

***Policy Type: Executive Expectations*****Budgeting/Financial Planning**

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

Accordingly, the Director may not develop a budget which:

1. Is not in a summary format understandable to the Board.
2. Fails to adequately describe revenues and expenditures.
3. Fails to show the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for each category for the current fiscal year and the amount recommended for the next fiscal year.
4. Fails to disclose budget planning assumptions.
5. Fails to disclose rationale underlying budget allocation choices.
6. Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be received during the year.
7. Proposes to reduce the projected year-end fund balance to an amount less than 5%.
8. Fails to provide adequate and reasonable budget support for Board development and other governance priorities.
9. Fails to take into consideration fiscal soundness in future years or ignores the building of organizational capabilities sufficient to achieve **Ends** in future years.
10. Recommends the use of one-time dollars to fund recurring expenses.
11. Fails to reflect anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.

Adopted: 4/22/03

Changed to Executive Expectations 10/12/04

**Monitoring Method:** *Internal report*  
**Monitoring Frequency:** *Annually in April*  
Metropolitan Nashville Board of Education