

Title: **Budgeting**

Effective Date: 8/8/17

References: Utah Administrative Code, R277-425, Budgeting, Accounting, and Auditing for Utah Local Education Agencies (LEAs)

Purpose

This policy is to establish the Board of Directors' authority and responsibility for budgeting, the process for creating, approving, and amending budgets, and reporting requirements.

Policy

1. **Annual Budget.** Annually, the Director shall prepare an annual operating budget of revenues and expenses on the modified accrual basis of accounting and a projected statement of cash flows by month for the following fiscal year.
2. **Approval and Modification.** The proposed budget and cash flow projection shall be presented to the Board of Directors for review and approval and modified, as necessary, through the end of the fiscal year.
3. **Director's Authority.** The Director shall have the authority to modify individual budget line items within the same Function¹ and Object² codes without the prior approval of the Board.
4. **Reporting.** Financial statements displaying budget vs. actual results are prepared by the Business Administrator, reviewed by the Treasurer, and presented to the Board of Directors at monthly board meetings.

The Business Administrator shall ensure that all required submissions of budget and actual data to third parties shall be made accurately and timely.

5. IEA Administration shall implement guidelines and procedures for the initiation, review, and approval of budget information, including department and program budgets, as necessary.

For Reference Only

¹ Function Codes are used to describe the activity for which a service or commodity is acquired. Examples of Function Codes are Instruction, Support Services – Students, Support Services – Administration, Operation & Maintenance of Facilities, and Food Services. See *Financial Accounting for Local and State School Systems*, 2014 Edition, National Center for Education Statistics (NCES); <https://schools.utah.gov/financialoperations/reporting>.

² Object Codes are used to describe the service or commodity obtained as the result of a specific expenditure. Examples of Object Codes are Salaries – Superintendent, Salaries – Teachers, Salaries – Substitute Teachers, Official/Administrative Services, Purchased Legal Services, Utility Services, Insurance, Advertising, General Supplies, and Software. See *Financial Accounting for Local and State School Systems*, 2014 Edition, National Center for Education Statistics (NCES); <https://schools.utah.gov/financialoperations/reporting>.

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