



Administrative Regulation 3121

BUDGET AUGMENTATION

Responsible Office: Office of Business and Finance

PURPOSE

The Superintendent has adopted this Administrative Regulation to establish guidelines related to budget augmentations and amendments for funds of the Washoe County School District (District).

DEFINITIONS

1. "Augmentation" is an increase to the appropriated expenditures or transfers out of the annual operating budget.

REGULATION

1. Budget augmentations are the only way to increase the budget of a local government after adoption of the final budget, other than grants or donations which are specified in NRS 354.598005(3). Augmentations are only allowable when "anticipated resources actually available during a budget period exceed those estimated" (NRS 354.598005(1)).
2. Resource Requirements of Augmentation
 - a. Nevada Revised Statute 354.598005 permits local governments to augment the budget if anticipated resources actually available during a budget period exceed those estimated and the governing body approves the augmentation by a majority vote.
 - b. Nevada Administrative Code (NAC) 354.410 defines available resources as:
 - i. An unappropriated ending balance of any governmental fund, except a fund for capital projects, is not an available resource. Available resources are:
 - 1) An opening balance which is larger than anticipated;
 - 2) Revenues in excess of those budgeted;
 - 3) Revenues generated from previously unbudgeted sources; or
 - 4) An unappropriated ending balance of a fund for capital projects.

- ii. The difference between the total of the original budgeted resources and the total of the revised resources is the amount available for budget augmentation.
- c. With the exception of proprietary and capital funds, local governments are therefore not allowed to augment their budget by drawing down on the budgeted fund balance of a fund; in other words, augmentations are limited to any excess fund balance over the budgeted ending fund balance determined during the annual budget process.
 - i. An augmentation to the budgets of proprietary and capital funds from their fund balance/net position is allowed.
- d. The District will augment its budget for non-grant funds if it has the available resources and need to increase appropriations.
 - i. Grant funds can be amended as needed as acceptance of such a grant and agreement to the terms imposed by the granting agency or person constitutes an appropriation to the purpose specified, per NRS 354.598005 (3).

3. Timing Requirements of Augmentation

- a. On or before January 1 of each school year, each school district shall adopt an amendment to its final budget after the average daily enrollment (ADE) of pupils is reported for the preceding quarter pursuant to subsection 1 of NRS 387.1223. The amendment must reflect any adjustments necessary as a result of the report.
- b. Between September 30th, when the first quarters' ADE is made available, and the January 1st deadline to adjust the budget to enrollment, Business and Finance staff will present a budget amendment to the Board of Trustees (Board) showing:
 - i. Revised per pupil revenues due to enrollment changes.
 - ii. Revised expenditures due to enrollment changes, along with other proposed expenditure changes to be considered by the Board.
- c. When there are increased revenues or other available resources, the District does not have to augment the budget. An augmentation should only be considered when there is a need to increase appropriations.

- d. NAC 354.450 requires that augmentations must be completed and approved by the governing body (the Board) before June 30th of the affected fiscal year.
 - e. Copies of the Board resolutions and updated fund schedules must be submitted to the Nevada Department of Taxation after the approval of the augmentation.
4. Augmentation Considerations
- a. First, additional resources as defined in NRS 354.598005 and NAC 354.410 should be identified.
 - b. A need to increase appropriations.
 - i. One-time sources, including the available portion of fund balance for governmental funds, should only be used for one-time uses such as a capital project, purchase of equipment, or a limited-term position that ends at the end of the fiscal year.
 - ii. The only times an augmentation should be considered to fund ongoing costs are when there are ongoing additional revenues that can support additional position(s) and associated expenses. Even then, the District should consider whether it is appropriate to fund new positions or other costs during the annual budget process.
 - iii. New personnel or non-personnel costs.
 - 1) Personnel - Aside from additional instruction-related positions caused by additional enrollment, mid-year requests for new positions or expansion of new programs will only be considered when there are offsetting recurring costs savings or increased revenues. If the mid-year request is based on increased revenues, a budget augmentation is required.
 - 2) Non-Personnel
 - a) The contingency account may be considered as a source for one-time non-personnel costs and approved by the Board as outlined in Administrative Regulation 3160 Transfer of Budget Appropriations.
 - b) The need for mid-year additional, ongoing non-personnel costs should be presented to the Board as part of the

budget augmentation, only when there are ongoing additional revenues.

LEGAL REQUIREMENTS AND ASSOCIATED DOCUMENTS

1. This Administrative Regulation reflects the goals of the District’s Strategic Plan and aligns/complies with the governing documents of the District, to include:
 - a. Board Policy 3110 Preparation of Annual Operating Budget.
2. This Administrative Regulation complies with Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC), to include:
 - a. Chapter 354, Local Financial Administration; and
 - b. Chapter 387, Financial Support of School System.

REVISION HISTORY

Date	Revision	Modification
03/15/2022	1.0	Adopted