

GOVERNANCE POLICIES OF THE MILWAUKEE BOARD OF SCHOOL DIRECTORS

BG 4.05 BUDGETING / FORECASTING

(1) BUDGETING

Budgeting for any fiscal year, or the remaining part of any fiscal year, shall not deviate materially from the Board's goals, standards, and priorities; risk fiscal jeopardy; or fail to show a generally acceptable level of foresight. Accordingly, the Superintendent shall prepare an annual operating budget that:

- (a) is consistent with federal and state laws, Department of Public Instruction regulations, and Board Rules, Governance Policies, and goals;
- (b) differentiates funding for each statutory fund (School Operations, Construction, and Extension) and categorical programs;
- (c) identifies school, programmatic, and departmental funding and staffing levels;
- (d) identifies annual Board priorities and measurement of program effectiveness on an annual and cumulative-year basis;
- (e) complies with the Board-adopted biennial budget calendar;
- (f) provides for fiscal control and management accountability;
- (g) provides sufficient information to permit accurate projection of revenues and expenses;
- (h) separates capital and operational items;
- (i) discloses planning assumptions;
- (j) complies with the Board-authorized tax levy;
- (k) provides full funding for the Board's prerogatives, such as costs for fiscal audit, Board governance and development, Board and committee meetings, and Board legal fees;
- (l) protects and maintains reserve funds;
- (m) plans and reports expenditures within conservative revenue projections; and
- (n) complies with provisions of the administrative policies governing the operating reserve and the unreserved fund balance.

(2) OPERATING RESERVE POLICY

The level of the operating reserve shall be set at 0.35% of the School Operations Fund and shall be approved by the Board with the adoption of the annual budget.

(3) UNASSIGNED FUND BALANCE POLICY

Use of the unassigned fund balance shall require an affirmative vote of two-thirds of the Board's membership and shall not impair interim financing (cash-flow borrowing) arrangements.

History:	Adopted 10/18/95; revised 4-25-96, 10-29-15, 7-27-17		
Legal Ref.:	W.S. 62.12, , 65.07, 115.01(1), (3);, 119.04, 119.16(8), (9), 119.18(10), 119.46, 119.47, 119.48, 120.14; 121.01-121.23		
Cross Ref.:	Board Rule	1.14	Voting Methods
	Admin. Policy	3.01	Annual Operating Budget
		3.02	Budget Control
		3.03	Operating Reserve
		3.05	Fund Carryover
Monitoring:	Superintendent's budget message to the Board including statements verifying that all fiscal components are incorporated in the budget.		
Frequency:	Annually in February.		
Monitoring:	Audit report and management letter prepared by an external auditor to verify the fiscal condition and integrity of District operations.		
Frequency:	Annually, no later than December.		

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