

# Carryover and Financial Management

Operations

## PURPOSE STATEMENT

The District is required by state law to not exceed our adopted budget amount. Therefore, we must create budget capacity for unplanned expenses, and grant opportunities, that may occur throughout the year. At the end of each fiscal year, the District is left with unexpended funds.

Our strategy for addressing this issue is to create budgetary reserves for carryover (unexpended dollars from the previous fiscal years that are carried over to the following year to be spent), potential grant revenues designated for a specific purpose and unexpected costs.

## STAKEHOLDERS

- Program managers that regularly receive carryover
- Schools that request carryover funds for a specific purpose
- Grant recipients who need expenditure authority

Throughout the fiscal year, program managers and grant managers hold financial management meetings to monitor budget spending and to project if current spending rates will result in carryover funds. That stakeholder interaction, as well as consultation with our Grants Manager to identify a realistic grant capacity for the upcoming year, are taken into consideration when estimating the cost of future budgetary reserves.

## CASE STATEMENT

- Without this budget capacity, specific District programs and grant sponsored activities would not have access to the full funding intended to support their academic and partnership initiatives. Additionally, the District would be unable to quickly respond to unexpected financial needs in emergent situations.
- Financial management best practice necessitates accounting for unplanned expenditures and state law requires that the district not exceed the board-approved, adopted budget amount. Therefore, these costs are built in as capacity for unplanned expenditures.

## WHAT SPECIFIC BOARD-ADOPTED BENCHMARKS WILL BE INFLUENCED BY THIS WORK?

1. Partnerships – The number of community-based and youth-based organizations in formal partnerships with schools and/or the school district [grants, donations]
2. Operations – The annual percentage of Fund Balance maintained

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## MEASURABLE GOALS

1. We will not exceed total budget authority by the end of 2022 as measured by year-end financial statements.
2. We will allocate funds to departments needing or requesting carryover of funds by the end of 2022 as measured by year-end financial statements.

## SCOPE OF WORK

Inputs / Resources	Activities	Outputs / Outcomes
Unexpended dollars from previous fiscal years	The budget department will process carryover after all actual expenditures have been posted for the previous fiscal year	In October, carryover of approximately \$3-4 million dollars will be made available to program managers and schools for specified purposes.
Budgeted grant capacity of \$8.5 million dollars	The district authorizes expenditures related to grants, donations and other monetary gifts throughout the year	The established grant capacity enables the district to pursue and accept large grant awards throughout the fiscal year without exceeding budget authority.

- While carryover funds provide necessary resources to some programs, not all programs/schools receive this benefit. The distribution of some carryover is dictated by the funding source (federal, state, or grant specific). The remaining allocation is determined at the discretion of the Superintendent's Cabinet and in alignment with the Board's Strategic Plan goals.
- To mitigate the potential negative impacts to programs that do not qualify for carryover, grant opportunities may be prioritized to address those unmet programmatic needs.

## PROGRAM COST - BUDGET USE ONLY

<i>Fund Description</i>	<i>18-19 FTE</i>	<i>Salaries &amp; Benefits</i>	<i>Supplies</i>	<i>Contract Services</i>	<i>Travel</i>	<i>Capital Outlay</i>	<i>Total</i>

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Total							