

ACTION MEMORANDUM

TO: Board of Education

FROM: Ron Collier, Chief Financial Officer

SUBJECT: Spending Resolution for July 2020

Summary

Due to the COVID-19 pandemic, the Georgia legislature has not passed a budget for FY2021. Thus, the Department of Education QBE revenue numbers have not been given to school districts. Without these revenue numbers, it is not feasible for a FY2021 budget to be presented to and adopted by the Board of Education prior to July 1, 2020. In order to spend funds in July 2020, a spending resolution is requested authorizing the Superintendent to spend no more than 1/12th of the FY 2020 budget for all funds.

Background

School systems are required to follow the budget requirements set forth in O.C.G.A. §20-2-167(a)(5) and §20-2-167.1 Normally, school boards adopt budgets prior to the first day of the new fiscal year (i.e., July 1). However, there are instances when the school board is not able to adopt a budget by July 1. In these instances, there is no authorization for the Local Unit of Administration (LUA) to spend any funds in the next fiscal year until the budget is adopted formally. Legally, the LUA cannot operate without an approved budget, i.e., appropriation. Since the LUA is a "going concern," it obviously cannot "go out of business."

In order to continue operating when the school board cannot adopt a budget prior to July 1, it must adopt a "**spending resolution**," which authorizes the superintendent to spend funds in the new fiscal year until the budget is adopted. The "spending resolution" should be officially recorded in the Board minutes and be available for public inspection.

The amount that the Board authorizes to be expended in each "spending resolution" should not exceed one-twelfth of the prior year's final amended budget plus debt service and capital expenditures known to be due each month.

Recommendation

It is recommended that the Board of Education approves a spending resolution authorizing the Superintendent to spend an amount not to exceed 1/12th (\$35,059,946.00) of the final FY 2020 budget for all funds (\$420,719,356.00) in the month of July 2020.

Superintendent's Comments and Approval

<u>Superintendent's Comments</u>	
Dr. Curtis L. Jones, Jr.	Approved



**THE BOARD OF PUBLIC EDUCATION FOR BIBB COUNTY
SPENDING RESOLUTION FOR JULY 2020**

WHEREAS, the Bibb County School District for good and sufficient reason is unable to adopt a budget for the fiscal year beginning July 1, 2020 and ending June 30, 2021; and

WHEREAS, the public exigency is best served by authorizing the superintendent to continue to expend funds to continue operations.

NOW, THEREFORE, BE IT RESOLVED BY THAT the Superintendent may expend funds from all funds for the month of July 2020 not to exceed one-twelfth (1/12) of the final amended budget for all funds for the fiscal year ended June 30, 2020, plus debt service and capital expenditures known to be due in July.

SO ADOPTED AND APPROVED, this 18th day of June, 2020.

Daryl J. Morton, President of the Board
of Public Education for Bibb County

Dr. Curtis L. Jones, Jr., Superintendent
of Bibb County School District