

# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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## SCHOOL BOARD COMMUNICATION

Title: Budget Transfer over \$50,000

Date: January 3, 2012

Item Number:

10a.(6)

Administrator: Laurie Olson, Director of Finance 

Attachments: BT 528 and 529

☒ Action Needed ☐ For Discussion ☐ Information ☐ Other: \_\_\_\_\_

## BACKGROUND INFORMATION

The district has a private fiber-optic data network serving 16 district sites that was created from a pair of fibers donated by HEA and connected to school sites by ACS. The annual payment for maintenance of this private network was budgeted in the "Purchased Services" account, but should have been budgeted in the "Telephone" account. Budget Transfer 528 moves that budgeted expenditure to the correct line item of the budget.

Budget transfer 529 has been submitted for purchase of additional Language Arts curriculum materials. When secondary Language Arts curriculum was purchased in 2005-2006, a core program for middle school had not been adopted and was not purchased. This additional funding will allow purchase of curriculum materials for all grade levels.

A budget is a financial plan created to allocate funds for estimated costs of programs and needs in accordance with the District's plans and goals. It is usually necessary to make changes to the original plan through the use of budget transfers, which follow Generally Accepted Accounting Principles (GAAP), as more information about actual costs becomes available and decisions about programs and circumstances are revised. Prior to approval, all budget transfer requests are reviewed in light of current policies and procedures and evaluated for appropriateness and necessity in conjunction with the District's internal controls.

These budget transfers exceed \$50,000; therefore, they require Board of Education approval per Board Policy 3120.

## ADMINISTRATIVE RECOMMENDATION

The administration has given preliminary approval, pending review and approval by the board. Approval by the Board of Education is recommended.

	Decrease	Increase
<u>Correct budget for annual fiber optic payment</u>		
100-78-4100-0000-4402 - Purchased Services	168,300	
100-78-4100-0000-4332 - Telephone		168,300
<u>Additional Language Arts curriculum materials</u>		
100-77-4553-0136-4402 - Purchased Services	320,000	
100-84-4100-0114-4501 - Curriculum supplies and materials		320,000