

**701 ESTABLISHMENT AND ADOPTION OF CHARTER SCHOOL BUDGET**

*[Note: The provisions of this policy substantially reflect the requirements of Minnesota Statutes.]*

**I. PURPOSE**

The purpose of this policy is to establish lines of authority and procedures for the establishment of the charter school's revenue and expenditure budgets.

**II. GENERAL STATEMENT OF POLICY**

It is the policy of this charter school 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 charter school.

**III. REQUIREMENT**

- A. 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 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.
- B. 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.
- C. Each year, the charter school shall 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 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 in detail may be inspected upon request to the school director. These budgets, reports of revenue,

expenditures, and fund balances may be published in a newspaper of general circulation in the attendance area of the charter school and must be published in a prominent place on the charter school's official website, including a link to the charter school's school report card on the Minnesota Department of Education's website. At the same time as this publication, the charter school shall publish the other information required by Minn. Stat. § 123B.10.

#### **IV. IMPLEMENTATION**

- A. 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.
- 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 school director or the school director'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 charter school 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.10 (Publication of Financial Information)  
Minn. Stat. § 123B.76 (Expenditures; Reporting)  
Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)  
Minn. Stat. § 126C.23 (Allocation of General Education Revenue)

**Cross References:** MSBA/MASA Model Policy 701.1 (Modification of School District Budget)  
MSBA/MASA Model Policy 702 (Accounting)

**Green Isle Community School Policy 701**  
**Independent Charter School District #4144**  
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**GICS 701, based on**  
**MSBA/MASA Model Policy 701**  
**Orig. 2009**

MSBA Service Manual, Chapter 7, Education Funding