

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 objectives of the district.

Multi-year budget plan

The superintendent or designee shall develop, subject to annual approval by the Board, a multi-year budget plan that assures the future financial viability of the district and achievement of the district's objectives and takes 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 prescribes 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 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 superintendent shall be responsible for annual budget preparation, budget presentation and budget administration. As part of the superintendent's budget responsibility, the superintendent shall cause to be prepared a budget preparation calendar that shall ensure that all deadlines established by law for budget presentation, hearings and adoption and for certification of amounts to be raised by school tax levies are met by the school district. The budget calendar shall take into consideration the possible need to submit a request to raise additional local revenue to a vote by the district's electorate. The superintendent shall have authority to delegate portions of his or her budget responsibility to the chief financial officer of the district.

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

Year-end general fund balance

Maintaining a fiscal year-end general fund balance 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 20% of the district's current fiscal year adopted budget. This amount will be in excess of the emergency reserve required by Article X, Section 20 of the Colorado Constitution (Taxpayer's Bill of Rights). The 20% year-end general fund balance will be used only for unusual circumstances, which must be communicated in advance to the Board. If any part of the year-end general fund balance is used in any fiscal year to cover an unexpected loss of revenue or an extraordinary expenditure, those funds will be reallocated to fulfill the 25% required year-end general fund balance before any other budget allocations in the subsequent fiscal year, unless the Board of Education approves otherwise.

Capital Expenditure Allocation

Beginning with the fiscal year 2009-2010, the Colorado Department of Education no longer required funds to be set aside in a separate Capital Reserve Fund. Any capital expenditures that are planned in budget years after 2009- 2010, can be maintained in a separate special revenue fund or can be designated with in the General Fund. Capital- related expenditures are allowed for: (1) acquisition of land, improvements, buildings, equipment, and furnishings and construction of new facilities and additions to existing facilities; (2) alterations and improvements to existing structures; (3) acquisition of school buses and certain other equipment; (4) installment purchase or lease agreements; and (5) software licensing agreements. In order for any expenditure to qualify as a "capital expenditure," an individual item must cost at least \$1,000 and any given project must cost at least \$2,500.

Since the Board of Education believes maintaining capital assets is important and vital, the Board has elected to account for any allocate capital expenditures within the General Fund in designated capital expenditure line items. As a result, in each budget year commencing with the 2011-2012 the Board will set aside capital expenditures funds in these designated line items. The Colorado Department of Education no longer requires school districts to allocate a minimum of \$292 per student for capital related expenditures or insurance needs. Consequently, the Board may determine the amount of funding that it desires to set aside for capital related expenditures. In order to ensure these funds are available for only capital related expenditures, no changes to these designated line may be made after the Board approves and adopts the fiscal without the approval of the Board.

Adopted by the Board: December 14, 1994

Revised by the Board and recorded: December. 2005

Revised by the Board: May 24, 2011

LEGAL REFS.: C.R.S. 22-7-205 and 207 (*school level accountability committee recommendations*)

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

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

C. RS. 29-1-103 (3) (*budget to reflect lease-purchase payment obligations*)

CROSS REFS.:

Administration policies:

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

Board policies:

EL-4; Communication and Counsel to the Board

EL-5, Commitment to Accomplishment and Accountability

EL-15, Budgeting

EL-16, Financial Administration