

CSBA Sample

Administrative Regulation

Budget

AR 3100

Business and Noninstructional Operations

Budget Advisory Committee

The Budget Advisory Committee's duties may include, but are not necessarily limited to:

1. Making recommendations regarding budget priorities which align with the district's vision, goals, priorities, local control and accountability plan (LCAP), and other comprehensive plans
2. Recommending cost reduction strategies, such as identifying services that may be reduced, made more efficient, or discontinued
3. Reviewing the clarity and effectiveness of budget documents and communications
4. Presenting progress reports on the committee's work and a final report of recommendations to the Superintendent or designee and to the Board

The specific duties of the committee shall be clearly defined and presented to each member in writing, along with any background information necessary for the successful completion of the committee's charges, the timelines for reporting the committee's progress, and timelines for completion of each task.

(cf. 3350 - Travel Expenses)

Board Budget Subcommittee

The Board Budget Subcommittee (BBS) shall be governed by the BBS Bylaws that are approved by the Board of Trustees.

Public Hearing

The agenda for the public hearing on the district budget shall be posted at least 72 hours before the hearing and shall indicate the location where the budget may be inspected. The proposed budget shall be available for public inspection at least three working days before this hearing. (Education Code 42103, 42127, 52062)

(cf. 0460 - Local Control and Accountability Plan)

(cf. 9320 - Meetings and Notices)

(cf. 9322 - Agenda/Meeting Materials)

The Superintendent or designee shall notify the County Superintendent of Schools of the location and dates at which the proposed budget may be inspected, as well as the location, date, and time of the public hearing, in sufficient time for the County Superintendent to publish such information in a newspaper of general circulation at least 10 days but not more than 45 days before the hearing, as required by Education Code 42103.

Whenever the proposed district budget includes a combined assigned and unassigned ending fund balance that exceeds the minimum recommended reserve for economic uncertainties adopted by the State Board of Education, the district shall provide, for each fiscal year included in the budget, the following information for public review and discussion at the public hearing: (Education Code 42127; 5 CCR 15450)

1. The minimum recommended reserve for economic uncertainties
2. The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve
3. A statement of reasons substantiating the need for the combined assigned and unassigned ending balances that are in excess of the minimum recommended reserve

During the hearing, any district resident may appear and object to the proposed budget or to any item in the budget. The hearing may conclude when all residents who have requested to be heard have had the opportunity to speak. (Education Code 42103)

(cf. 9323 - Meeting Conduct)

Fund Balance

Fund Balance Policy

The District hereby establishes and will maintain reservations of Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Policy shall only apply to the District's governmental funds. Fund Balance shall be composed of nonspendable, restricted, committed, assigned and unassigned amounts.

Fund Balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the District, in accordance with policies established by the Board of Trustees.

Definitions

1. Fund Balance - The difference between assets and fund liabilities in the governmental funds balance sheet and is referred to as fund equity.

2. Non-Spendable Fund Balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (principal of an endowment fund, for example).
3. Restricted Fund Balance - Amounts that can be spent only for the specific purposes stipulated by external resource providers (such as grantors), or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
4. Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board of Trustees taking the same formal action that imposed the constraint originally.
5. Assigned Fund Balance - Amounts set aside with the intent to be used for a specific purpose by the Board of Trustees or by an official given the authority to assign funds (the CBO).
6. Unassigned Fund Balance - The residual classification for the general fund and includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose.

Classification of Fund Balance

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first.

When expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

The fund balances of the District's governmental funds include but are not limited to:

Nonspendable Fund Balance

Stores. The stores fund balance is established to indicate those amounts relating to inventories that are not in spendable form.

Prepaid and Revolving Cash. The prepaid and revolving cash fund balance is established to indicate those amounts relating to prepaids and deposits that are not in spendable form.

Restricted Fund Balance

Encumbrances

The District encumbers funds associated with a purchase order which is evidence of a contract by third party restriction.

Committed Fund Balance

The Board of Trustees hereby establishes the following committed fund balance:

1. **Deferred Maintenance.** The District has elected to continue the use of the Deferred Maintenance Fund 14 and transfer state apportionments into the fund. Expenditures are also authorized according to the five-year plan that will be presented to the Board annually, and may be made with appropriate approval.

Assigned Fund Balance

2. **Carryovers**

The carryover fund balance is identified by the Chief Business Official (CBO) at the close of each fiscal year, subject to approval of Board of Trustees, and is comprised of the district and departmental/site carryovers.

District Carryover - funds identified in the annual budget (and any revisions thereto) to provide for differences, if any, between budgeted revenues and expenditures.

Departmental/Site Carryover - funds for which appropriations have been made in previous fiscal years that have been approved by the CBO to be carried forward to subsequent fiscal years, subject to Board of Trustees or designee for approval

3. **OPEB Obligation**

The District has elected to assign funds needed to meet its future retiree health benefit obligation within its Special Reserve Fund 17.

Authority to Assign

The Superintendent or designee shall have authority to assign amounts of fund balance to a specific purpose; however, before expenditure, amounts must be appropriated by the Board of Trustees.

Annual Review and Determination of Fund Balance Reserve Amounts

At the end of the fiscal year, the District will commit up to 20% of the unassigned balance to the designated reserve for economic uncertainties. This will happen annually until the designated reserve for economic uncertainties reaches an additional 6% (6% above the legally required reserve for economic uncertainties).

Funds can be transferred from the designated reserve for economic uncertainties by action taken by a super majority of the Board of Trustees, but shall never drop below the minimum required amount of 3%.

Compliance with the provisions of this policy shall be reviewed, presented and discussed as part of the Unaudited Actuals Financial Reporting process. Specifically, annually in September when the Unaudited Actuals are presented to the Board of Trustees, the Administration shall detail the amount equivalent to 20%, and shall formally recommend the additional reserve for implementation at the First Interim Reporting period due in December of the same year. The amounts of nonspendable, restricted, committed, assigned and unassigned fund balances shall also be reported.