SECTION 9:
BUDGET ADOPTION

Section Contents

What's New?

- Updated Exhibit 9-01: Budget Amendment Schedule
- Registration Fees - Object 6297
- Extra Duty/Extra Help – Object 6118/6121

General Information

The District's fiscal year runs September 1st through August 31st. The budget must be adopted no later than August 31st of each year. The Board of Trustees shall publish a notice and conduct a public hearing regarding the budget prior to adoption of the budget. The District must also publish a notice regarding the proposed budget on the District website. The adopted budget shall be reported to TEA on an annual basis through the fall PEIMS submission.

At a minimum, the Board of Trustees shall adopt a budget that includes the General Fund, Food Service Fund and Debt Service Fund. The budget shall be adopted at the function code level and reported to TEA on an annual basis through the fall PEIMS submission; therefore, any changes to the budget at the functional level shall be approved by the Board of Trustees prior to exceeding a functional expenditure category.

The Chief Financial Officer shall be responsible to coordinate the development and adoption of the District budget. Every campus and department shall be responsible for monitoring and amending their respective budget to ensure that it meets the identified needs of the campus or department. The adopted budget shall correlate directly and/or indirectly to the District Improvement Plan (DIP) and Campus Improvement Plans (CIP).

Board Policy

The following Board Policy should be referenced for additional information associated with this section of the manual:

Policy Code   Title: Subtitle
CE (LEGAL, LOCAL)   Annual Operating Budget

Budget Process Overview

The budget process is part of a continuous cycle to achieve organizational goals. The District Improvement Plan (DIP) should be the foundation for budget planning, preparation and evaluations.

- Planning defines the goals and objectives of the organization
- Budgetary resource allocations are the preparation phase of the budget
- Evaluation typically involves an examination of how the funds were expended, what outcomes resulted from the expenditure of funds and to what extent these outcomes achieved goals and objectives that were identified during the planning process
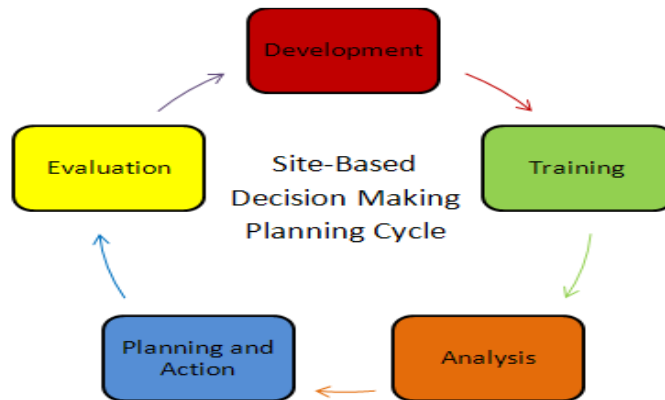
Budget Planning Timeline

The following timeline is a general estimate to assist budget managers and financial clerks in planning the budget in a timely manner:

March

- Campuses and departments receive budget allocation amounts and instructions
- Frontline budget preparation training
- Budget proposals entered in Frontline

April

- Submit completed campus and department budget proposals
- Principals receive approval from Campus Planning and Advisory Committee (CPAC) for proposed budget

May

- Submit preliminary budget to Board of Trustees

August

- Submit proposed budget to Board of Trustees
- Adopt budget

Budget Allocations

Allocation of budgeted allotments will be submitted using the **Allocate Budget Owner Allocations** entry point in Frontline. Detailed procedures for this process can be found in Section 15: Frontline Procedures.

Campus Budget Allocations

Each campus will receive an allocation as part of the District's general fund budget. This provides an opportunity for the campus to budget the allocation to meet their needs. The Principal is responsible for allocating resources to cover the costs of instructional needs, library resources, campus-initiated staff developments, school leadership requirements, health services, guidance and testing, and capital outlay. The authority to budget the campus allocation comes with accountability for student outcomes.

Campus allocations are based on the calculations below. With Average Daily Attendance (ADA) being a driving force of revenue, projected ADA is used to determine the allocation for each campus.

Elementary Schools	Projected ADA x $105
Middle Schools	Projected ADA x $109
High Schools	Projected ADA x $173

Secondary campuses that do not have athletic activities are calculated at a lower rate.

A campus typically receives other funding allotments from several different sources such as: State Compensatory Education, Title I, IDEA B, and other miscellaneous grants.

Department Budget Allocations

Department allocations are based on the prior year allocation including any permanent increases or decreases that occurred during the year. When developing the budget, department budget managers should consider:

- The goals and objectives identified in the DIP
- Past expenditure levels by function, object code and program intent code (for budget managers servicing special population groups)

The development of the budget is the responsibility of the principal or approved department budget manager. When preparing and submitting the budget, the principal/budget manager should complete the following steps:

✔

_____ Develop the budget by reviewing past expenditure levels by function and object code

Possible expenditures to consider during the budget allocation process:

- Copier Lease –Function 71
- Office & Instructional Supplies – Object 6399
- Employee Travel – Object 6411
- Student Travel – Object 6412
- Guidance and Testing Supplies – Object 6339
- After School/Saturday Tutorials
  o Professionals – Object 6118
  o Paraprofessionals – Object 6121
- Campus Replacements and Repairs (Capital Outlay) – Sub Object 00C1
- Library Supplies – Object 6399
- Staff Development Costs – Function 13

- Reading Materials – Object 6329
- Extracurricular Activities (Secondary Campuses) – Function 36
- Contracted Services – Object 62XX
- Dues and Fees – Object 6495
- Field Trips – Object 6412
- Extra Duty/Extra Help
  o Professionals – Object 6118
  o Paraprofessionals – Object 6121
- Staff Appreciation Allocation – Object 6498
- Staff Registration fees – Object 6297

_____ Analyze staff appreciation needs (District limits these expenses to $50 per employee. Additional information regarding staff appreciation can be found in Section 4: Purchasing, page 15)

_____ Analyze campus capital outlay needs – Use sub object "00C1" to designate capital outlay

_____ Enter tentative amounts in the budget allocation worksheet

_____ Link the budget to the DIP & CIP

_____ Finalize the proposed campus/department budget

_____ Ensure review of campus budget is included in CPAC minutes and agenda (upload to Plan4Learning)

_____ Input proposed campus/department budget in Frontline

_____ Submit proposed budget in Frontline

Monitoring the Budget

As the fiscal year progresses and budgeted funds become expended, monitoring of the budget should occur on a monthly basis, at a minimum. Frontline reporting should be utilized to view current and historical data. Each budget manager is responsible for monitoring their budget and ensuring funds are not being overspent or underspent. Proper planning will help avoid or minimize the need for budget amendments. If additional funds are needed, the option is available to transfer funds from one account code to another.

Budget Amendment Processes

Budget Transfer

Requests for budget changes should be submitted using the **Request Budget Change** entry point in Frontline. Detailed procedures for this process can be found in Section 15: Frontline Procedures.

When submitting Budget Change Requests, please note the following:

- Review account balances prior to submission
- Use whole numbers (no cents)
- Plan ahead to avoid "emergency" transfers
- Adhere to _Budget Amendment Schedule_ (Exhibit 9-01) cutoff dates
- Plan ahead for transfers requiring Board approval
- Avoid using vague request reasons (try to be as detailed as possible)

Budget Change Requests Requiring Board Approval

Since the budget is adopted at the fund and function level, the Board is notified regarding any budget changes to these levels, and the change is not incorporated until receiving the Board's approval. Budget Change Requests affecting the fund and function levels are submitted at the monthly Board Meeting. The DIP/CIP goal being met by the transfer should be specified in the justification, and the total of the budget transfer should **_exceed $50.00_** to minimize the amount of small transfers.

The _Budget Amendment Schedule_ (Exhibit 9-01) is provided for budget managers and financial clerks detailing the cutoff dates for "changing function" requests. The request should be entered into Frontline, submitted, and the Budget Manager's approval obtained prior to the cutoff date in order to be included in the report provided to the Board.

The following Budget Change Requests require approval, obtained through the Frontline workflow. If the change does not conform to District Guidelines, it can be disapproved. Notification regarding a change to the status of a request will be received in Frontline.

- Transfers changing function*
- Transfers in excess of $5,000
- Transfers increasing Object 6411** (Employee Travel) or 6498 (Employee Appreciation)
- Transfers involving Special Revenue Funds

*Transfers of funds between functions require approval of the Board of Trustees, and will not receive final approval until presented and discussed at the monthly Board Meeting.

**Increases to Employee Travel exceeding $10,000 in aggregate will require Superintendent approval. The justification should include the name of the employee(s) who traveled as well as the conference or event attended. This information will be used to locate the Travel Proposals that were submitted through Eduphoria.

For General Funds, Food Service Funds, and Debt Service Funds, contact the Budget Accountant (ext. 1010). For Student Activity Funds, contact the Senior Accounting Clerk (ext. 1476). For Special Revenue Funds, contact the Accountant for Special Revenue Funds (ext. 104 or ext. 1015). For Bond Funds, contact the Project Control Specialist (ext.1020).

Account Coding Clarifications, Changes, and Reminders

Below are some account coding clarifications and changes to consider while preparing the budget. For more information on account code structure and regulations see Section 17: Account Codes

Average Daily Attendance (ADA) Adjustment

Following the 2nd Six Weeks, ADA will be reviewed. Campuses that experience an increase will receive additional budget funds and campuses that experience a decrease will be unaffected.

Campus Capital Outlay

Expenses for the replacement of outdated items, to maintain the campus learning environment; approximately 10% of local budget for campuses should be spent in accordance with the approved Replacement Plan. Items subject to replacement include, but are not limited to: student desks, teacher desks, chairs, student computer desks, fire proof file cabinets, office furniture, outdoor benches, trash receptacles, classroom rugs for pre-k/kinder, early childhood furniture, portable sound systems, etc.

Field Trips

Field trips will be coded depending on the purpose of the trip.

- A field trip to further classroom instruction (Function 11 – Instruction)
- A field trip for extracurricular activities (Function 36 – Extracurricular Activities)
- A field trip for the principal to reward students (i.e., perfect attendance) (Function 23 – School Leadership)

Curriculum and Instructional Staff Development

Function 13 should be used for expenditures relating directly to staff development or in-service training for instructional related staff. Campus faculty meetings would not qualify as Function 13 expenditures. Instead, Function 23 (School Leadership) should be used. When classroom teachers are attending staff development, substitute pay should use Function 11.

Renaissance Learning – Accelerated Reader

If the program is used as a part of the curriculum, this expenditure should be coded to Function 11 – Instruction; if the program is used as a library resource, this should be coded to Function 12 – Instructional Resources and Media Services.

Royalty Payments

Payments for royalties must be reported to the IRS and included on a vendor's Form 1099. To track these payments, please use Object 6298. Royalties are payments for the use of intangible property such as patents, copyrights, trade names and trademarks. Vendor examples include Dramatists Play Services, INC and Samuel French, INC. and item examples include sheet music and UIL Play royalty fees.

Staff Appreciation

Staff appreciation recognizes groups of employees for contributions to the District and encourages high employee morale. General Fund (199) expenditures for staff appreciation will be limited to $50.00 per employee annually.

Staff appreciation must be coded to object 6498. Unless otherwise authorized, only Cabinet members and Principals may budget General Funds for Staff Appreciation costs, for the staff that report to them.

Examples of approved items are shirts, light meals (does not include Dine-In Restaurant Services), items with Galena Park ISD or campus logo imprinted on them, classroom materials, books or reading materials. Additional information regarding staff appreciation can be found in Section 4: Purchasing, page 14, as well as the Spending Guidelines (Exhibit 4-09).

Student Incentives

Student incentives will be coded depending on the purpose of the incentive.

- Campus-wide award from the principal (Function 23 – School Leadership)
- Award from the teacher based on classroom performance (Function 11 – Instruction)
- Activities and awards described in the Student Attendance Incentive Plan should use sub-object 00S2

Travel Costs

Effective September 2024 , conference and training registration costs should be coded with the Object 6297 for Employee Registration Fees , while the costs of mileage, hotel, meals per GSA rates and other allowable costs should use Object 6411 for Employee Travel, Object 6412 for Student Travel, or Object 6419 for Non-Employee Travel.

Lease Payments

With the implementation of GASB 87, lease payments for property (copiers, Subscription Based Information Technology Agreements (SBITA), buildings, equipment, etc.) should be coded to Function 71 (Debt Service). For more information regarding a SBITA, please reference Section 11: Fixed Assets and Inventory Items.

Extra Duty/Extra Help

All extra duty pay and extra help substitutes (including extra help retirees) will be coded to objects 6118 (for professionals) and 6121 (for paraprofessionals). Objects 6119 and 6129 will only be used for salaries and stipends.

References to Additional Information

Texas Education Agency (TEA) Financial Accountability System Resource Guide (FASRG)

Exhibits

Exhibit 9-01: Budget Amendment Schedule

	Cutoff Date	Board Meeting Date
Monday	July 22, 2024	August 12, 2024
N/A	N/A	September 9, 2024
Monday	September 16, 2024	October 7, 2024
Monday	October 21, 2024	November 11, 2024
Monday	November 11, 2024	December 9, 2024
Monday	December 9, 2024	January 13, 2025
Monday	January 21, 2025	February 10, 2025
Monday	February 18, 2025	March 10, 2025
Monday	March 24, 2025	April 14, 2025
Monday	April 22, 2025	May 12, 2025
Monday	May 19, 2025	June 9, 2025