

## ANNUAL BUDGET

One of the primary responsibilities of the Board of Education is to secure adequate funds to conduct a quality program of education in the school district. The annual district budget is a written document presenting the Board's plan for allocation of the available financial resources to sustain and improve the educational function of the school district. It 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.

### **Budget Planning and Adoption**

The planning and preparation of the budget is a continuing process. It must involve a number of people who have knowledge of the educational needs of the community and who can provide accurate data in regard to 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 that seek input from the appropriate people on budgetary needs and that consider the priorities established by the Board.

The Board designates the superintendent to serve as the budget officer of the district. As budget officer, the superintendent will direct the planning and preparation of the budget and will submit it to the Board for approval. Before creating the budget, the superintendent will consider the priorities established by the Board and seek input from appropriate persons regarding the needs of the district. The superintendent 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 superintendent will make revisions as directed by the Board and will present the final budget proposal 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 authorized level that the Board may levy, 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. The Board will conduct at least one public hearing regarding the proposed budget and taxation rate.

### **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:

1. A budget message describing the important features of the budget and major changes from the preceding year.

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2. Estimated revenues to be received from all sources for the fiscal year, with a comparative statement of actual or estimated revenues for the two years immediately preceding, itemized by year, fund and source.
3. Proposed expenditures for each department, office and other classification for the budget year, together with a comparative statement of actual or estimated expenditures for the two years immediately preceding, itemized by year, fund, activity and object.
4. The amount required for the payment of interest, amortization and redemption charges on the debt of the school district.
5. 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 Phelps Co. R-III School District, Edgar Springs, Missouri 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. All moneys received by the school district shall be disbursed only for the purposes for which they are levied, collected or received.

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 program 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 approved by the Board. During the fiscal year the superintendent may transfer any unencumbered balance or portion thereof from the expenditure authorization of one account to another, subject to limitations provided by state laws and approval 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 budget transfers.

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***Note: The reader is encouraged to check the index located at the beginning of this section for other pertinent policies and to review administrative procedures and/or forms for related information.***

Adopted:

Revised:

Cross Refs: CGC, State and Federal Programs Administration  
ECB, Building and Grounds Maintenance

Legal Refs: Mo. Const., art. VI, ' 26  
' ' 67.010 - .110, 165.021, .051, .091, .131, RSMo.  
*Mercantile Bank of Illinois v. School Dist. of Osceola*, 834 S.W.2d 737 (Mo. 1992)

Phelps Co. R-III School District, Edgar Springs, Missouri