

IVY PREPARATORY ACADEMY

Financial Policy

Annual Operating Budget

Purpose

This policy describes how the Ivy Preparatory Finance Office process for creating and adopting the Annual Operating Budget.

Policy

Each year before the annual operating budget is drafted the Head of Schools/Principal shall ensure that a needs assessment of the school is drafted and finalized by a finance committee consisting of the Chief Financial Officer, Head of Schools/Principal and other individuals as designated by the Board. The needs assessment shall inform the drafting of the annual budget.

The Head of Schools/Principal and the Chief Financial Officer, responsible for the preparation of the annual budget, will insure that the school follows a budgeting process that is consistent with the requirements of federal and Georgia statutes, State Board of Education Rules and Regulations and any other applicable laws or rules.

PRESENTING AND ADOPTING THE BUDGET DOCUMENT

The process to present the budget to the LUA school board and the formal legal adoption should include certain steps:

- Conduct informal budget hearings with board
- The board of education tentatively adopts the budget
- Advertise tentative budget at least two weeks before formal adoption, to allow public input.
- Revise budget as necessary at next regularly scheduled meeting or special called meeting if necessary
- Adopt budget
- Submit copy of budget to the GA DOE no later than September 30th.

Informal Budget Hearings

After the LUA administrators, department directors, supervisors and school principals have drafted a balanced budget, the superintendent should present the budget to the school board. Normally, the school board will meet in an open, informal public work session. These sessions are extremely important since they allow the school board members an opportunity to review the budget in as much detail as they consider necessary. Some school boards feel a need to review every line-item in the budget, where some school boards only review the "big picture." All school board members should be reminded that if they feel a need to review the details of the budget, these budget work sessions are time for this review. Finally, at these work sessions citizens may be given opportunities to ask questions or give opinions on how the school board might allocate their resources.

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Tentative Budget Adoption

At least two weeks prior to the proposed budget adoption date, the school board should tentatively adopt the proposed budget. This adoption can be made in a simple resolution with a copy of the tentative budget attached to the resolution.

Advertise Budget

After the school board has adopted a tentative budget, the budget must be advertised in a newspaper (*The Champion*) of general circulation in the LUA's geographic area at least once. At a minimum, the advertisement must present the tentative budget by revenue category and expenditure function by governmental fund type. The advertisement must also include a notice of the date, time, and place at which final adoption will be considered. If the budget will be adopted as a special school board meeting (i.e., a meeting other than the next regularly scheduled school board meeting), the legal advertisement must include the date, time and place of the special meeting.

Revise Budget

At the next regular school board meeting after the legal advertisement has been published, the school board may revise the tentative budget as necessary. The specific revision to the tentative budget should be made clear to the school board and any interested citizens.

Adopt Final Budget

Once any changes have been made to the tentative budget, the final budget should be ready for adoption. This adoption should occur before July 1 of the fiscal year for which the budget applies. The budget should be adopted in resolution form including at least the same amount of budget information as that included in the legal advertisement. That is, the minimum budget presentation must be the function within generic fund type. If the school board adopts a budget at a more detailed level, then the budget must be amended every time that detailed level is overspent.

The school board may not adjourn a board meeting when it is considering the final budget adoption. If additional time is needed to review the budget, the school board should recess the meeting and indicate in a resolution that the consideration of the final budget will continue on a certain date, time and place.

Submit Adopted Budget to DOE

The adopted budget must be submitted to the DOE no later than September 30th.

OPERATING WITHOUT AN ADOPTED BUDGET

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 LUA to spend any funds in the next fiscal year until the budget is adopted formally. Legally, the LUA cannot operate without an approved

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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 initial resolution should be limited to one month of operations. If the budget is not adopted prior to August 1, the school board should adopt a second "spending resolution" for a second one-twelfth of the prior year's budget. A "spending resolution" is provided as a "stop-gap" measure and school boards should make all efforts to adopt their budgets prior to July 1.

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.

The "Spending Resolution" should be officially recorded in the board minutes and be available for public inspection. If a local board cannot adopt a budget in time to submit it to GA DOE for state board consideration by September 30th, it must request an extension of the due date by notifying the Financial Review Unit, Georgia Department of Education, 1652 Twin Towers East, 205 Jesse Hill Jr. Drive, SE, Atlanta, Georgia 30334-5050. The extension request must include a copy of each spending resolution adopted by the local board for each of the months for which no budget was adopted.

A suggested "Spending Resolution" is illustrated below. The Board may modify or add to the language of the resolution so long as the intent is retained (*see form in Appendix*).

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EXHIBIT IV 32-13 SPENDING RESOLUTION

WHEREAS, the _____ for good and sufficient reason is unable to adopt a budget for the fiscal year beginning July 1, 20xx____, and ending June 30, 20xx____; 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 THE _____ that the superintendent may expend funds from all funds for the month of July 20xx not to exceed one-twelfth (1/12) of the final amended budget for all funds for the fiscal year ended June 30, 20xx, plus debt service and capital expenditures known to be due in July.

Adopted this 16th day of June 20xs.

ATTEST: _____
Superintendent/Secretary

Chairperson
Board of Education

Effective Date: 11/15/2018

Approved: 11/15/2018

Authority and/or Cross-Reference