

*Document Status: Draft Update*

**OPERATIONAL SERVICES**

**4:10 Fiscal and Business Management**

The Superintendent or designee is responsible for the School District's fiscal and business management. This responsibility includes annually preparing and presenting the District's statement of affairs to the Board of Education and publishing it before December 1 as required by State law.

The Superintendent or designee shall ensure the efficient and cost-effective operation of the District's business management using computers, computer software, data management, communication systems, and electronic networks, including electronic mail, the Internet, and security systems. Each person using the District's electronic network shall complete an *Authorization for Access to the District's Electronic Network*.

The budget shall be designed to carry out District operations in a thorough and effective manner, maintain District facilities property, and honor continuing obligations of the Board.

Budget Planning

The District's operation and educational plan is reflected in its budgets. The District's fiscal year is from July 1 until June 30. The Superintendent or designee shall present to the Board, June or July, a tentative budget with appropriate explanation. This budget shall represent the culmination of an ongoing process of planning for the fiscal support needed for the District's educational program. The District's budget shall be entered upon the Ill. State Board of Education's (ISBE) *School District Budget Form*. To the extent possible, the tentative budget shall be balanced as defined by ISBE guidelines. The Superintendent or designee shall complete a tentative deficit reduction plan if one is required by ISBE guidelines.

Preliminary Adoption Procedures

After receiving the Superintendent's or designee proposed budget, the Board

sets the date, place, and time for:

1. A public hearing on the proposed budget, and
2. The proposed budget to be available to the public for inspection.

The Board Secretary shall arrange to publish a notice in a local newspaper stating the date, place, and time of the proposed budget's availability for public inspection and the public hearing. The proposed budget shall be available for public inspection at least 30 days before the time of the budget hearing.

At the public hearing, the proposed budget shall be reviewed, including the cash reserve balance of all funds held by the District related to its operational levy and, if applicable, any obligations secured by those funds, [PRESSPlus1](#) and the public shall be invited to comment, question, or advise the Board.

### Final Adoption Procedures

The Board adopts a budget before the end of the first quarter of each fiscal year, September 30, or by such alternative procedure as State law may define. To the extent possible, the budget shall be balanced as defined by ISBE; if not balanced, the Board will adopt a deficit reduction plan to balance the District's budget within three years according to ISBE requirements.

The Board adopts the budget by roll call vote. The budget resolution shall be incorporated into the meeting's official minutes. Board members' names voting *yea* and *nay* shall be recorded in the minutes. Once adopted, the budget deserves the support of all members of the Board regardless of their position before its adoption.

The Superintendent or designee shall perform each of the following:

1. Post the District's final annual budget, itemized by receipts and expenditures, on the District's Internet website; notify parents/guardians that it is posted and provide the website's address.
2. Unrestricted reserves in the operating funds shall be maintained at a level equal to 30.0% of the operating budget. (The operating budget is composed of the education, operations & maintenance, transportation, retirement, tort immunity and the working cash fund.)
3. The budget shall first provide for staff and operating expenses to meet projected changes in student enrollment and mandated programs.
4. The budget shall reflect the Board's desire to maintain a level tax rate-when possible.

5. The budget shall reflect the Board's desire to maintain debt within the limits defined in the Illinois School Code.
6. The budget shall reflect the Board's desire to maintain safe and operationally sound facilities.
7. The budget shall anticipate compliance with all applicable governmental and legal obligations of the District.
8. The budget shall include a contingency for variable and unanticipated costs.
9. The administrative team shall in connection with the preliminary budget identify potential efficiencies and inter-building, interdepartmental and district wide coordination or from building or district programs or other organizational restructuring initiatives.
10. File a certified copy of the budget resolution and an estimate of revenues by source anticipated to be received in the following fiscal year, certified by the District's Chief Fiscal Officer, with the County Clerk within 30 days of the budget's adoption.
11. Ensure disclosure to the public of the cash reserve balance of all funds held by the district related to its operational levy and, if applicable, any obligations secured by those funds, at the public hearing at which the Board certifies its operational levy. [PRESSPlus2](#)
12. Make all preparations necessary for the Board to timely file its Certificate of Tax Levy, including preparations to comply with the Truth in Taxation Act; file the Certificate of Tax Levy with the County Clerk on or before the last Tuesday in December. The Certificate lists the amount of property tax money to be provided for the various funds in the budget.
13. Submit the annual budget, a deficit reduction plan if one is required by ISBE guidelines, and other financial information to ISBE according to its requirements.

Any amendments to the budget or Certificate of Tax Levy shall be made as provided in the School Code and Truth in Taxation Act.

### Budget Amendments

The Board may amend the budget by the same procedure as provided for in the original adoption.

### Implementation

The Superintendent or designee shall implement the District's budget and provide the Board with a monthly financial report that includes all deficit fund

balances. The amount budgeted as the expenditure in each fund is the maximum amount that may be expended for that category, except when a transfer of funds is authorized by the Board.

The Board shall act on all interfund loans, interfund transfers, intrafund transfers that exceed \$15,000, and transfers from the working cash fund or abatements of it, if one exists. The Board places the responsibility of administering the budget, once adopted, with the Superintendent or designee. S/He will consult with the Board concerning the budget as required by law, and shall keep the Board informed as to problems or concerns as the budget is being implemented.

#### LEGAL REF.:

105 ILCS 5/10-17, 5/10-22.33, 5/17-1, 5/17-1.2, 5/17-1.3, 5/17-2A, 5/17-3.2, 5/17-11, 5/20-5, 5/20-8, and 5/20-10.

35 ILCS 200/18-55 et seq., Truth in Taxation Law.

[23 Ill.Admin.Code Part 100](#).

CROSS REF.: 4:20 (Fund Balances), 4:40 (Incurring Debt), 4:60 (Purchases and Contracts), 6:235 (Access to Electronic Networks)

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#### **PRESSPlus Comments**

PRESSPlus 1. Updated in response to 105 ILCS 5/17-1.3, added by P.A. 102-895, requiring districts to disclose this cash reserve balance information “at the public hearing at which the district certifies its budget and levy for the taxable year.” The statute does not specify the manner in which the disclosure must be made; for ease of administration, the added text manages disclosure at the budget hearing by including it in the budget review. To provide evidence of compliance, consider as a best practice recording this disclosure in the board meeting minutes and/or presenting it in writing. The term *operational levy* is not defined in the statute, but it may refer to a district’s *operating funds*, which Ill. State Board of Education rules define as the Educational, Operations and Maintenance, Transportation, and Working Cash funds. 23 Ill. Admin.Code §100.20. Consult the board attorney for guidance. **Issue 110, October 2022**

PRESSPlus 2. Required by 105 ILCS 5/17-1.3, added by P.A. 102-895.

Consult the board attorney about the meaning of the *public hearing* for the levy and if the disclosure must always be made at the board meeting at which the board certifies the district's levy, or only in those instances where notice and a *public hearing* are required by the Truth in Taxation Law. 35 ILCS 200/18-70. Similar to the disclosure of cash reserves made at the budget hearing, a district may want to manage compliance for the levy hearing by incorporating the information into the presentation of the levy at the board meeting. **Issue 110, October 2022**