

**DB Planning, Programming, Budgeting System**

10/23/14

The Cobb County Board of Education (Board) shall annually adopt a budget according to the laws of the State of Georgia and the regulations of the State Board of Education. The budget shall be adopted at a public meeting of the Board.

Furthermore, the Board expects the Superintendent to assure that the Cobb County School District (District) maintains a multi-year financial plan and to establish financial guidelines and procedures that:

- Protect the District's fiscal soundness; and
- Support the fulfillment of the District's priorities.

**A. FINANCIAL PLANNING:**

1. The District will prepare a one year preliminary General Fund Budget forecast of projected revenues and projected expenditure appropriations on an annual basis. Financial planning for any fiscal year or the remaining part of any fiscal year will:
  - a. Clearly and directly support the District's priorities as established in the District Strategic Plan, in response to student achievement data, and by Board Policy DA (Fiscal Management Goals and Objectives);
  - b. Insure the District's fiscal soundness;
  - c. Support the fulfillment of the District's multi-year financial plan;
  - d. Fulfill the requirements of Board Policy DI (Accounting and Reporting);
  - e. Contain sufficient information to enable credible projections of revenues and expenses;
  - f. Disclose planning assumptions for the General Fund;
2. **Multi-Year Financial Plan:**

The District will prepare a five year General Fund Budget forecast of projected revenues and projected expenditure appropriations on an annual basis. This multi-year financial plan shall:

  - a. Include a total projected obligation and cost of multi-year programs; and
  - b. Be updates whenever significant change occurs.

**B. BUDGET DEVELOPMENT:****1. General Provisions:****a. Revenue:**

Each General Fund revenue account shall be analyzed during the budget development process to develop reasonable budget assumptions, projections and detailed documentation for each revenue account category.

**b. Expenditure Appropriations:**

(1) Position counts will be calculated by Division and classification based on Local School Allocation Formulas and a continuation of prior year positions in school support departments.

(2) Proposals for incremental budget appropriation increases or decreases shall be presented to the Superintendent annually for consideration in the budget development process.

**c. General Budget Development Methodology:**

(1) The budget will be developed utilizing a structural balanced budget philosophy where recurring revenue equals recurring expenditure appropriations. If one time funds are used from fund balance to assist in balancing the General Fund budget, the expenditure appropriations associated with those one time funds shall be identified as part of the budget approval process and the Board will identify recurring funds for these expenditure appropriations in the immediate subsequent budget development year. The Board shall maintain the objective to keep the

General Fund reserve at a level of at least 8.33% (One Month Reserve) of General Fund Expenditure Appropriations.

- (2) The budget will be developed utilizing a Budget Calendar where each budget event is identified along with a person responsible for completion of that event.
- (3) All budget development budget calculations shall be presented along with assumptions utilized in projecting budget estimates.

2. **Budget Development Process:**

- a. The District will utilize an annual budgeting process that includes:
  - (1) A credible projection of revenues and expenses;
  - (2) Separation of capital and operational items;
  - (3) Cash flow;
  - (4) Disclosure of planning assumptions upon which District leadership based its planning;
  - (5) Total projected obligation and cost of new and proposed multi-year programs; and
  - (6) Annual and remaining obligation and cost of existing multi-year programs.
- b. As part of the budget adoption process, the Superintendent will present to the Board of Education and make public those budget items pre-approved by the Board from specific approval in the spending authority of the Superintendent. (see Board Policy DI ([Accounting and Reporting]).
- c. The District shall not create long-term obligations of employment, compensation, or benefits for employees, consultants, contract workers or volunteers, that extend beyond reliable revenue projections.
- d. The District shall not treat Board approved budget adjustments during the fiscal year as carry-overs to be included in the initial budget amount for the subsequent fiscal year. Rather, the subsequent fiscal year budget process shall:
  - (1) Identify both the original amount included in the current year budget and the amount of any adjustment approved by the Board during the current fiscal year; and
  - (2) Identify adjustments needed for recurring expenses as budget enhancements in the subsequent fiscal year budget process.
- e. **General Fund Budget Development Events:**
  - (1) Administration will develop an annual Budget Forecast for Revenues and Expenditure Appropriations.
  - (2) Administration will develop a Budget Calendar.
  - (3) Administration will seek budget input from the Board of Education.
  - (4) Administration will prepare a tentative, balanced budget for consideration by the Board of Education prior to the Board's review of the budget.
  - (5) The Board will conduct budget meetings as necessary to review and finalize the tentative, balanced budget.
  - (6) The Board will approve the Budget before June 30 each year.
- f. **Continuing Budget Management:**
  - (1) All General Fund, fund balanced budget adjustments must be approved by the Board during the fiscal year of July 1 through June 30.
  - (2) Administration shall provide financial and budget information as requested by the Board during the fiscal year.

2. **Public Notice:**

a. **Advertisement:**

The Board shall advertise at least one time in a newspaper of general circulation in Cobb County the proposed budget for each fiscal year. The advertisement shall be made prior to the meeting of the Board of Education at which the District budget for the fiscal year is to be finally adopted and shall follow the form required by the State Board of Education.

b. **Hearings:**

Before the budget is officially adopted the Board shall hold a public hearing to explain the proposed budget and invite questions and discussion from the administration and public relative to the budget.

3. **Millage Rate:**

- a. The Board shall annually recommend to the County Commissioners the tax millage for the county to be collected for school purposes only and in compliance with Article 8,

Section 6, Paragraph I(a), of the Georgia Constitution which provides that the millage rate shall not be greater than 20 mills.

- b. The Board shall approve the General Fund millage rate annually by July 1 and shall conduct millage rate hearings as required by State of Georgia law.

Adopted: 8/26/04

Effective: 9/1/04

Revised: 1/27/05; 10/12/05; 3/23/06; 5/14/08; 10/22/09; 2/25/10; 3/10/10

Revised and re-coded: 10/25/12 (Previously coded as Board Policy SD-5)

Revised: 10/23/14

Legal Reference

O.C.G.A. 48-08-0141

Manner of imposition of tax; report

O.C.G.A. 50-06-0032

Short title; definitions; creation, operation, and maintenance of searchable website; public access to state expenditure information

O.C.G.A. 20-02-0160

Determination of enrollment; determination of funding

O.C.G.A. 20-02-0162

Annual recalculation of funding; mid-term adjustment

O.C.G.A. 20-02-0167

Funding for direct instructional, media center and staff development costs; submission of budget

O.C.G.A. 20-02-0720

Inspection of student's records by parents

O.C.G.A. 20-02-0962

Quarterly reports by principals; audits by boards

O.C.G.A. 50-06-0006

Audit of school systems; employing accountants; accounting standards

Rule 160-5-2-.21

Annual Financial and Budget Reports