

## **SECTION 3.1 – ASB FUND BUDGETING**

### **INTRODUCTION**

Budgeting is the process of estimating, as accurately as possible, the revenue and expenditures for ASB activities for the coming school year. Accuracy is important since the approved expenditure budget cannot be exceeded. It is a good idea to build in an additional amount for potential projects that the ASB may decide to have in the coming year. A budget is a plan approved by the ASB Governing Body and the Board of Directors and sets the maximum amount of expenditures for the school year.

Questions regarding preparation of your ASB Budget can be directed to the Budget Office at extension 4157.

### **PROCEDURES**

#### **BUDGET DEVELOPMENT AND APPROVAL**

Each ASB will annually prepare, with the guidance of the primary advisor or designee, a budget for the following fiscal year (September through August). The budget office will communicate the timelines and provide an electronic budget sheet to each site. Individual activity account budgets are combined on the electronic budget sheet to become the proposed ASB budget for the site. This requires documented approval by the student council and the primary advisor. The proposed ASB budgets are e-mailed on the electronic budget sheet provided to the budget office within the established timelines for review. Once the review is complete, the budgets from all sites are combined to make up the District ASB Fund Budget and it is presented to the Board of Directors for approval. Representatives from each of the High Schools attend the Board meeting and present their budget to the Board of Directors.

#### **BUDGET PREPARATION**

##### **A. Review of Accounts**

Review current year ASB budget reports, considering the following:

1. Continuing Accounts – Activity accounts that are actively being used and will continue next year.
2. Inactive Accounts – For activity accounts that are not being used, determine if the account should remain active. If so, include it in the ASB budget. If not, the student council should take action to close the account and transfer any money remaining into the general student body account. Money remaining in the accounts for classes that have graduated cannot be carried forward into the new school year and must be closed to a general student body account by action of the student body (WAC 392-138-021).

3. New Accounts – Activity accounts that are not currently in the budget and are anticipated for the next school year should be included. New activity accounts must be set up following the bylaws of the ASB Constitution by action of the student council. Contact the budget office for new account codes.
4. Nonassociated Student Body Private Moneys – The board of directors of a school district may permit student groups to raise moneys through fundraising or solicitation in their private capacities subject to certain conditions. These moneys are budgeted in the 6000 account code series in anticipation of activities that involve collecting contributions for scholarships and charitable purposes, even if specific plans have not been set. It is strongly recommended that you contact the accounting office prior to collecting contributions to review the district policy governing private money. Any contributions collected from activities that do not follow proper procedure cannot be expended for charitable purposes (WAC 392-138-200).

B. Activity Budgets

After reviewing the current year revenue and expenditure reports and determining the activity accounts that will be budgeted, each activity should submit a budget for the next year outlining the revenues and expenditures expected. It is recommended the budget be signed by both the activity group advisor and student representative. Each activity group should provide a brief description of the types of activities in which they will be involved which includes the purpose for which funds will be raised and/or expended (WAC 392-138-110).

1. Beginning Cash Balance as of 09/01/XX – Estimate the cash available at the end of the present fiscal year by estimating revenues and expenditure activities to the end of the fiscal year. You cannot have a negative beginning balance.
2. Revenues – List estimated revenues expected during the next year. Be sure that the estimated revenues from fundraisers include the total amount received from the sale of items and not the net profit. For example, if you expect to collect \$5,000 for the sale of goods that cost \$3,000, you would include \$5,000 in the revenue column and the \$3,000 in the expenditure column.
3. Interactivity Transfers – List any money that may be transferred in from another activity as positive and money that would be transferred out to another activity as a negative. The source and recipient of the transfer must be identified.

4. Expenditures – List estimated expenditures during the next year. Keep in mind that you are not allowed to spend more than your total budgeted expenditures.
5. Ending Balance 08/31/XX – The ending cash balance is a residual balance. It is equal to the beginning cash balance plus revenue, plus or minus interactivity transfers, less expenditures. You cannot have a negative ending balance.

C. Site Budget

After collecting budgets for each activity, review reasonableness and verify calculations. Compile all activity budgets into one building budget using the electronic budget sheet sent to your site. Make sure that there are no negative beginning or ending balances and that the total Transfers In are equal to the total Transfers Out. It is a good idea to build in some potential revenues and expenditures for unforeseen activities that may take place in the coming year (remember you are not allowed to spend more than your total budgeted expenditures without approval from the budget office). The building budget must then be approved by the student council and the primary advisor, and documented in the minutes.

D. Submission to Budget Office

Submit your completed ASB budget on the electronic budget sheet via e-mail to the budget office according to the established timelines. The budget office will review each site budget and combine them to create the District ASB Fund Budget.

APPROVAL BY BOARD OF DIRECTORS

Representatives from each of the High Schools present their budget to the Board of Directors at a Board meeting determined by the budget office. Approval of the District ASB Fund by the Board of Directors is required.