

## **Annual Budget**

The annual budget is the financial plan for the operation of the BOCES. It provides the framework for both expenditures and revenues for the year and future years and translates into financial terms the programs and objectives of the BOCES.

### **Five-year budget plan**

The executive director or designee is directed to develop, subject to annual approval by the Board, a five-year budget plan that assures the future financial viability of the BOCES and achievement of the BOCES's objectives and also takes into account future revenue and future increases in operating expenses.

### **Budget process**

In accordance with state law, the budget shall be presented in a summary format that is understandable by any layperson. The budget format shall itemize expenditures of the BOCES by fund. It shall describe the expenditure and show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year. When budgeting for any enterprise funds, the BOCES shall use the full accrual basis of accounting.

The budget shall include a uniform summary sheet for each fund administered by the BOCES that details the beginning fund balance and anticipated ending fund balance for the budget year; the anticipated fund revenues for the budget year; the anticipated transfers and allocations that will occur to and from the fund during the budget year; the anticipated expenditures that will be made from the fund during the budget year; and the amount of reserves in the fund.

The Board assigns to the executive director overall responsibility for annual budget preparation, budget presentation and budget administration. As part of the executive director's budget responsibility, the executive director shall cause to be prepared a budget preparation calendar that shall ensure all deadlines established by law for budget presentation, hearings and adoption are met by the BOCES. The executive director shall have authority to delegate portions of his or her budget responsibility to the business manager of the BOCES.

The budget prepared and presented by the executive director shall be consistent with the Board's budget priorities established in policy DBD.

### **Operating reserve**

Maintaining a fiscal year-end fund balance as an operating reserve is a beneficial and sound financial management practice. The Board assigns to the executive director or designee the responsibility of accumulating and maintaining a general

fund balance as an operating reserve in an amount determined by the superintendent's advisory council and the Board.

The operating reserve is intended to serve as a "rainy day" fund and will be used only for an unexpected loss of revenue or an extraordinary expenditure. Expenditures from this reserve shall be reported to the Board.

If any part of the operating reserve is used in any fiscal year to cover an unexpected loss of revenue or an extraordinary expenditure, funds will be reallocated to restore the year-end fund balance in the operating reserve before any other budget allocations in the subsequent fiscal year, unless the Board approves otherwise.

(Adoption Date: September 10, 2014)

LEGAL REFS.: C.R.S. 22-5-106 (*financing, budgeting and accounting, BOCES follow school district budget laws, as applicable*)  
C.R.S. 22-5-107 (*duties of board*)  
C.R.S. 22-5-108 (*powers of board*)  
[C.R.S. 22-11-302 (1)(a) (*district accountability committee budget recommendations*)]  
C.R.S. 22-32-109 (1)(b) (*board duty to adopt policies for the efficient administration of the BOCES*)  
C.R.S. 22-44-101 through 112 (1), (2) (*school district budget law, Board shall cause a proposed budget to be prepared and shall adopt a budget for each fiscal year*)  
C.R.S. 22-44-113 through 22-44-115 (1), (3) (*school district budget law, borrowing and expenditures*)  
C.R.S. 22-44-115.5 through 119 (*school district budget law, fiscal emergency and reserves*)  
C.R.S. 22-44-301 *et seq.* (*Public School Financial Transparency Act*)  
C.R.S. 29-1-103 (3) (*budget to reflect lease-purchase payment obligations*)

CROSS REFS.: DAB\*, Financial Administration  
DB subcodes, (all relate to the budget)