

ANNUAL OPERATING BUDGET

CE
(LOCAL)

- Fiscal Year** The District shall operate on a fiscal year beginning September 1 and ending August 31.
- Budget Planning** Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the District- and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and shall be a part of each month's activities.
- Budget Meeting** The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows:
1. The Board President shall request at the beginning of the meeting that all persons who desire to speak on the proposed budget and/or tax rate sign up on the sheet provided.
 2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.
 3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.
 4. No officer or employee of the District shall be required to respond to questions from speakers at the meeting.
- Authorized Expenditures** The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the District's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent or designee who shall ensure that funds are expended in accordance with the adopted budget.
- Budget Amendments** The Board shall amend the budget when a change is made increasing any one of the functional spending categories or increasing revenue object accounts and other resources.
- Fund Balance**
- Definition Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet.
- Authority The Superintendent, assistant superintendent, finance and operations, or other person designated by Board resolution shall serve as the fund manager for the District and shall have the authority to express intended uses that result in assigned funds and shall classify fund balances as directed by the Board and in accordance with:

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1. Generally accepted accounting practices as defined by Government Accounting Standards Board (GASB) Pronouncement #54;
2. Any subsequent revisions by GASB;
3. Updates to the Texas Education Agency (TEA) *Financial Accountability System Resource Guide*; or
4. Subsequent documents prescribed by TEA.

Classifications

The five classifications of fund balance of the governmental types are as follows:

*Nonspendable
Fund Balance*

1. Nonspendable fund balance shall mean the portion of the gross fund balance that is not expendable (such as inventories) or that is legally earmarked for a specific use (such as the self-funded reserves program).

Examples of fund balance reserves for which fund balance shall not be available for financing general operating expenditures include:

- Inventories;
- Prepaid items;
- Deferred expenditures;
- Long-term receivables; and
- Outstanding encumbrances.

*Restricted Fund
Balance*

2. Restricted fund balance shall include amounts constrained to a specific purpose by the provider, such as a grantor.

Examples include:

- Child nutrition programs;
- Technology programs;
- Construction programs; and
- Other granting agencies.

*Committed Fund
Balance*

3. Committed fund balance shall mean the portion of the fund balance that is constrained to a specific purpose by the Board.

Examples include:

- Potential litigation, claims, and judgments; and
- Campus activity funds.

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- Assigned Fund Balance* 4. Assigned fund balance shall mean the portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Board, the Superintendent, or the chief financial officer.
- In current practice, such plans or intent may change and never be budgeted or result in expenditures in future periods of time.
- Examples include:
- Insurance deductibles;
 - Program start-up costs; and
 - Other legal uses.
- Unassigned Fund Balance* 5. Unassigned fund balance shall include amounts available for any legal purpose. This portion of the total fund balance in the general fund shall be available to finance operating expenditures.
- The unassigned fund balance shall be the difference between the total fund balance and the total of the nonspendable fund balance, restricted fund balance, committed fund balance, and assigned fund balance.
- The target for the unassigned fund balance shall be between 25 and 42 percent of the operating budget.
- Activity Funds All fund balances of activity funds shall be considered committed.
- Financial Stability In seeking to fulfill its mission, the District shall maintain a high level of financial stability and shall not compromise long-term financial integrity to achieve short-term benefits.