



**MAHTOMEDI  
PUBLIC SCHOOLS**



**Mahtomedi**  
Public Schools  
Engage, Challenge & Inspire

Revised: ~~XXXX~~, 7/13/17; 1/7/2016 (MSBA Policy Review)

Adopted: 3/13/2008

## **701 - ESTABLISHMENT AND ADOPTION OF SCHOOL DISTRICT BUDGET**

### **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**

It is the policy of this school district 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. REQUIREMENTS**

- A. The superintendent or such other school official as designated by the superintendent or the school board shall each year prepare preliminary revenue and expenditure budgets for review by the school board or its designated committee or committees. ~~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. When projected expenditures exceed projected revenues, the school board may consider use of any available fund balance, if one exists.~~
- B. ~~The school district must maintain separate accounts to identify revenues and expenditures for each building.~~ Expenditures shall be reported in compliance with Minnesota Statute § 123B.76.
- C. Prior to July 1 of each year, the school board ~~shall~~ must approve and adopt its ~~initial~~ revenue and expenditure budgets for the next school year. The ~~adopted-expenditure~~ budget document ~~shall~~ so adopted must be considered the ~~school board's~~ expenditure

~~authorizing or appropriations document authorization for that school year.~~ No funds ~~may- shall~~ 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- must~~ 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 Commissioner of the Minnesota Department of Education (Commission) within one week of the acceptance of the final audit by the school board, or November 30, whichever is earlier. A statement ~~shall- must~~ 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. ~~These budgets, reports of revenue, expenditures, and fund balances must be published either in a newspaper of general circulation in the school district or on the school district's official website. If published on the school district's official website, the school district must also publish an announcement in a qualified newspaper of general circulation in the school district that includes the Internet address where the information has been posted.~~ At the same time as this publication, the school district shall publish the other information required by Minnesota Statute § 123B.10.
- E. At the public hearing on the adoption of the school district's proposed property tax levy, the school board shall review its current budget and the proposed property taxes payable in the following calendar year.
- F. The school district must also post the materials specified in Paragraph III.D. above in a conspicuous place 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, and publish a summary of information and the address of the school district's website where the information can be found in a qualified newspaper of general circulation in the district.

#### 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 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. Supplies and capital equipment can be ordered prior to 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 school year may not be encumbered prior to budget adoption unless specifically approved by the school board.
- E. The school district shall make such reports to the Commissioner as required relating to initial allocations of revenue, reallocations of revenue and expenditures of funds.

**Legal References:** Minn. Stat. § 123B.76 (Expenditures; Reporting)  
Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)  
Minn. Stat. § 123B.10 (Publication of Financial Information)  
Minn. Stat. § 275.065 (Truth in Taxation; Proposed Property Taxes; Notice)

**Cross References:** MSBA/MASA Model Policy 701.1 (Modification of School District Budget)  
MSBA/MASA Model Policy 702 (Accounting)  
MSBA Service Manual, Chapter 7, Education Funding