



8.10.030-AD Budget Reallocations – Post Budget Adoption

I. Purpose

This administrative directive establishes the guidelines to assure consistent and detailed communication between the Superintendent and the Board regarding fiscal issues. Communication is essential under circumstances that could result in significant reductions or reallocations of funding after the Board has adopted the budget.

II. General Provisions

The Finance, Audit and Operations Committee will be apprised in a timely manner of significant changes in revenue expectations and cost/expenditure patterns. In particular, the Finance, Audit and Operations Committee will be informed when fiscal circumstances may result in the need for transfers from the contingency fund.

III. Provision of Information to the Board

Budget to Actual Financial Reports and Revenue Reports will be provided to and discussed with the Board Finance, Audit and Operations Committee on a monthly basis.

Specific information regarding budget reductions will be provided to the committee when expenditure adjustments are considered significant. Criteria for judging the significance of a change can include:

- Expenditure items or programs that are of priority to or of special interest to Board members as reflected in history of Board and committee meetings;

- Expenditure items or program adjustments that exceed \$250,000;

- Program changes expected to have direct and noticeable student or staff impact;

- Any proposed reallocations from the contingency fund.

Upon request or as deemed appropriate, information will be provided to all Board members.

At the option of the Finance, Audit and Operations chair, particular expenditure reductions could be considered 'major' as defined below, triggering a more extensive review and submittal of information to the Board.

IV. Process for Determining Major Expenditure Reductions

Major budget reallocations are defined here as those that exceed .5% of the General Fund Operating Budget.

In the event that major expenditure reductions must be undertaken, the Superintendent will consult with the Finance, Audit and Operations Committee in preparation of recommendations for such reductions.

Subsequent to consultation with the Finance, Audit and Operations Committee, the Superintendent will report to the full Board regarding plans and recommendations for expenditure reductions. The following types of background information will be provided:

- Superintendent's recommendations for reductions;

- Criteria and policy assumptions that underlie the prioritization of the reductions;

- Explanation of the procedure/process used in developing the recommendations for reductions;

- Expected consequences/impact of the reduction on services.

The Superintendent will submit the reduction recommendations to the Board for approval by resolution.

V. Contingency Fund Transfers

If the Superintendent recommends a transfer from the Contingency Fund, justification for this transfer will first be presented to the Finance, Audit and Operations Committee for discussion.

After consultation with the Fi

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Approved:



Superintendent

Date

8-25-2003