

Annual Budget

The annual budget is the financial plan for the operation of the school system. It provides the framework for both expenditures and revenues for the year and translates into financial terms the educational programs and objectives of the charter school.

Budget process

Public school budgeting is regulated and controlled by statutes and by requirements of the State Board of Education that prescribe the form of charter school budgets in order to ensure uniformity throughout the state.

The budget shall be presented in a summary format that is understandable by any layperson. The budget format shall itemize expenditures of the charter school by fund. It shall describe the expenditure and show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year. When budgeting for any enterprise funds, the charter school shall use the full accrual basis of accounting. The budget shall summarize revenues by revenue source and expenditures by function, fund and object.

The budget also shall disclose planned compliance with spending limitations outlined in Article X, Section 20, of the Colorado constitution, including holding TABOR reserve funds in an unrestricted general fund or in cash funds.

The administrator has overall responsibility for annual budget preparation, budget presentation and budget administration. As part of the administrator's budget responsibility, the administrator shall cause to be prepared a budget preparation calendar that shall ensure that all deadlines established by law for budget presentation, hearings and adoption are met by the charter school. The administrator shall have authority to delegate portions of his or her budget responsibility to the business manager of the charter school.

The budget prepared and presented by the administrator shall be consistent with the budget priorities of the Charter Board as established in administrative policy DBD.

Operating reserve

Maintaining a fiscal year-end fund balance as an operating reserve in the general fund is a beneficial and sound financial management practice. The Charter Board assigns to the administrator or designee the responsibility of accumulating and maintaining a general fund balance amounting to no more than 15% of the charter school's current fiscal year adopted budget as an operating reserve. This amount will be in excess of the emergency reserve required by Article X, Section 20 of the Colorado Constitution (Taxpayer's Bill of Rights).

The operating reserve is intended to serve as a "rainy day" fund and will be used only for an unexpected loss of revenue or an extraordinary expenditure. Expenditures from this reserve shall be reported to the Charter Board.

If any part of the operating reserve is used in any fiscal year to cover an unexpected loss of revenue or an extraordinary expenditure, funds will be reallocated to restore the year-end fund balance in the operating reserve before any other budget allocations in the subsequent fiscal year, unless the Charter Board approves otherwise.

LEGAL REFS: C.R.S. 22-7-205 and 207 (school level accountability committee recommendations)
C.R.S. 22-32-109 (1)(b) (to adopt policies and prescribe rules and regulations for efficient administration)
C.R.S. 22-44-101 through 117 (school district budget law, Board shall cause a proposed budget to be prepared and shall adopt a budget for each fiscal year)
C.R.S. 22-44-106 (Board may provide for an operating reserve in the general fund which shall not exceed 15% of the amount budgeted for the current fiscal year)
C.R.S. 29-1-103(3) (budget to reflect lease-purchase payment obligations)

CROSS REFS: DB subcodes (all relate to the budget)

Note 1: The “Financial Policies and Procedures Handbook” Adopted by the State Board of Education must be used by all charter schools in the development of the budget. [C.R.S. 22-44-204(3)]

Note 2: The State Board of Education has implemented a statewide financial, student management and human resource electronic data communications and reporting system that is based on a redesigned standard chart of accounts, a standard information system and a standard personnel classification system. All school districts and boards of cooperative services must use the system to report and obtain necessary financial information. [C.R.S. 22-44-105 (4)].

Note 3: The State Board of Education, with input from the Financial Policies and Procedures Advisory Committee, shall establish the standard budget report format by July 1, 2008.

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Lake George Charter School