

Policy Code: DC Budgeting and Fiscal Management

Descriptor Term:	Descriptor Code:	
BUDGETING AND FISCAL MANAGEMENT	DC	
Presented to the Board:	Adopted by the Board:	Revised by the Board:
January 13, 2004	March 9, 2004	

The Board of Education believes in sound financial planning to support the educational goals of the Board and the State and expects the Superintendent and the CFO to develop and maintain fiscal practices that are consistent with the Board's educational policies and goals, assure sound fiscal management and consider future fiscal impact. Financial planning for any fiscal year shall include multi-year planning and shall not deviate materially from the Board's stated goals and objectives or risk fiscal jeopardy.

It is the Superintendent's duty to present to the Board a recommended budget which:

1. Establishes priorities for the school district, recognizing that increasing student achievement is the Board's primary objective;
2. Is in a summary format understandable to the Board;
3. Adequately describes revenues and expenditures;
4. Shows the amount spent in each program or area for the most recently completed fiscal year, the amount budgeted for each program or area for the current fiscal year and the amount recommended for the next fiscal year;
5. Discloses budget planning assumptions;
6. Projects spending only those funds that are conservatively projected to be received during the year;
7. Preserves the District's fund balance to the extent practical;
8. Provides adequate and reasonable budget support for Board development and other governance priorities, including the costs of fiscal audits, Board and committee meetings, Board memberships and district legal fees;
9. Takes into consideration fiscal soundness in future years; and
10. Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits, environmental influences and market conditions.

The Board expects the Superintendent to submit a calendar for budget adoption annually.

Fiscal operations of the school system shall be managed in a responsible manner, according to generally accepted accounting principles (GAAP), and considering the position trust and confidence the public places in the Board to manage public funds.

With respect to the actual, ongoing condition of the district's financial health, the Superintendent shall operate the district without materially deviating from the annual budget or budget policy adopted by the Board. All purchases of services, equipment, materials and supplies will be made in accordance with all applicable laws and regulations, including Chapter 143 Article 8 of the North Carolina General Statutes. Except as otherwise required by law, the Board delegates to the Superintendent the authority to award contracts for services and the purchase of equipment, material and supplies in any amount, as long as the purchase is within the remaining funds in the allocated budget for the current fiscal year. The Superintendent may seek Board approval for certain expenditures. The purchasing officer and any additional staff deemed appropriate by the Superintendent will review submissions of bids, proposals or quotes to determine if they are responsive to the district's specifications, and will make recommendations to the Superintendent. The Superintendent or designee will award the contract based upon such recommendations or will make a recommendation to the Board for award of the contract by the Board in accordance with this policy. The Superintendent is directed by the Board to operate the District in accordance with the following principles:

1. Spend funds only when revenues are available to meet expenses or when the Board has designated fund balance to be spent for that purpose;
2. Avoid indebting the organization except as provided by law;
3. Settle payroll and debts in a timely manner;
4. In accordance with NCGS 143-129, obtain the approval of the Board of Education for the purchase of all contracted services of \$350,000 or more, for construction or repair contracts of \$500,000 or more.
5. Make any purchase only after:
 - a. exercising reasonable precaution against conflict of interest,
 - b. having considered comparative prices based on items of similar quality, and
 - c. considering a balance between long-term quality and cost.
6. Purchase supplies, equipment and/or materials only in accordance with the conditions outlined in [NCGS 115C-522.1](#)(Purchasing Flexibility);
7. Contract for construction or repair work only in accordance with the conditions outlined in [NCGS 143-129](#)(Procedure for Letting of Public Contracts).
8. Prepare and file all required reports in a timely and accurate manner;
9. Arrange for an annual audit in accordance with state law;
10. Pursue all receivables of the district in a financially responsible manner;
11. Keep complete and accurate financial records by funds and accounts in accordance with generally recognized principles of governmental accounting;
and
12. Prepare and publish an annual report.