

Adopted: 8/17/2020

Revised: 4/2024

**NASHASHKOLA POLICY 7.12
ESTABLISHMENT AND ADOPTION OF CHARTER SCHOOL BUDGET**

[Note: The provisions of this policy substantially reflect the requirements of Minnesota Statutes.]

I. PURPOSE

The purpose of this policy is to establish lines of authority and procedures for the establishment of the charter school's revenue and expenditure budgets. This policy will establish a 15% end of the school year fund balance as a goal for **Nasha Shkola Charter School**.

II. GENERAL STATEMENT OF POLICY

It is the policy of this charter school to establish its revenue and expenditure budgets in accordance with the applicable provisions of law. Budget planning is an integral part of program planning so that the annual budget will effectively express and implement school board goals and the priorities of the charter school.

III. REQUIREMENT

- A. Director and Financial Officer shall each year prepare preliminary revenue and expenditure budgets for review by the school board or Finance committee. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the school board and the public. The school board shall review the projected revenues and expenditures for the charter school for the next fiscal year and make such adjustments in the expenditure budget as necessary to carry out the education program within the revenues projected.
- B. Prior to the adoption of the initial budget for a school year, the Finance Committee must inform the Director the amount of general education and referendum revenue that will be generated by the pupils in attendance at that site. These estimates may be adjusted in accordance with law.
- C. The charter school must maintain separate accounts to identify revenues and expenditures for each building. Expenditures shall be reported in compliance with Minn. Stat. § 123B.76.
- D. Prior to July 1 of each year, the school board shall approve and adopt its initial revenue and expenditure budgets for the next school year. The adopted expenditure budget document shall be considered the school board's expenditure authorization

for that school year. No funds may be expended for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure for that year, or prior to the adoption of an amendment to that budget document by the school board to authorize that expenditure for that year.

- E. The charter school shall, prior to October 1 of each year, publish its adopted revenue and expenditure budgets for the current year, the actual revenues, expenditures and fund balances for the prior year, and the projected fund balances for the current year in a qualified newspaper of general circulation in the charter school. The publication shall be made in the form prescribed by the Commissioner. A statement shall be included in the publication that the complete budget in detail may be inspected by any resident of the charter school upon request to the superintendent. At the same time as this publication, the charter school shall publish the other information required by Minn. Stat. § 123B.10.
- F. **Nasha Shkola Charter School's** school board will support and approve the development of a 15% positive end of the year fund balance to be in effect attainable by the end of each school year, beginning in the school years 2020-2021. If the 15% balance is not attainable the director will work with the school board to inform, create, and or develop a plan to have the school reach the 15% positive end of the year fund balance or work towards achievement of this desired balance. Nasha Shkola Charter School's school board will give the school's finance committee oversight of this process and will be prepared to report back to the school board implementation of this process.

IV. IMPLEMENTATION

- A. The school board places the responsibility for administering the adopted budget with the director. The director may delegate duties related thereto to other school officials, but maintains the ultimate responsibility for this function.
- B. The program-oriented budgeting system will be supported by a program-oriented accounting structure organized and operated on a fund basis as provided for in Minnesota statutes through the Uniform Financial Accounting and Reporting Standards for Minnesota Charter schools (UFARS).
- C. The Director is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to school board approval.
- D. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the school board. If additional personnel are provided in the proposed budget, actual hiring may not occur until the budget is adopted unless otherwise approved by the school board. Other funds to be expended in a subsequent school year may not be encumbered prior to budget adoption unless specifically approved by the school board.
- E. The charter school shall make such reports to the Commissioner as required relating

to initial allocations of revenue, reallocations of revenue and expenditures of funds.

Legal References: Minn. Stat. § 123B.76 (Expenditures; Reporting)
Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)
Minn. Stat. § 123B.10 (Publication of Financial Information)
Minn. Stat. § 126C.23 (Allocation of General Education Revenue)
Minn. Stat. § 275.065 (Truth in Taxation; Proposed Property Taxes; Notice)

Cross References: MSBA/MASA Model Policy 701.1 (Modification of Charter school Budget)
MSBA/MASA Model Policy 702 (Accounting)
MSBA Service Manual, Chapter 7, Education Funding