

Section A

The superintendent or designee shall prepare a tentative budget each year consistent with the district's mission and belief statement.

Section B

The superintendent or designee shall utilize the following guidelines in developing the budget unless otherwise modified by the Board of Education:

1. Fund balance is the difference between assets and liabilities reported in a governmental fund. Fund balance measures the net current financial resources available to finance expenditures of future periods. Fund balance reporting will be in accordance with the most recent authoritative pronouncements and may include the following categories:
 - a. **Nonspendable:** Includes amounts that are not in a spendable form. This would include, but is not limited to, inventory, prepayments and non-current receivables.
 - b. **Restricted:** Includes amounts that can only be spent for specific purposes stipulated by external resource providers, law, regulation or contractual agreement. This would include, but is not limited to, bonded capital project funds and debt service funds.
 - c. **Committed:** Includes amounts that are committed for a specific purpose by formal action of the Board of Education. Creation, amendment or modification to committed fund balance must also be approved by formal action of the Board by the end of the current fiscal year. Committed fund balance does not lapse at year end.
 - d. **Assigned:** Includes amounts that are intended by the district to be used for specific purposes. Assigned fund balance represents amounts that are not restricted or committed. The Board of Education authorizes the assistant superintendent for business affairs to determine the assigned fund balance(s) on an annual basis. Assigned fund balance does not lapse at year end.
 - e. **Unassigned:** Includes any remaining fund balance. The unassigned general fund balance may only be appropriated by resolution of the Board of Education.

For purposes of fund balance classification, expenditures are to be spent first from Restricted Fund Balance (when appropriate), followed in order by Committed Fund Balance, Assigned Fund Balance and lastly, Unassigned Fund Balance.

Section B (continued)

2. Unassigned reserves in the operating funds shall be maintained at a level equal to not less than 33% of the next year's projected operating budget. (The operating budget is comprised of the education, food service, operation and maintenance, transportation, IMRF and working cash funds, and any other fund as may be required by State law.)
3. The budget shall first provide for staff and operating expenses to meet projected changes in student enrollment and mandated programs.
4. The budget shall reflect the Board of Education's desire to maintain the overall tax rate of the district when possible.
5. The budget shall reflect the Board of Education's desire to not increase the overall indebtedness of the district.
6. The budget shall reflect the Board of Education's desire to maintain safe and operationally sound facilities.
7. The budget shall anticipate compliance with all applicable governmental and legal obligations of the district.
8. The budget shall include a reasonable contingency for variable and unanticipated costs.
9. The administrative team shall in connection with the preliminary budget identify potential efficiencies from interbuilding, interdepartmental and district wide coordination or from building or district program or other organizational restructuring initiatives.

Section C

A draft of the Budget shall be presented to the Board of Education no later than the first regularly scheduled meeting in May supported by additional reports or analysis requested by the Board. A tentative budget shall be presented to the Board of Education for approval not later than its second regularly scheduled meeting in July. After tentative approval, the budget shall be made available for public inspection for no less than 30 days.

Section D

Final adoption of the budget shall take place at the next regularly scheduled Board Meeting following a public hearing posted and held in accordance with State law. Final approval shall take place no later than September 30.

Section E

Each fund shall include a contingency line item as established by the Board.

Section F

Any modifications to the tentative budget other than for changes in personnel costs and grant programs already approved by the Board of Education shall not be included in future iterations of the budget unless approved by the Board.

Section G

Transfers may be made between various budget line items in any fund not exceeding the aggregate of ten (10) percent of the total of such funds as set forth in the budget. The Board of Education shall be advised of all transfers on not less than an annual basis.

Section H

The Board of Education may amend the budget at anytime during the fiscal year by the same procedures provided for in its original adoption and in accordance with State law.

Approved: May 21, 1973
Revised: October 28, 1996
Revised: April 8, 2002
Revised: August 8, 2011