

# Grants Pass School District 7

Code: **DBK-AR**  
Adopted: 8/27/02  
Readopted: 2/24/04  
Orig. Code(s): DBK-AR

## Budget Line Transfers

The following administrative regulation sets out district procedures for budget line item transfers in accordance with Board policy DBK - Appropriation and Budget Line Item Transfer Authority to allow limited spending flexibility while maintaining budgetary control over expenditures during the fiscal year.

For purposes of this administrative regulation, the following definitions apply:

1. Level I Functions - Expenditure functions in the District 7 Chart of Accounts designated by a four-digit code ending in 000. These expenditure categories are considered major functions such as Instruction (Function 1000) and Supporting Services (Function 2000);
2. Level II Functions - Expenditure functions in the District 7 Chart of Accounts designated by a four-digit code ending in 00. These expenditure categories include functions such as Debt Service (Function 5100) and Transfers (Function 5200);
3. Level III Functions - Expenditure functions in the District 7 Chart of Accounts designated by a four-digit code ending in 0. These expenditure categories include High School Summer School (Function 1430) and Staff Development (Function 2240);
4. Level IV Functions - Expenditure functions in the District 7 Chart of Accounts designated by a four-digit code not ending in 0. These expenditure categories include High School Cocurricular (Function 1132) and Care and Upkeep-Building (Function 2542);
5. Specific Functions - For purposes of this administrative regulation, Level III and Level IV functions are referred to as “specific functions”;
6. Major Objects - Expenditure objects in the District 7 Chart of Accounts designated by a three-digit code ending in 00. These expenditure categories include Salaries (Object 100) and Purchased Services (Object 300);
7. Specific Objects - Expenditure objects in the District 7 Chart of Accounts designated by a three-digit code not ending in 00. These expenditure categories include Health Insurance (Object 240) and Electricity (Object 325);
8. Areas of Responsibility - Expenditure areas of responsibility in the District 7 Chart of Accounts designated by a five-digit code. These expenditure categories include Performing Arts (Area of Responsibility 13900) and Special Education (Area of Responsibility 32000);

9. Budget Line Items - The district establishes budget line item spending limits in the district's accounts at function Level III (e.g., Staff Development - Level III function 2240) or function Level IV (e.g., High School Cocurricular Programs - Level IV function 1131) with associated specific object codes and area of responsibility codes (if applicable);
10. Lead Administrator (or designee) - The lead administrator is the administrator with requisition approval authority for a specific budget area in a specific budget year. These responsibilities are assigned on an annual basis and can be allocated based on any reasonable budget line item grouping including fund responsibility, districtwide responsibility within a fund, specific location responsibility within a fund or specific function or object responsibility within a location. The lead administrator may designate another administrator (or his/her office manager) as having the same requisition approval authority for his/her budget area for the budget year; however, despite such delegation, the lead administrator retains complete responsibility for the proper spending of district funds for budget areas under his/her lead administrative control.

### **Budget Line Item Transfers Requiring Adjustment to the District's Accounts**

Within appropriation limits, budget line item transfers can be made by the superintendent or the director of business services (without prior Board approval) in order to make corrections in budget line item allocations or make other budget line item adjustments that are deemed necessary, as long as such transfers are intrafund transfers between specific functions and the associated expenditure objects and areas of responsibility (if applicable) within such functions. Such transfers will be reflected in the budget line item balances shown in the district's accounts and will adjust the spending limits for the accounts impacted. Although prior Board approval is not required, the superintendent will inform the Board of any budget line item transfers of this type made during the fiscal year with a summary of the amounts and the accounts impacted.

### **Budget Line Item Transfers Not Requiring Adjustment to the District's Accounts**

In order to provide for limited spending flexibility during the fiscal year, the director of business services may approve budget line item transfers for any fund as set out below.

1. Category I - Salary and Associated Payroll Costs (Major Object Categories 100-200) - Salary and Associated Payroll Costs budget line item transfers may only be made within appropriation limitations after review and approval by the director of business services.
2. Category II - Nonsalary Expenditures (Major Object Categories 300-800) - With respect to nonsalary expenditures, lead administrators (or their designees) may make budget line item transfers under the following guidelines:
  - a. Without notifying the director of business services (or designee), a lead administrator (or designee) may exceed the budget line amount for an expenditure area of responsibility if the lead administrator identifies another area of responsibility **within the same specific function and specific object** that will be underutilized for the same amount. For example, without

notification, the GPHS principal (or designee) may exceed the budget line item for GPHS, Cocurricular, Consumable Supplies, Athletics (604-1132-410-23000), as long as a similar amount has been identified as being underutilized in GPHS, Cocurricular, Consumable Supplies, Other Extracurricular (604-1132-410-25000);

- b. Upon E-mail notification<sup>1</sup> to the director of business services (or designee) and receipt of return E-mail confirmation from the director of business services (or designee), a lead administrator may:
- Exceed the budget line item for a specific expenditure object if the lead administrator (or designee) identifies another specific object **within the same specific function** that will be underutilized by the same amount. For example, upon notification and confirmation, the South Middle School principal may exceed the budget line item amount for South Middle School, Office of the Principal, Software (554-2410-470), as long as a similar amount has been identified as being underutilized in South Middle School, Office of the Principal, Consumable Supplies (554-2410-410);
  - Exceed the budget line item for a specific expenditure function if the lead administrator (or designee) identifies another specific function **within the same major function category<sup>2</sup> and within the same object** that will be underutilized by the same amount. For example, upon notification and confirmation, the Riverside principal may exceed the budget line item for Riverside, Primary K-3, Consumable Supplies (137-1111-410) as long as a similar amount has been identified as being underutilized in Riverside, Intermediate Programs, Consumable Supplies (137-1112-410). It should be noted that approval for this subcategory of budget line item adjustments will be granted in very limited circumstances.

The above-described circumstances under which budget line items may be exceeded do not require Board approval and do not need to be reported to the Board unless, in the discretion of the superintendent or director of business services, it is in the best interests of the district to do so. Furthermore, such transfers will not be reflected in the budgeted line item balances shown in the district's accounts and will not adjust the spending limits for the accounts impacted. Rather, such amounts will appear as budget line item variances to be analyzed for purposes of preparing the budget for the following fiscal year.

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<sup>1</sup>E-mail notification (which will become part of a budget line item modification log) should indicate the budget line item to be exceeded, the amount and the associated budget line item that the lead administrator (or designee) anticipates underutilizing by the same amount. To the extent circumstances arise during the year that change the budget line item to underutilize, the lead administrator should submit E-mail notification of such change to the director of business services (or designee) so the budget line item adjustment log can be modified.

<sup>2</sup>Major function category for this purpose is defined as a Level I or Level II function at which appropriations are made for the district. Examples include Instruction (Level I Function 1000), Supporting Services (Level I Function 2000) and Debt Service (Level II Function 5100).