

Governance Policy Manual
Policy Category: Recommended Guardrail
Financial Planning and Budgeting
(Interim Policy GPM.G2 or 6000)
Review cycle: Annual in June


Financial planning or budgeting for any fiscal year, or part thereof, shall be derived from a minimum four-year plan in full compliance with state law and shall not risk fiscal jeopardy or deviate materially from the Board's goals and resulting District strategic plan.

Without limiting the above, for any financial plan or budget, the Superintendent shall adhere to the following constraints.

Budget Preparation

The Superintendent shall not cause or allow Seattle Public Schools to:

- 1) Omit: credible projections of revenues and expenses; separation of capital and operational items; cash flow and significant balance sheet items; or disclosure of planning assumptions and analysis.
- 2) Fail to compare, for each major fund type and activity, the actual expenditures for the most recently closed fiscal year, budgeted expenditures for the current fiscal year, and proposed budget expenditures for the next fiscal year.
- 3) Fail to provide adequate and reasonable budget support for Board development and other governance priorities, including the costs of fiscal audits, Board and committee meetings, Board memberships and activities as delineated in the Board's annual plans.
- 4) In years in which an operating deficit or surplus is projected, omit categorical and programmatic location and type of budget reductions or enhancements and their maintenance of Board's goals and resulting District strategic plan.
- 5) In years in which a significant operating deficit or surplus is projected, fail to present a Reduced or Increased Educational Program Resolution for Board approval.
- 6) **Maintain** or agree to **school** funding models that 1) **fail to utilize data proven formulas centered on meeting** student need, 2) are not flexible enough to ensure alignment with established goals related to ensuring student outcomes, and 3) are inconsistent with the Board's policies and statement of values including the Board's goals and resulting District strategic plan.
- 7) Fail to delineate, manage to, and communicate a clear timeline regarding the budgeting process.
- 8) Propose to retain static student assignment plans, school boundaries and transportation standards, if modifications will create or maintain efficacy in association with the proposed budget and aligned with high standards of service.
- 9) **Fail to disclose any legally allowed budget options** which mitigate **financial** risk and/or are **promise substantive fiscal improvement in the district's ability to serve students.** .
- 10) Fail to **engage in long-range planning to ensure** fiscal capacity.**and equitable compensation structures for all SPS employees.**

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- 11) Allow building or other leaders to solicit or accept funding in support of building, departmental or district budget if that funding is not a) sustainable, if one-time funds, or for one-time needs, and b) aren't clearly shown as matched by the district through a balancing mechanism consistent with the Board's goals and resulting District strategic plan.
 - 12) Fail to delineate in budget the fiscal mechanisms and data the District uses ensure ASBs, ASB Executive Committee, Boosters, PTAs, PTOs, funders and building leaders are supported with pathways and processes that ensure equitable access, within and among buildings, to any and all curricular, extracurricular, athletic, social, equipment, materials and opportunities generated through the use of Seattle Public Schools resources, with the express goal of equalizing access while retaining relationships with diverse contributors.

Governance Policy Manual
Policy Category: Guardrails
Policy Name: Administration of the Annual Budget and Financial Reporting
Interim Policy: GPM.G3
Review Cycle: Annual in June

Administration of the Annual Budget:

With respect to execution of the budget and the ongoing condition of the district's financial health, the Superintendent shall not cause or allow a material deviation from the annual budget or policy adopted by the Board, cause or allow any fiscal condition that is inconsistent with achieving the Board's goals and resulting District strategic plan, or place the long-term financial health of the district in jeopardy.

Accordingly, the Superintendent may not:

- 1) Expend more funds than are anticipated to be received in the fiscal year unless authorized by the Board through utilization of available reserves.
- 2) Fail to meet debt and liquidity guidelines.
- 3) Indebt or obligate SPS to any amount greater than can be repaid by unencumbered revenues by the end of the current fiscal year.
- 4) Allow a year end fund balance that is below the budgeted amount.
- 5) Fail to settle payroll and debts within the timeframe of agreed contracts.
- 6) Fail to arrange for the annual audit of all district funds and accounts and budget for a non-state auditor audit every seven to eight years.
- 7) Fail to provide contract and business preferences to Women and Minority owned (WMBE) and local Businesses.
- 8) Fail to ensure equitable assessment of fees, or allow others utilizing SPS resources to do so, or utilize automatic waivers whenever possible.

Reporting:

The Superintendent shall ensure that the Accounting Manual for Public School Districts in the State of Washington compliant financial statements are presented on a multi-year comparative basis accessible for general public consumption and analysis and shall express alignment with the Board's goals and resulting District strategic plan as well as fiscal health. Without limiting the above, the Superintendent shall not:

- 1) Omit historical spending on a per building, line-item basis with year-over-year comparison.
- 2) Fail to provide historical actual spending and enrollment data in conjunction with year-over-year trends in student outcomes at the building, grade, District, and demographic levels.
- 3) Fail to provide publicly available data on three years year-over-year District spending.
- 4) Fail to keep complete and accurate financial records by funds and accounts in accordance with established fiscal accounting procedures as reflected in the Accounting Manual for Public School Districts in the State of Washington.
- 5) Allow reports or filings required by any state or federal agency to be overdue, inaccurately filed, or unavailable to the public.