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## Cost Projection (General Fund) Procedure (BUD-P509)

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The online version of this procedure is official. Therefore, all printed versions of this document are unofficial copies.

### 1.0 SCOPE:

- 1.1 This procedure describes the process in which the Business Department prepares the cost projection for the General Fund.

### 2.0 RESPONSIBILITY:

- 2.1 Chief Financial Officer

### 3.0 APPROVAL AUTHORITY:

- 3.1 Senior Budget Analyst

*(Approval signature on file)*

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Signature

\_\_\_\_\_  
Date

### 4.0 DEFINITIONS:

- 4.1 DOE – Department of Education
- 4.2 DOT – Department of Taxation
- 4.3 NRS – Nevada Revised Statutes
- 4.4 Financial Accounting Handbook – A national set of standards and guidance for school system accounting to ensure that education fiscal data are reported comprehensively and uniformly.
- 4.5 Operating Costs – Non-salary/benefit costs transacted by schools and departments in relation to their function.
- 4.6 Base Budget – The operating cost budget provided to schools and departments in the prior fiscal year.
- 4.7 Object – an account number describing a particular type of cost
- 4.8 Function – a category containing various cost objects for a specified purpose

### 5.0 PROCEDURE:

- 5.1 The cost projection for the General Fund begins with the assumption that all costs related to schools, departments and programs for the current fiscal year will continue for the next fiscal year unless information indicates otherwise. The cost projection, in conjunction with the revenue projection, is the starting point for beginning the budget process. Decisions related to balancing and/or realigning the budget will be made after the initial cost and revenue projections are performed.
- 5.2 The cost projection combines the cost for salary, benefits and non-salary/benefits. The salary/benefit projection encompasses 85-90% of the budget and is detailed at "Salary and Benefit Projections – BUD-P510." These two components are merged in the EXCEL workbook named GFSUM.xls. The worksheets in the workbook provide the summarized reporting format necessary for the DOT budget form required to be submitted by NRS 354.596 – 354.598.
- 5.3 The salary/benefit costs are placed into the appropriate category in the "Salaries" worksheet in the GFSUM.xls workbook.



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- 5.4 The "Sch&Dept Summ" worksheet in the GFSUM.xls workbook compiles the operating cost projection.
- 5.4.1 The worksheet summarizes projected costs by object within function by first indicating the base budget, then making additions/deletions for adjustments and combining the two columns for a total.
- 5.4.2 The base budget is maintained in a separate database. The budget is detailed for each department by object code. The summary of for all schools and departments by object code within function is then entered into the worksheet in the base budget column.
- 5.4.3 Adjustments to the base budget are then made.
- 5.4.3.1 Preliminary Budget Adjustments – These adjustments are related to known circumstances that will occur. Typically they include fixed cost increases, insurance increases, increases related to enrollment growth, costs for new school openings, cost increases from the prior year that will roll into the new year, debt service adjustments, utility increases and other directed/documented increases or decreases.
- 5.4.3.2 Tentative Budget Adjustments – Circumstances generally dictate that budget reductions or realignments will occur. This is because the preliminary budget is just a starting point for the budget process. The budget may initially be out of balance and balancing decisions may be made; additional budget requests deemed necessary for inclusion in the budget may be made; Board or Superintendent directed eliminations/reductions/increases may be made; State or federal mandates may have to be included, etc.
- 5.4.3.3 Final Budget Adjustments – Board or Superintendent directed budgets may have to be made to the Tentative Budget.
- 5.5 The total adjusted cost projections on the "Sch&Dept Summ" and the "Salaries" worksheets then roll forward to the "Budget Summ" worksheet. These cost are summarized and totaled by object within function to arrive at the total expenditures before transfers and other costs.
- 5.6 The transfer to the Debt Service Fund and the Special Education Fund are based on cost projections for those funds while other fund transfers, contingency and ending fund balance are based on information available or Board/Superintendent direction.
- 5.7 Once finalized, the costs projected on the "Budget Summ" worksheet are entered onto the prescribed format for the DOT budget document.

### 6.0 ASSOCIATED DOCUMENTS:

- 6.1 BUD-510, Salary and Benefit Projection – General Fund
- 6.2 GFSUM.xls, workbook used to compile the cost projection
- 6.3 Budget Database maintained by Budget Analyst



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**7.0 RECORD RETENTION TABLE:**

<u>Identification</u>	<u>Storage</u>	<u>Retention</u>	<u>Disposition</u>	<u>Protection</u>
Worksheets	Electronic	Permanent	N/A	Electronic

**8.0 REVISION HISTORY:**

<u>Date:</u>	<u>Rev.</u>	<u>Description of Revision:</u>
11/28/05	A	Initial Release

**\*\*\* End of procedure \*\*\***