

Operational Services

Fiscal and Business Management 1

The Superintendent is responsible for the School District's fiscal and business management. ² This responsibility includes annually preparing and presenting the District's statement of affairs to the School Board and publishing it before December 1 as required by State law. ³

The Superintendent shall ensure the efficient and cost-effective operation of the District's business management using computers, computer software, data management, communication systems, and electronic networks, including electronic mail, the Internet, and security systems. Each person using the District's electronic network shall complete an "Authorization for Electronic Network Access." ⁴

Budget Planning 5

The District's fiscal year is from July 1 until June 30. ⁶ The Superintendent shall present to the Board, no later than the first regular meeting in August, a tentative budget with appropriate explanation. ⁷ This budget shall represent the culmination of an ongoing process of planning for the fiscal support needed for the District's educational program. The District's budget shall be entered upon the Illinois State Board of Education's "School District Budget Form." ⁸ To the extent possible, the tentative budget shall be balanced as defined by the State Board of Education guidelines. The Superintendent shall complete a tentative deficit reduction plan if one is required by the State Board of Education guidelines. ⁹

Preliminary Adoption Procedures

After receiving the Superintendent's proposed budget, the Board sets the date, place, and time for:

1. A public hearing on the proposed budget, ¹⁰ and
2. The proposed budget to be available to the public for inspection. ¹¹

¹ State or federal law controls this policy's content.

² Boards are authorized to hire a chief school business official (105 ILCS 5/10-22.23a). Districts having a chief school business official may want to replace "superintendent" with "chief school business official" throughout this policy.

³ 105 ILCS 5/10-17.

⁴ See exhibit 6:235-E2, *Authorization for Electronic Network Access*. Use of electronic networks in the curriculum is covered in policy 6:235, *Access to Electronic Networks*.

⁵ This optional paragraph addresses a budget calendar:

Each January the Board adopts a proposed budget calendar indicating dates for presentation by the Superintendent of receipts, estimates, preliminary expenditure recommendations by funds, and major Board actions affecting the budget.

⁶ The board sets the fiscal year (105 ILCS 5/17-1) and this sentence should reflect that local decision.

⁷ The board must designate a person(s) to prepare a tentative budget (105 ILCS 5/17-1). The purpose of this policy's directive for the superintendent to present a tentative budget "no later than the first regular meeting in August" is to ensure that the budget can be adopted by September 30 (see footnote 14). A board may amend this directive to give the superintendent additional flexibility by requiring him or her to present a tentative budget "during a regular Board meeting in August."

⁸ Required by 105 ILCS 5/17-1. The budget instructions from ISBE detail when a deficit reduction plan must be completed.

⁹ State law requires the budget to be balanced and, if not, a 3-year deficit reduction plan must be developed (105 ILCS 5/17-1).

¹⁰ At least one public hearing must be held before final action on the budget (105 ILCS 5/17-1).

¹¹ The tentative budget must be conveniently available for public inspection for at least 30 days before final action on the budget (105 ILCS 5/17-1).

The Board Secretary shall arrange to publish a notice in a local newspaper stating the date, place, and time of the proposed budget's availability for public inspection and the public hearing. **12** The proposed budget shall be available for public inspection at least 30 days before the time of the budget hearing.

At the public hearing, the proposed budget shall be reviewed, and the public shall be invited to comment, question, or advise the Board. **13**

Final Adoption Procedures

The Board adopts a budget before the end of the first quarter of each fiscal year, September 30, or by such alternative procedure as State law may define. **14** To the extent possible, the budget shall be balanced as defined by the State Board of Education; if not balanced, the Board will adopt a deficit reduction plan to balance the District's budget within 3 years according to State Board of Education requirements. **15**

The Board adopts the budget by roll call vote. The budget resolution shall be incorporated into the meeting's official minutes. Board members' names voting *yea* and *nay* shall be recorded in the minutes. **16**

The Superintendent or designee shall perform each of the following:

1. Post the District's final annual budget, itemized by receipts and expenditures, on the District's Internet website; notify parents/guardians that it is posted and provide the website's address. **17**
2. File a certified copy of the budget resolution and an estimate of revenues by source anticipated to be received in the following fiscal year, certified by the District's Chief Fiscal Officer, with the County Clerk within 30 days of the budget's adoption. **18**
3. Make all preparations necessary for the Board to timely file its Certificate of Tax Levy, including preparations to comply with the Truth in Taxation Act; file the Certificate of Tax Levy with the County Clerk on or before the last Tuesday in December. The Certificate lists the amount of property tax money to be provided for the various funds in the budget.
4. Submit the annual budget, a deficit reduction plan if one is required by State Board of Education guidelines, and other financial information to the State Board of Education according to its requirements. **19**

Any amendments to the budget or Certificate of Tax Levy shall be made as provided in The School Code and Truth in Taxation Act. **20**

Budget Amendments

The Board may amend the budget by the same procedure as provided for in the original adoption. **21**

12 105 ILCS 5/17-1 makes the board secretary responsible for this public notice at least 30 days before the hearing. If there is no newspaper published in the district, notice must be given by posting notices in 5 public places (105 ILCS 5/17-1).

13 State law does not address what transpires during the budget hearing.

14 Required by 105 ILCS 5/17-1 and 5/17-3.2.

15 Required by 105 ILCS 5/17-1. See footnote 8.

16 Required by 105 ILCS 5/10-7.

17 Required by 105 ILCS 5/17-1.2, *only if* the district has a website. Do not add this sentence unless the district has a website.

18 Required by 35 ILCS 200/18-50, which refers to "appropriation and budget ordinances or resolutions." School districts adopt budgets by board resolution. The budget serves as the district's appropriation.

19 Required by 105 ILCS 5/17-1.

20 105 ILCS 5/17-11 and 35 ILCS 200/18-55.

21 105 ILCS 5/17-1; 23 Ill.Admin.Code Part 100.

Implementation

The Superintendent or designee shall implement the District's budget and provide the Board with a monthly financial report that includes all deficit fund balances. The amount budgeted as the expenditure in each fund is the maximum amount that may be expended for that category, except when a transfer of funds is authorized by the Board.

The Board shall act on all interfund loans²², interfund transfers²³, transfers within funds²⁴, and transfers from the working cash fund or abatements of it, if one exists. ²⁵

LEGAL REF.: 35 ILCS 200/18-55 et seq.
105 ILCS 5/10-17, 5/10-22.33, 5/17-1, 5/17-1.2, 5/17-2A, 5/17-3.2, 5/17-11, 5/20-5, 5/20-8, and 5/20-10.
23 Ill.Admin.Code Part 100.

CROSS REF.: 4:40 (Incurring Debt), 6:235 (Access to Electronic Networks)

ADMIN. PROC.: 6:235-E2 (Exhibit - Authorization for Electronic Network Access)

²² 105 ILCS 5/10-22.33, 5/20-4, 5/20-5, 5/20-8, and 5/20-10 (amended by P.A. 96-1277) and 23 Ill.Admin.Code §100.50. If the district loans money from the working cash fund to another fund, Section 5/20-10, amended by P.A. 96-1277, requires the district to maintain a credit to the working cash fund (meaning that borrowing fund must repay the working cash fund).

²³ 105 ILCS 5/17-2A contains the requirements for a permanent transfer. P.A. 96-1201 extended the time period during which a district may transfer money from specified funds for any purpose to June 30, 2013.

²⁴ Transfers between the various items in any fund may not exceed in the aggregate 10 percent of the total of such fund as set forth in the budget. If the aggregate exceeds 10 percent, the board must amend the budget (105 ILCS 5/17-1).

²⁵ The purpose of the working cash fund is to enable the school district "to have in its treasury at all times sufficient money to meet demands for expenses," (105 ILCS 5/20-1, amended by P.A. 96-1277). School officials, including board members, are liable "for any sum that may be unlawfully diverted from the working cash fund ... ,"

105 ILCS 5/20-6. 105 ILCS 5/20-10, amended by P.A. 96-1277, now codifies a long-held practice and understanding of Illinois school districts. A district may abate (reduce the funds) money from the working cash fund at any time and transfer it to any district fund or funds most in need of the money, provided that the district maintains an amount to the credit of the working cash fund. P.A. 96-1277 legislatively overturned caselaw concluding that any permanent transfer, including abatements, of the working cash fund should be transferred only to the education fund (G.I.S. Ventures v. Novak, 902 N.E.2d 744 (Ill.App. 2nd Dist., 02/06/09). Abolishments (deplete all funds) of the working cash fund must still be transferred to the education fund only.