

**PROCEDURES FOR SUBMITTING
PROPOSED BUDGET REVISIONS TO THE
STATE DEPARTMENT OF EDUCATION FOR APPROVAL**

Rarely, if ever, will actual revenues and expenditures equal budgeted revenues and expenditures for the year. To manage effectively, school administrators need to be able to adjust budgeted amounts to the actual amounts received and expended each year, but according to the requirements of West Virginia Code § 18-9B-10, county boards of education are authorized: to expend funds or incur obligations only in accordance with the approved budget and expenditure schedule, and; make transfers between items of appropriation or expenditure only with the prior written approval of the State Board. In addition, the U.S. Department General Administrative Regulations (EDGAR) specifies the requirements that local education agencies (LEAs) must follow in revising their approved budgets of federal programs.

The purpose of these instructions is to establish the thresholds and procedures that local education agencies (LEAs) in West Virginia are to follow in submitting their budget revision requests to the West Virginia Department of Education (WVDE) for approval.

1. General:

- a. All budget revisions must be presented to the local education agency's (LEA's) local board for approval by **June 30** of the year in which the budget is being revised. However, for the revisions that must be forwarded to the State Department of Education (SEA) for approval, as specified below, the revision requests must be submitted by the LEA in time for the request to be received by the SEA or other awarding agency by **June 25** of the year in which the budget is being revised.
- b. The budgets for all restricted programs are to be posted to the West Virginia Education Information System (WVEIS) as soon as possible after the budgets are approved by the SEA program directors, but no later than **October 31** of the year for which the budget is developed and any necessary budget revisions must be submitted for approval in accordance with the following procedures as soon as possible after it is determined that budget revisions are necessary.
- c. In addition, all carry-over budgets must be entered into WVEIS as soon as possible after the special projects worksheet for the previous year is completed, but no later than **October 31**.
- d. All proposed budget revisions are to be made using the pending budget journal entry file (GNL 520) in WVEIS.
- e. Budget journal entries are to be divided into the following three types using a different number sequence to identify each type. The three types and the recommended numbering sequence for each are:
 - i. Budget supplements – Number sequence 100-200;
 - ii. Budget transfers that are to be accumulated to determine if they exceed the 10% threshold requiring SEA approval – Number sequence 200-300;
 - iii. Budget transfers that are to be excluded from accumulation for determination of the 10% threshold – Number sequence 300–400.

Examples of budget revisions that are to be excluded are: (1) Transfers from a reserve account to an actual account for expenditure; (2) Transfers for revisions that must be approved by the SEA in accordance with the requirements described elsewhere in these procedures, such as a reduction in the amount originally budgeted for staff development; (3) Transfers beyond the third digit of the program/function code or the second digit of the object code for the LEAs that do not submit these revisions to their local boards for approval; and (4) Transfers among locations, cost centers or other account code elements beyond the object code element that an LEA may use.

Note: Other numbering sequences may be used, but a separate sequence must be used for each different type.

- f. A separate budget journal entry must be created for each restricted program. Unrestricted funds and local projects may be combined in the same budget journal entry. Different projects related to the same program may also be combined in the same budget journal entry.
- g. To standardize the forms used for submission of all budget revision requests to the SEA for approval, the requests must be submitted using the budget journal listing printed by WVEIS that includes a description of the revision. Individual program forms are no longer to be used for submission of budget revisions for approval.
- h. All budget revisions requests submitted to the SEA must be submitted using WVDE Form 11-20-12 (copy attached), with a copy of the budget journal entry attached. The form must be signed by the county superintendent, or director of a Regional Education Service Agency (RESA) or multi-county vocational agency (MCVC), and stapled to the front of the budget journal listing.
- i. For restricted projects that require an explanation for the revision, the explanations are to be provided using WVDE Form 11-20-13, (copy attached). The form is to be signed by the LEA's program director.
- j. Both the WVDE Form 11-20-12 and the WVDE 11-20-13 are to be stapled to the front of the budget journal entry listing, with the WVDE Form 11-20-12 in front, followed by form WVDE Form 11-20-13, if required, followed by the budget journal entry.
- k. All proposed budget revisions are to be presented to the LEA's board for approval prior to submission to the SEA.
- l. Unless local policy or practice dictates otherwise, it is suggested that all budget revisions submitted to the LEA's board for approval be included on the consent agenda.

2. Unrestricted Funds, Step 7 and Local Projects:

For unrestricted funds, Step 7 projects and local projects, local education agencies (LEAs) must submit proposed budget revisions to the SEA and receive prior approval of the SEA whenever any of the following changes are anticipated:

- a. Any revision in which funds are being supplemented into the budget;
- b. All transfers involving revenue or expenditure account codes in which the revision affects the first three digits of the program/function code element or the first two digits of the object code element.

NOTE: Budget revisions may be submitted to the SEA that extend beyond these thresholds, but this is not required nor recommended.

3. Restricted Federal and State Projects:

For all restricted federal and state projects, other than the ones included in the paragraph above, LEAs must comply with the budget change requirements specified in the U.S. Department General Administrative Regulations (EDGAR) 80.30 and obtain the prior approval of the SEA or awarding agency, if different, whenever any of the following changes are anticipated:

- a. Nonconstruction projects:
 - i. Any revision which would result in the need for additional funding;
 - ii. Cumulative transfers among direct cost categories, or, if applicable among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent (10%) of the current total approved budget;
 - iii. All transfers allotted as training allowances (professional staff development). This means any budget revisions that reduce the amount originally budgeted for staff development must be submitted to the SEA for approval.

Budget revisions that transfer expenditures among staff development activities, but do not reduce the total amount originally budgeted for staff development are to be submitted using the criteria discussed in the preceding paragraph.

- b. Construction Projects:
 - i. Any budget revision which would result in the need for additional funds.
- c. Combined construction and nonconstruction projects:
 - i. Any budget transfer from nonconstruction to construction or vice versa.
- d. Programmatic changes:
 - i. Any revision of the scope or objectives of the project;
 - ii. Need to extend the period of availability of the funds;
 - iii. Changes in key persons in cases where specified in an application or grant award.

4. **Submittal and Approval Process:**

- a. Budget revisions that do not meet the criteria described in paragraphs 4 and 5 may be posted by the LEA as an official budget revision in WVEIS after the request is approved by the local board;
- b. Budget revisions that must be approved by the SEA as the grantor agency are to be submitted to the SEA, using the following procedures:
 - i. For unrestricted, local and Step 7 funds, mail two (2) copies of the budget journal entry listing to the Office of School Finance with a copy of the WVDE Form 11-20-12 (copy attached) stapled to the front of each copy of the budget journal listing.
 - ii. For restricted projects other than those included in the preceding paragraph, mail three (3) copies of the budget journal entry listing to the Office of School Finance, with a copy of the WVDE Form 11-20-12 (copy attached) stapled to the front of each copy of the budget journal listing. If WVDE Form 11-20-13 is also required by the SEA program director, staple a copy of the form **behind** the WVDE 11-20-12 form. The Office of School Finance will route the revision requests to the appropriate program directors at the SEA.

- iii. For expediency in processing:
 1. Staple each copy of a budget revision request separately in the following order:
 - a. Copy of the WVDE Form 11-20-12;
 - b. Copy of the WVDE Form 11-20-13 (if required);
 - c. Copy of the budget journal entry printout;
 2. Paperclip all copies of the budget revision request (2 or 3 copies, depending on the program) together.
- iv. Upon receipt, the program director, or designee, at the SEA will review the revision request as quickly as possible, but no later than 5 days after receipt, and if approved, will return two copies of the budget revision request to the Office of School Finance. If not approved, all three copies of the budget revision request will be returned to the submitting agency for revision.
- v. Upon review and approval by the Office of School Finance, an approved copy of the budget revision request will be returned to the submitting agency and a copy retained for file.
- vi. Upon receipt of the approved budget revision from the SEA, the LEA may post the approved budget revision as an official budget revision in WVEIS.

5. Review Process:

All budget transfers will be reviewed during scheduled consolidated federal monitoring, including those that do not require SEA approval, as discussed in the preceding paragraphs, to ensure that all transfers are in accordance with federal expenditure allowances as limited by EDGAR. In addition, auditors performing the annual audits of LEAs will include a review of the budget revision process in the scope of the audit.

6. Legally Adopted Budget:

Beginning with the 2006-07 year, the legally adopted budget is considered to be the approved budget for each fund maintained by the LEA at the function level, as defined in the Chart of Accounts issued by the West Virginia Department of Education, Office of School Finance. Actual expenditures are not to exceed the amounts reflected in the approved budget at the function level.

Budget Revision Procedures 08
(Revised 9-26-07)

BUDGET REVISION REQUEST

Submit to:

WEST VIRGINIA DEPARTMENT OF EDUCATION
 OFFICE OF SCHOOL FINANCE
 BUILDING 6, ROOM 215
 1900 KANAWHA BOULEVARD EAST
 CHARLESTON, WV 25305

SUPPLEMENT

Entity: _____

TRANSFER

Fiscal Year Ending: **06/30/08**

CARRYOVER SUPPLEMENT

Revision Number: _____

Pursuant to the provisions of West Virginia Code 18-9B-10, authorization is requested to revise the approved budget for the entity and fiscal year indicated above, as reflected in the attached budget journal entry(ies).

<u>Fund</u>	<u>Amount</u>
Fund 11 - General Current Expense	\$ _____
Fund 12 - General Current Expense - Excess Levy	_____
Fund 13 - General Current Expense - Multi-County Vocational Center	_____
Fund 14 - General Current Expense - Regional Education Service Agency	_____
Fund 16 - Trust Funds	_____
Fund 21 - Debt Service	_____
Fund 22 - Debt Service	_____
Fund 2_ - Debt Service	_____
Fund 31 - Bond Construction	_____
Fund 32 - Bond Construction	_____
Fund 3_ - Bond Construction	_____
Fund 41 - Permanent Improvement	_____
Fund 51 - Capital Projects	_____
Fund 61 - Special Revenue - Restricted Projects	_____
Fund 63 - Special Revenue - MCVC Restricted Projects	_____
Fund 64 - Special Revenue - RESA Restricted Projects	_____
Total Request	\$ _____

I hereby certify that this budget revision request, submitted in accordance with the provisions of WVC 18-9B-10, is necessary to increase operating efficiency, has been approved by the governing board, and appears in the official minutes of the board for the date indicated:	
DATE OF BOARD MEETING	SUPERINTENDENT'S (RES/AMCVC DIRECTOR'S) SIGNATURE

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RECOMMENDED FOR APPROVAL	
DATE APPROVED	STATE SUPERINTENDENT

EXPLANATION OF BUDGET REVISION REQUEST - RESTRICTED PROJECTS

Submit in Triplicate to:

WEST VIRGINIA DEPARTMENT OF EDUCATION
 APPROPRIATE PROGRAM DIRECTOR
 BUILDING 6, ROOM 215
 1900 KANAWHA BOULEVARD EAST
 CHARLESTON, WV 25305

Entity: _____

Fiscal Year Ending: 06/30/08

Program: _____

Please provide a brief explanation of the purpose for this proposed budget revision including an explanation of any changes in the scope or objectives of the project.

Total of Program Budget Revision Request

\$ _____

I hereby certify that this budget revision request, submitted in accordance with the provisions of EDGAR 80.30, is necessary to increase operating efficiency and has been approved by the governing board.	
	ENTITY PROGRAM DIRECTOR
	DATE

For State Department of Education Use Only	
RECOMMENDED FOR APPROVAL	
	DATE APPROVED
STATE PROGRAM DIRECTOR	