

## THE DISTRICT'S BUDGETING CYCLE

The Clark County School District has developed an effective budgeting system involving close cooperation between the Board of School Trustees, administration, and staff in all phases of budget development. The District prepares its budgets, which are submitted to the Nevada Department of Taxation, using generally accepted accounting principles applicable to governmental entities.

Budgeting in the District is on a July 1 – June 30 fiscal year basis and is a year-round process. The cycle begins in the fall of the prior school year and continues until a “final” budget is filed with the Nevada Department of Education and the Nevada Department of Taxation in the spring of the following year. After the actual enrollment counts are taken in the fall of the school year, the District is required to adopt an amended final budget on or before January 1, reflecting any adjustments necessary as a result of the completed count of students.

The process of budget formulation involves a number of participants. Division heads, after reviewing their various budget needs, submit their request for staffing, supplies, and equipment to the Budget Department. These requests are then summarized by the Budget Department, whose responsibility is to prepare a tentative budget for consideration by the Superintendent and presentation to the Board for approval.

Development of a budget in which all budget items are fully substantiated involves a series of steps as outlined in the Board-approved budget calendar. The major steps in the development of the budget are summarized briefly below.

1. Establishment of the instructional programs offered during the current and subsequent fiscal year include all Board actions relevant to the instructional programs within the budget parameters.
2. Established personnel and supply formulas are applied in February for the subsequent budget year. These formulas indicate the personnel and supplies required to carry out the educational program as approved by the Board.
3. The Budget Department then proceeds with the preparation of the tentative budget, which is presented to the Board for approval in early April. The tentative budget is filed with the State Departments of Education and Taxation and also with the County Auditor by April 15<sup>th</sup>, as required by Nevada Revised Statute (NRS).
4. As required by NRS 354.596, a public hearing on the budget is held on the third Wednesday in May. The notice of public hearing was published in the legal section of a local newspaper in early May, and advised the general public of the time that they could address the Board regarding the budget.
5. Additionally, NRS 354.598 requires that adoption of the final budget be accomplished on or before June 8<sup>th</sup>. It is then filed with the Nevada Department of Education, the County Clerk, and the Nevada Department of Taxation. The Final Budget is adopted in mid May, and filed with the appropriate agencies by May 31<sup>st</sup>.

After the Board has approved the final budget, it is then the responsibility of the Budget Department to implement and monitor the budget. A system of budget allotments is established for each departmental unit (reference unit budgets in the Operating Budget section). Daily review of transaction data is available via personal computer to mainframe connection. Detail data screens are provided to department heads, which reflect appropriation levels, encumbrances, and year-to-date expenditures. This reporting system also enables the Budget Department to monitor all of the District's budgets on a regular basis and provides the necessary internal controls.

Augmented budgets may be approved by the Board in any year in which the law increases (or decreases) the revenues of the local government, and the increase (or decrease) was not a part of the adopted amended final budget. Similar adjustment procedures relate to expenditures. The Final Budget will be adopted by the Board

in mid May, reflecting estimated revenues and projected student enrollment. The annual *Comprehensive Annual Budget Report* reflects the adopted Final Budget.

If it becomes necessary during the course of the year to change any of the departmental budgets, transfers are initiated by department heads and approved by the appropriate administrator. Transfers between program or function classifications require approval of the Board.