

**EL-4**  
**FINANCIAL PLANNING AND BUDGETING**

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Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

Further, without limiting the scope of the foregoing by this enumeration, the Superintendent shall not allow budgeting that:

1. Risks incurring those situations or conditions described as unacceptable in the Board policy entitled "Actual Financial Condition and Activities." EL-5.
2. Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Provides less for Board prerogatives during the year than is set forth in the Board developed budget for Cost of Governance (see GP-9).
4. Fails to show the amount spent in each budget category for the most recently completed fiscal year and the amount budgeted for each category for the current fiscal year.
5. Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be available during the year.
6. Fails to reflect anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.
7. Is not in a summary format understandable to the Board and presented in a manner that allows the Board to understand the relationship between the budget and the Ends priorities for the year.

*December 14, 2005 – Adoption*

**Monitoring Method:** *Internal report*  
**Monitoring Frequency:** *Annually in August*