capital reserve fund)*

C.R.S. 29-1-103 *(budget to reflect lease-purchase payment obligations)*

CROSS REF.:

DAB*, Financial Administration

DB subcodes, *(all related to the budget)*

Big Sandy School District 100-J, Simla, Colorado