

Section: Fiscal Management

Title: Annual Budget

Number: DB - Critical

Legal Refs: §§ 67.010 - .110, 165.016, .021, .051, .091, .131, RSMo.
Mo. Const., Art. VI, § 26
Mercantile Bank of Illinois v. School District of Osceola, 834 S.W. 2d 737
(Mo. banc 1992)

Adopted: January 27, 1994

Last Revised: May 11, 2023

One of the board's primary responsibilities is to secure adequate funds to conduct a quality education program in the district. The annual district budget represents a written document presenting the board's plan for allocation of the available financial resources into an explicit expenditure plan to sustain and improve the educational function of the school district and promote each student's academic success and well-being in accordance with priorities established in the Continuous School Improvement Plan (CSIP). The annual budget is a legal document describing the programs to be conducted during the fiscal year and is the basis for the establishment of tax rates for the district. The fiscal year is defined as beginning annually on the first day of July and ending on the thirtieth day of June following.

Budget Planning and Adoption

Budget planning and preparation is a continuing process that must involve individuals who have knowledge of the educational needs of the community and who can provide accurate data about the financial potential of the district. Members of the board, citizens, students and professional and support staff members should be involved in the planning process, which culminates in the preparation of the budget document. The superintendent will establish procedures to seek input on budgetary needs from the appropriate people.

The board designates the superintendent to serve as the district's budget officer. The budget officer will direct budget planning and preparation. When creating the budget, the budget officer will consider the priorities established by the board and seek input from appropriate individuals about the needs of the district. The budget must include prudent fund balance positions. The budget officer will present to the board a tentative budget proposal for the following year no later than June 1 unless sufficient financial information is not available at that time to propose even a tentative budget. The budget officer will make revisions as directed by the board and will present the final budget proposal to the board for approval before the new fiscal year begins, as provided by law.

The board may revise the proposed budget prior to adoption and may make additional revisions as necessary throughout the year. Should the adopted budget

require an increase in the tax levy above the level the board is authorized to set, the tax levy increase shall be presented to the voters for approval. The budget shall be appropriately adjusted if the voters fail to pass the tax levy increase.

Budget Components

The annual budget document shall present a completed financial plan for the ensuing fiscal year and shall include at least the following statutory requirements:

- A budget message describing the important features of the budget and major changes from the preceding year.
- Estimated revenues to be received from all sources for the fiscal year, with a comparative statement of actual or estimated revenues for the two (2) years next preceding, itemized by year, fund and source.
- Proposed expenditures for each department, office and other classification for the fiscal year, with a comparative statement of actual or estimated expenditures for the two (2) years preceding, itemized by year, fund, activity and object.
- The amount required for the payment of interest, amortization and redemption charges on the debt of the school district.
- A general budget summary.

Budget Expenditures

In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the fiscal year. Upon the recommendation of the superintendent, the board will approve a system of internal accounting to ensure proper financial accounting of revenues and expenditures.

The adopted budget of the Park Hill School District serves as the control to direct and limit expenditures in the district. Overall responsibility for assuring control rests with the superintendent, who will establish procedures for budget control and reporting throughout the district.

The total amounts that may be expended during the fiscal year for the operation of the school district are set forth in the budget. The total budgeted expenditure for each fund is the maximum amount that may be expended for that classification of expenditures during the school year unless a budget transfer is recommended by the superintendent and is approved by the board.

The board will review the financial condition of the district monthly and shall require the superintendent to prepare a monthly reconciliation statement. This statement will show the amount expended during the month, total (to date) for the fiscal year,

receipts and remaining balances in each fund. This statement will be used as a guide for projected purchasing and as a guide for budget transfers.

During the fiscal year the superintendent or designee may transfer any unencumbered balance or portion thereof from the expenditure authorization of one fund to another, subject to limitations provided by state laws and approval by the board.

All moneys received by the school district shall be disbursed only for the purposes for which they are levied, collected or received.

Title I Comparability

Federal law requires districts to ensure that schools that receive Title I funds receive the same level of services and resources from state and local funds as schools that do not receive Title I funds. If the district has school buildings with more than 100 students and more than one building for each grade span, the district is required to annually conduct a comparability study between buildings that receive Title I funds and have more than 100 students and buildings that do not receive Title I funds and have more than 100 students. If all the district's schools receive Title I funds, the district must determine that services are, taken as a whole, substantially comparable in each school. The district may meet these requirements by comparing either grade spans or schools. The district will establish comparability by ensuring:

1. That it has adopted a districtwide salary schedule;
2. Equivalence among schools in teachers, administrators and other staff; and
3. Equivalence among schools in the provision of curriculum materials and instructional supplies.

Alternatively, the superintendent or designee will complete an annual comparability study using the procedures and forms provided by the Department of Elementary and Secondary Education (DESE). If the superintendent or designee determines that services and resources are not comparable, the superintendent will notify the board and take steps to rectify the situation. The data collected and compiled in the determination of comparability will be retained in accordance with the Public School Records Retention Schedule. The district will provide DESE with the appropriate assurances that the district is in compliance with the federal law.

Park Hill School District, Platte County, MO