I. PURPOSE

This policy outlines the characteristics of and method of preparation, adoption, review, and amendment of the budget of Athlos Academy of St. Cloud.

II. POLICY

A. Annual Operating Budget

1. The governing board shall approve an annual budget for the general fund and each special revenue fund for the fiscal year July 1 to June 30, no later than June fifteenth of each year.
2. The revenues shall be those normally expected from constitutional, statutory, and regular sources and shall not include probable revenues that may arise from doubtful or contingent sources.
3. The revenues and expenditures in the budget shall be listed and classified in such manner and substance as shall be prescribed by the State Superintendent of Education, and shall detail as nearly as possible the several items of expected revenues and expenditures.
4. No budget shall be approved where expenditures exceed the expected means of financing.
5. No budget shall be approved that results in a minimum unassigned fund balance below the thresholds outlined in Policy 7107 – Fund Balance.
6. If over course of the fiscal year it becomes evident that revenues or expenditures will vary substantially from those budgeted, then the School Board shall prepare and adopt an amended budget as outlined in Subsection E.

B. Budget Preparation

1. Budgets shall be prepared on the same basis of accounting as that used in the financial statements.
2. The accounts of the Board shall be organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with separate sets of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.
3. The presentation of the budget shall include fund balances, revenues, expenditures and other financing sources/uses.

C. Budget Adoption
1. All budgets will be sent to the finance committee for development and review prior to being presented to the full board.

2. All action necessary to adopt the budget shall be taken in open meeting with a simple majority of the Board voting in favor of the proposed resolution and/or revisions.

D. Budget Review

1. The budget shall be reviewed at monthly board meetings and such financial reports as the Board directs shall be prepared and presented to the Board by the Director of School Finance.

E. Budget Changes

1. The Governing Board authorizes the School Leader, with the guidance of the Director of School Finance, to reconcile and/or to recommend changes in the budget during the fiscal year.

2. The School Leader is authorized by the Governing Board, in his/her sole discretion, to reallocate funds within budgetary categories so long as the reallocation does not affect ten percent or more of the projected expenditure in that category.

3. Reallocations of funds exceeding ten percent of the projected expenditure in that category must be approved by the Governing Board at a duly noticed and convened meeting.

4. If receipts from any unexpected sources are realized or receipts exceed ten percent of the expected revenues, an amended budget must be approved by the Governing Board at a duly noticed and convened meeting prior to the expenditure of those funds.

5. The School Leader shall advise the School Board in writing when:

   a. Revenue collections plus projected revenue collections for the remainder of the year, within a fund, are failing to meet estimated annual budgeted revenues by ten percent (10%) or more;
   b. Actual expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding the estimated budgeted expenditures by ten percent (10%) or more; or
   c. The actual beginning fund balance, within a fund, fails to meet the estimated beginning fund balance by ten percent 105%) or more, and the fund balance is being used to fund current year expenditures.
6. Upon receipt of such notification, the finance committee shall recommend for adoption an amended budget at the next regular board meeting following a meeting of the finance committee.

7. All action necessary to revise the budget shall be taken in open meeting with a simple majority of the Board voting in favor of the proposed resolution and/or revisions.

8. In no event shall a budget amendment be adopted proposing expenditures which exceed the total estimated funds available for the fiscal year.

9. No officer of the board shall utilize any loan or line of credit beyond the amount authorized by the adopted budget.

Legal References:
Minn. Stat. 123B.77 (Accounting, Budgeting, and Reporting Requirement)