

OASBO WHITEPAPER 2026

School District Financial Forecast: Guidance and Best Practices





Effective budgeting and forecasting are critical to the financial health and strategic success of school districts. The financial forecast is more than just a tool for treasurers; it is a district-wide projection that relies on collaboration from district leaders to be impactful. Input from key stakeholders, including superintendents and other district leaders, is vital to ensuring that the financial forecast assumptions are well-informed, and aligned with strategic goals.

OASBO is a member-drive organization. As such, members came together to create this comprehensive guide to the financial forecast for treasurers, superintendents, boards of education, and school district leaders. This white paper details the key processes and best practices needed to enhance these essential financial activities. Using this collaborative approach, school districts can achieve greater financial stability, and more effectively plan for the future..

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Introduction

The primary purpose of this whitepaper is to guide treasurers, superintendents, boards of education, and other school district leaders through the key processes and best practices for effective budgeting and forecasting in school districts.

The financial forecast is not just a financial tool for treasurers; it is a district-wide projection that requires input and collaboration from all key stakeholders. Particularly, the superintendent and other school district leaders must be involved to ensure that assumptions are well-informed and reflect the school district's strategic goals.

The whitepaper is broken into three sections—the purpose of the financial forecast, the process of establishing the financial forecast, and the post-monitoring necessary to ensure effective management and financial stability of a school district. By leveraging these best practices, school leaders can make informed decisions that promote financial stability, ensuring students have access to high-quality education, resources, and opportunities to reach their fullest potential.



I. Purpose: The “Why” and Other Legal Requirements

The financial forecast is an essential planning and management tool for K-12 public school districts (hereafter referred to collectively as “districts” and individually as “district”). Ohio Revised Code (ORC) §5705.391 and Ohio Administrative Code (OAC) 3301-92-04 mandate that the board of education (BOE) submit a projection of operational revenues and expenditures, including assumptions, to the Ohio Department of Education and Workforce (DEW) twice a year: an initial financial forecast by August 31 and an update by the end of February. In addition, an updated financial forecast must be submitted when any significant changes occur.

The August financial forecast should reflect the district’s operating budget for the current fiscal year, which runs from July 1 to June 30. It serves as an early indicator of financial conditions for the current fiscal year and beyond. The February financial forecast helps the district assess how well it is adhering to its financial plan and whether any significant changes need to be anticipated. Both are essential for ongoing financial planning and decision-making.

A. Financial Forecast Components and Objectives

The financial forecast consists of four components: 1) three years of historical data; 2) the current fiscal year budget; 3) the projected three succeeding fiscal years; and 4) accompanying notes that explain each forecast line, including the assumptions used for the projections.

The financial forecast must include the following funds:

1. General fund (001), which are funds used for the general operations of a district,
2. Any special cost center associated with general fund money, and
3. Any debt service (002) activity that would otherwise have been paid from the general fund.

Permanent improvement (PI) funds (capital projects), debt repayment funds (debt service), special revenue funds, enterprise funds, internal service funds, fiduciary funds, trust funds, restricted state and federal grants, and other capital projects funds are excluded from the financial forecast because these funds are restricted for specific uses and not available for general operations. However, it is important to note that deficit balances in these funds ultimately become the responsibility of the general fund.

If a district is carrying positive or negative fund balances beyond the current fiscal year, the net effect of these balances should be reflected as a transfer out (in) from the general fund. The objectives of a financial forecast include, but are not limited to:



1. Engaging the local board of education and the community in long-range budget planning and discussions of financial issues facing the district;
2. Determining the district's ability to sign the "412 Certificate," as required by Ohio Revised Code (ORC) §5705.412;
3. Assessing the district's levy needs, including the timing, size, and duration;
4. Serving as a resource for negotiations;
5. Providing a basis for credit rating agencies to assess the financial health of a district;
6. Guiding yearly budgeting for buildings and departments; and
7. Assisting the Department of Education and Workforce Development (DEW) and the Auditor of State (AOS) in identifying districts with potential financial challenges.

B. Key Considerations—Variability Factors and Assumptions

A district's financial forecast projects its financial position at a specific point in time, using the best available data, including revenue sources, expenditure trends, enrollment patterns, and economic conditions. However, financial forecasts are inherently subject to change due to dynamic factors like legislative changes, economic shifts, unexpected expenses, and enrollment fluctuations. To maintain accuracy and relevance, financial forecasts should be regularly reviewed and updated as new information becomes available.

Certain unknowns are particularly relevant to the later years of the financial forecast. On the revenue side, factors such as state budget cycles, tax levy renewals, school district income tax (SDIT) fluctuations, and property reappraisals can all impact projections. Expenditure uncertainties may include future collective bargaining agreements, facility and transportation maintenance, unfunded mandates, and adjustments needed to address evolving student needs. These variables highlight that the numbers alone do not tell the full story.

For the financial forecast to be meaningful, its assumptions must reflect the district's strategic goals, operational realities, and insights from key school leaders, especially the superintendent. Collaborative input ensures that the financial forecast accurately reflects the district's direction and financial planning.

The assumptions are fundamental to understanding the rationale behind the numbers, particularly when a significant increase or decrease is shown.

C. Measuring Financial Health: Key Indicators from the Financial Forecast and Fiscal Oversight

The financial forecast provides a projection of the district's cash balance over time, helping to assess the district's financial health. One key measure is Line 6.010, which reflects Excess of Revenues and Other Funding Sources over (under) Expenditures and Other Financing Uses. This line offers a snapshot of whether the district is operating within its revenue, and is a leading indicator of the overall financial condition of a district.



A positive figure in Line 6.010 means the district's revenues exceeded its expenditures for that fiscal year, contributing to a healthy cash balance. A negative figure indicates that expenditures surpassed revenue, which reduces the district's ending fund balance and, if sustained over multiple years, could lead to fiscal instability or insolvency. This is commonly referred to as "deficit spending."

It is important to interpret Line 6.010 in light of the district's levy cycle. By law, districts cannot assume the renewal of existing tax levies in their financial forecasts (ORC 5705.412; OAC 3301-92-05). As a result, financial forecasts with expiring levies may show a less favorable financial position than if those levies were renewed. Districts experiencing sustained deficit spending without levy renewals are at a higher risk of fiscal challenges.

Maintaining a positive general fund balance (line 10.010) is important to avoid fiscal distress which may lead to a declaration of fiscal oversight. Ohio law requires districts to take immediate steps to eliminate any deficit fund balance in the current fiscal year of the financial forecast and to begin to plan to avoid projected future deficits. If these efforts do not resolve the projected fiscal distress, ORC 3316 sets forth provisions in law for DEW and AOS to determine if a declaration of fiscal oversight is necessary to prevent further fiscal decline. There are three levels of fiscal oversight: Fiscal Caution, Fiscal Watch and Fiscal Emergency.

The road to fiscal oversight begins through the financial forecast examination process. DEW is required to examine financial forecast submissions to determine if a district "has the potential to incur a deficit fund balance within the first three years of the financial forecast period." DEW considers identified districts to be experiencing "fiscal distress". Ohio law requires DEW to notify districts of the potential for deficit and requires districts to submit a board-approved written plan to address the projected deficit. DEW considers notified districts to be in a "Precautionary" status. While this "Precaution" designation is not a formal fiscal oversight status, it signals that the district should take proactive steps to stabilize its finances and avoid further fiscal challenges.

D. How Forecasting Fits Within a District's Financial Planning

School district financial planning is supported by a framework of board-adopted policies and administrative guidelines, each serving a distinct purpose. The school district financial forecast does not replace these documents. Instead, it serves as the central long-range planning tool that connects them and provides a comprehensive view of the district's financial sustainability.

Budget, Appropriations, and Financial Forecast: Distinct but Connected

The annual budget (or current year budget) reflects the district's operational revenues, expenditures, and unencumbered fund balance assumptions for the current fiscal year. It is typically developed through a process that assigns accountability, establishes expectations, and authorizes administrators to expend funds in support of district goals.

Appropriations establish the legal authority to spend public funds and are adopted by the board of education in accordance with Ohio law. Appropriations include the district's expenditures for the current fiscal year and reflect all fund expenditures, not just the operational expenditures included



in the financial forecast. Appropriations establish spending levels that may not be exceeded without further authorization of the board of education.

The financial forecast projects revenues, expenditures, and fund balances beyond the current year. It relies on assumptions informed by historical trends, current conditions, and plans to evaluate the district's long-term financial position.

Ohio law requires submission of the board-approved current-year budget and projections for three succeeding fiscal years. This structure reinforces the distinction between the budget, which is based on detailed planning, and projections, which reflect assumptions about future conditions that may change over time.

Alignment With Other Board Policies

Many districts already address elements of financial forecasting across multiple finance-related policies. A formal financial forecast policy is recommended, as it strengthens these existing policies by providing structure and consistency.

- Budget preparation policies and administrative guidelines inform financial forecast assumptions.
- Appropriations policies rely on the financial forecast to demonstrate sustainability.
- Fiscal planning policies establish long-range oversight responsibilities that the financial forecast operationalizes.
- Cash balance reserve policies set thresholds that the financial forecast projects and monitors.
- Tax budget policies promote transparency that is supported by financial forecast data.

The financial forecast policy is intended to complement and connect these policies, not replace them. See **Appendix G** for a Financial Policy Review Checklist.

Administrative Guidelines and Internal Procedures

While board policies establish expectations for governance and oversight, many districts also adopt administrative guidelines or procedures that outline internal budget development processes. These guidelines may address timelines, allocation methodologies, roles of principals and department supervisors, and documentation requirements.

Districts are encouraged to ensure that any administrative guidelines related to budget preparation align with board-adopted financial policies and forecasting practices. An example of an administrative budget preparation guideline is included in **Appendix H** for reference.



II. Process:

Reporting Requirements for Financial Forecast

The financial forecast is arguably the most significant financial document in a school system, and consequently it is an essential management tool in guiding the decision-making processes for a district. The document itself is divided into two sections—revenues and expenditures. A district's revenue comprises two main sources, local levies and state funding. The expenditures primarily include salary and wages, benefits, purchased services, materials and supplies, and capital outlay.

As previously noted, the financial forecast starts with three years of historical revenues and expenditures. These historical numbers can be used to develop trends when forecasting the future years. For the numbers to be meaningful, the *reader must review and consider the assumptions of the financial forecast* before drawing conclusions or using the data as a basis for other calculations.

A. Collaboration Among District Leaders

Developing a financial forecast is a collaborative process that relies on the expertise and input of various district leaders. Each participant brings a unique perspective, ensuring the financial forecast aligns with the district's strategic goals and accurately reflects its financial situation. The following outlines the roles and contributions of key participants in the forecasting process.

Superintendent

The superintendent provides insights into the district's instructional priorities and program expansions, ensuring that financial planning aligns with initiatives that support student learning and success. This information helps the financial forecast reflect upcoming resource demands that support the district's educational objectives. Working closely with the treasurer, the superintendent ensures that financial planning aligns with the district's long-term goals.

Treasurer/CFO

As the chief financial officer, the treasurer is responsible for managing the financial forecast's accuracy and transparency. Using historical data, economic trends, student enrollment trends, and district plans for program offerings, the treasurer projects revenues and expenditures. Additionally, the treasurer communicates financial data to district leaders, board members, and the community as the basis for informed decision-making.



Board of Education

The board of education provides governance for the district's financial planning. The board:

- **Approves the Financial Forecast**
Ensures the financial forecast aligns with the district's financial stability and strategic goals.
- **Represents the Community**
Acts as a bridge between the district and the community, promoting transparency in financial planning.
- **Guides Financial Decisions**
Uses the financial forecast to make informed decisions on initiatives that impact the district's financial health, such as levy renewals, capital projects, educational program expansions, and staffing decisions.

District Administrators (e.g., HR, Facilities, Instructional Leaders)

District administrators contribute information on specific departmental needs, such as facilities maintenance, staffing, and program funding, and curriculum needs. This input helps to create a more detailed and accurate financial forecast, particularly for personnel expenses, capital investments, and operational costs. These leaders provide data on projected retirements, new hires, and anticipated facility improvements, ensuring the financial forecast reflects the district's financial commitments.

Community and External Partners

Parents, business leaders, local government officials, and other members of the community, particularly those sitting on the district's finance committee, offer feedback on district priorities and advocate for resources, such as levy renewals. Input from these community members helps align the financial forecast with broader community needs and ensures transparency in financial planning.

To maximize the effectiveness of the financial forecast, regular meetings with all involved parties are recommended to discuss key assumptions, monitor trends, and align financial goals. On a monthly basis, treasurers should report on the actual revenues and expenditures of the districts versus what was budgeted and reflected in the financial forecast, highlighting and explaining any substantial variances. See **Appendix E—Sample Monthly Monitoring Reports**. These reviews should focus on validating the assumptions, updating projections as new information becomes available, and ensuring alignment with the district's strategic goals and operational realities. See **Appendix B—School Budget Process Calendar**—for a monthly overview of the budget process, with suggested times for district teams to meet and review annual budgets.



B. Revenues, Expenditures, and Cash Balance Lines

The following is a brief explanation of key revenue and expenditure lines, as well as the cash balance lines, with a detailed line-by-line explanation in **Appendix A**. The section concludes with additional details to consider when drafting the financial forecast assumptions.

1. Revenues—Property Taxes, Income Taxes, Unrestricted and Restricted Grants-in-Aid

As noted above, the financial forecast is divided into two sections—revenues and expenditures.

A district's revenue comprises two main sources, local school district levies and state funding.

School district levies are further limited to two revenue types—a property tax and an income tax.

The first line for the financial forecast represents a school district's property tax revenue.

A. GENERAL PROPERTY TAXES (LINE 1.010)

In Ohio, school districts levy property taxes based on the assessed valuation of real property within the district. Property taxes are calculated in "mills," where one mill represents \$1 of tax per \$1,000 of assessed value (with assessed value being 35% of the market value).

Depending on a district's history and community, the financial forecast may include three types of property tax levies:

- **Fixed Sum Levies**

These levies are approved for a specific dollar amount, which does not change with property value fluctuations. Emergency and substitute levies are examples of fixed-sum levies. Emergency levies collect a set amount each year, independent of new construction. Substitute levies collect a fixed sum in the first year and then increase over time to reflect new construction and improvements.

In 2026, Ohio law changed to prohibit the submission of new emergency and substitute levies to voters. Existing emergency and substitute levies approved by voters prior to 2026 may be renewed only as fixed-sum levies and only for a term of up to five years. New fixed-sum levies may otherwise be submitted only if a district is in fiscal caution, watch, or emergency, or if the district is impacted by an emergency that is the subject of a disaster declaration.

- **Fixed Rate Levies**

These levies are approved for a specified millage rate and are authorized for a term of up to five years or continuing. Due to Ohio's tax reduction factors (commonly referred to as HB 920), fixed rate levies stabilize revenue by adjusting millage rates as property values change. For example, if property values increase by 10%, the effective millage rate decreases by 10%, resulting in no revenue growth from appreciation alone. Separate "effective millage rates" apply to Class 1 (residential and agricultural) and Class 2 (commercial and industrial) properties, based on each class's historical property value trends.



- **Inside Millage**

Ohio law allows up to 10 mills of unvoted property tax millage, which is shared among local government entities. Districts typically receive between 4 and 6 mills of inside millage. Inside millage is not subject to tax reduction factors and generally increases proportionally with changes in property valuation.

However, due to changes to Ohio tax law enacted in 2026, the growth in revenue from inside millage in reappraisal or triennial update years is limited through a rate adjustment process administered by the county budget commission. In those years, inside millage rates are adjusted so that revenue growth attributable to valuation increases does not exceed inflation, as measured by the gross domestic product implicit price deflator (GDP deflator). This calculation excludes new construction and expiring abatements,

NOTE: 20-Mill Floor

Ohio law provides that the combined effective millage from a district's voted fixed rate operating levies and inside millage may not be reduced below 20 mills (the "20-mill floor"). When a district reaches this threshold, the tax reduction factors (or HB 920) can no longer further reduce effective millage rates, and tax revenue will increase proportionally with any further property valuation increases.

However, tax law changes enacted in 2026 limit the extent to which districts on the 20-mill floor experience revenue growth attributable to valuation increases. Any growth from property valuation increases attributable to the floor is limited to the GDP deflator, with growth in excess of the GDP deflator treated as a tax credit to property taxpayers.

Reappraisals, Triennial Updates, and Financial Forecast Timing

Property values are reviewed and adjusted every three years through a reappraisal or triennial update by the county auditor. Since taxes are collected based on the prior year's values and distributed on a calendar year basis, the first fiscal year following a reappraisal or a triennial update will only generate one-half of the increase resulting from the reappraisal or triennial update (January–June distribution).

Detailed reappraisal and update schedules are available on the Ohio Department of Taxation (ODT) website at <https://tax.ohio.gov/government/real-property-tax/real-property>.

Financial Forecast Implications

Fluctuations in property tax revenue can affect the financial forecast and may occur due to:

- Changes in property valuations (including adjustments in Current Agricultural Use Value, or CAUV, based on grain prices with valuation based on soil types rather than the land's market value);
- District positioning relative to the 20-mill floor for either Class 1 or Class 2 property;
- Delinquencies in tax payments and collection rates set by the county auditor;
- Timing of taxpayer payments and collection splits;
- Revenue impacts from new levies (which only reflect half of the revenue in the first fiscal year after approval);



- Renewal levies, which appear in line 11.02 until approved; and
- Tax advances from the subsequent fiscal year.

The financial forecast assumptions should explain these fluctuations in detail. Regular meetings with the county auditor are essential, particularly during years of triennial updates or reappraisals, to obtain the latest information on district valuations. To obtain accurate data, districts should gather the following from the county auditor:

- Real estate tax settlement reports
- Millage rates
- Valuations
- Sales data in relation to appraised values
- CAUV soil rate historical data
- Collection rates
- Tax Increment Financing (TIF) and Community Reinvestment Areas (CRA) schedules (also impacts Line 1.060)
- New construction and demolished improvements (see Abstract of Real Property (DTE 93))

Additional data can also be accessed on the ODT's website at:

<https://tax.ohio.gov/government/school-district-data>.

B. INCOME TAXES (LINE 1.030)

Districts in Ohio may levy a school district income tax (SDIT) in one of two forms:

- **Traditional SDIT**

Applies to all taxable income, including earned income of individuals residing in the district, and unincorporated businesses located in the district that file Ohio individual income tax returns.

- **Earned Income Only SDIT**

Applies solely to earned income and self-employment income of individuals residing in the district, excluding other forms of taxable income.

Districts with a SDIT receive four income tax payments per calendar year: one each in January, April, July, and October.

When a district first passes an income tax levy, the tax becomes effective on the following January 1. The first payment will be received by the district in April of that year (a relatively small payment). It will take 1 ½ years (six quarters) for the district to receive the full amount of taxes liable from the first year it is levied because of the collection process.

Districts with a SDIT should actively engage with local community leaders—such as mayors, county commissioners, township trustees, and their fiscal officers—to stay informed about economic trends and developments. This includes monitoring the impact of economic growth or downturns, as well as tracking changes related to major employers and taxpayers in the community or region.



For many communities, new housing developments can significantly affect not just property tax revenue but also SDIT collections, as population and income levels shift. Proactive communication and collaboration with local leaders can help districts anticipate changes and adjust financial planning accordingly.

The ODT Guide to Ohio's School District Income Tax is a valuable resource in understanding the levying and collection process of school district income tax revenue:

https://dam.assets.ohio.gov/image/upload/tax.ohio.gov/tax_analysis/tax_data_series/school_district_data/sditqa.pdf.

To forecast the income tax line, the district should utilize, monitor and understand the district quarterly reports found on the ODT web page at:

<https://tax.ohio.gov/government/resources/distributions-school-district-income-tax>.

Proper Revenue Recognition Procedures

A school district must have legal authority to collect revenue from property tax and income tax levies to report revenue from these levies on line 1.010 or line 1.030. When a levy expires, revenue from the levy is not available for operations and must be moved below line 6.010 to "Revenue from Replacement/Renewal Levies" (line 11.010 or 11.020) until the levy is renewed. Likewise, proposed levies to generate additional revenue should always be reflected below line 6.010 on the "Revenue from New Levies" (line 13.010 or 13.020). Upon voter approval, the school district should update the financial forecast to reflect the revenue in line 1.010 and 1.030 within thirty days of the levy passing (see ORC 5705.412, OAC 3301-92-05).

C. UNRESTRICTED GRANTS IN AID (LINE 1.035)

This line primarily represents revenue received through the State Foundation Program with no restrictions attached. The state funding formula (commonly referred to as the Fair School Funding Plan) is the primary method used by the Ohio legislature to determine how much state aid each district receives. Additionally, this line includes other sources of unrestricted revenue, such as casino revenue. The amount of state aid is determined in the state biennium budget, which is adopted in odd-numbered years.

Key factors that influence state aid in the Fair School Funding Plan:

- Student enrollment and demographics;
- Property valuation per pupil;
- Personal income of district residents per pupil; and
- Historical funding (caps and guarantees from prior funding formulas, which serve as the "Funding Bases" for guarantees).



The information needed to forecast the Unrestricted Grants-in Aid is as follows:

- State Foundation settlement sheets,
- Foundation Funding Report,
- Student enrollment,
- Property valuation projections,
- Resident income projections, and
- Casino revenues.

D. RESTRICTED GRANTS-IN-AID (LINE 1.040)

This line represents revenue received through the State Foundation Program or other allocations that are restricted for categorical or specific purposes.

Examples include:

- Career-technical funds
- Disadvantaged pupil impact aid
- English learners aid
- Gifted funding
- Student wellness and success funds

The above information on unrestricted and restricted grants in aid can all be found on DEW's web page at:

<https://education.ohio.gov/Topics/Finance-and-Funding/School-Payment-Reports/State-Funding-For-Schools/Traditional-School-Districts>.

The remaining revenue lines in the financial forecast are outlined and described in **Appendix A**.

2. Expenditures—Personnel Services, Employee Retirement/Insurance Benefits, Purchased Services

The expenditure history data will come from the district's own records. For those districts on state software, running a Fiscal Year (FY) Financial Detail Report as well as the Financial Forecast module within state software will be helpful. For districts using PowerSchool ERP, an Expenditure Status Report, sorted on Fund/SCC, Account will provide helpful information as well as the Annual Spending Plan.

A. PERSONNEL SERVICES (LINE 3.010)

This line is for employee salaries and wages, including extended time, overtime, severance pay, and supplemental contracts. Since schools are service-oriented entities, salaries and wages represent the majority of district expenditures.



Fluctuations may occur due to reductions in force, negotiated salary schedule changes, retirement levels, shifting of costs to/from federal programs or grants, or changes in enrollment, which may cause the required staffing levels to fluctuate. Mid-year fluctuations may come as a result of adding positions as requested by the superintendent and/or driven by changing needs in Individualized Education Plans (IEPs). Further, if a district follows a biweekly pay schedule, there will be years with a 27th pay. These fluctuations should be explained in the assumptions of your financial forecast.

District data, collective bargaining agreements, and historic costs are the best resources to determine these expenses, and the superintendent's input is necessary for accurate assumptions.

Items that are needed to compute this line of the financial forecast:

- Salary grid of employees;
- Estimates of retirements for each year of the financial forecast;
- Wage and step increases for each year of the collective bargaining agreement (CBA);
- Salary projections;
- Supplemental contracts;
- Staffing and enrollment projections; and
- Any changes in staff, either increases or decreases.

B. EMPLOYEE RETIREMENT/INSURANCE BENEFITS (LINE 3.020)

This line includes retirement for employees, workers' compensation insurance, early retirement incentives, Medicare, unemployment, and all health-related insurances.

Many components of this line item, such as retirement contributions and Medicare, will have a direct correlation to the Personnel Services line item. Factors that could cause inconsistencies from year to year might include changes in health-related insurance costs, changes in enrollment in health-related insurance programs, future employee contributions toward health-related insurance, early retirement incentives (ERI), premium holidays, and insurance claim payouts. Fluctuations and changes from one financial forecast to the next should be explained in the financial forecast assumptions.

Items that are needed to compute this line of the financial forecast:

- Wage and staffing level projections;
- Health-related insurance history and assumptions: premium increases or decreases, changes in premium amounts paid by the employee, Health Savings Account (HSA) amounts paid by the district, collective bargaining agreements, and updated insurance provider renewal projections/actuals.
- State Foundation Settlement Report: retirement for State Employees Retirement System (SERS) and State Teachers Retirement System (STRS) paid through foundation;
- Payroll deduction reports: board-paid retirement and Medicare deductions; and
- Workers' compensation annual report.



C. PURCHASED SERVICES (LINE 3.030)

Line 3.030 is for amounts paid for services rendered by personnel who are not on the district payroll, as well as other services which the district may purchase. Examples include but are not limited to legal fees, consulting fees, maintenance agreements, utilities, out of district tuition costs, and service contracts with educational service centers (ESCs) and information technology centers (ITCs).

NOTE: If a district contracts certain services (transportation, maintenance, janitorial services, para-professional aides, etc.), then its "personnel service" (line 3.010) and "employee retirement/insurance benefit" (line 3.020) will make up a smaller percentage of total expenditures in relation to purchased services than if the district employed those personnel directly.

Items that are needed to compute this line of the financial forecast:

- Utility agreements and assumptions about future rates, or new building additions, or building closures;
- Service agreements (such as transportation/custodial) and assumptions about renewal rates;
- Enrollment and tuition levels for students placed outside the district;
- Special services for students on IEP's, such as speech therapy, physical therapy, interpreter, mobility services, and special transportation that may be sourced out to a third-party; and
- Lease purchase agreements for items like copiers or student devices.

PLEASE NOTE: It is important for every treasurer to be in frequent contact and communication with special services, as some of these agreements can be extremely costly. It is best practice to set up a planning spreadsheet to track district placements and the associated services (such as transportation). It is also best practice to have special services notify the treasurer of any potential out-of-district placements and estimated timeline and costs.

D. REMAINING LINES: SUPPLIES, CAPITAL OUTLAY, DEBT, AND OTHER USES (LINES 3.040 THROUGH 05.030)

Descriptions of the remaining expenditure lines can be found in **Appendix A**. While these items may be smaller in relation to overall expenditures, care should still be taken to make reasonable assumptions about future growth and inflation. For example, any major textbook renewals or capital projects should be discussed with members of the administration in order for those costs to be accurately projected and not come as a surprise.

3. Cash Balances—Lines 6.010 and 7.020

When evaluating a financial forecast, keep in mind that there are daily and monthly expenses that must be met. An adequate cash balance must be maintained to weather the highs and lows of monthly cash needs. For example, most district cash reserves tend to be lower in July and January, so keeping an adequate cash balance and investment strategy to meet financial commitments during those times is very important.



The urgency of a low cash balance in relation to the fiscal stability of a district is dependent on two main factors:

1. How soon does the lower cash balance occur?
2. Is the district projecting a lower cash balance in addition to an operating deficit?

A negative number in Line 6.010 indicates that a district's expenditures exceeded the revenue generated for that fiscal year, resulting in a reduction to any cash balance the district holds, or in the worst-case scenario, a deficit. A district experiencing several years of deficit spending, without a plan of correction, will almost always experience fiscal concerns. In general, anytime line 6.010 reflects a negative number, planning must immediately commence on how to rectify the negative number, unless the reason is due to a one-time expenditure or specific situation that can be explained. A negative in year one begins to immediately compound in year two; thus, a yearly deficit must be addressed quickly. Conclusions drawn from this line should be tempered with the knowledge of a district's levy cycle. Future levies, both new and renewals, are NOT included in the financial forecast until the voters approve the levy.

School officials must plan and monitor district cash flow as they practice responsible stewardship of the public tax dollars with which they are entrusted. Included in the district's financial forecast is an informed prediction for how long the revenue and expense cycle will maintain a healthy cash balance (line 10.010). The adequacy of a district's cash balance must consider the unique circumstances of the district and the community it serves.

By itself, the cash balance does not tell the whole story. For example, even if a district has a lower cash balance in the current year but also shows an operating surplus for consecutive subsequent fiscal years, this could indicate that the district is aware of future changes to revenue and/or expenditure patterns, which is building a cash balance.

On the other hand, if a district has a large cash balance but is deficit spending significantly in the current and near fiscal years, that could indicate that the district is operating outside of its means. A financial plan would likely be needed to reverse course before spending down the cash balance. Early interventions can help a district avoid larger, more disruptive actions in the future.

Low cash balances in the current or subsequent fiscal year should be monitored very closely by the district, with a corrective action plan in place to reverse this trend. Lower cash balances in years further out in the financial forecast provide an indication of where the district is headed if current revenue and expenditure patterns do not change. However, in this scenario, since the lower cash balance is not occurring until further out in the financial forecast, it provides the district with more time to plan and change course.



Further, maintaining a healthy fund balance is crucial to ensure that the district can continue meeting students' educational needs without disruption. See Section I above.

See also Section III, D below and the OASBO Cash Balance Whitepaper: <https://cms.oasbo-ohio.org/OASBO/media/Forms-and-PDFs/Cash-Balance-Whitepaper-Final-For-Print-v6.pdf>

4. Other Important Balances—Lines 10.010, 12.010 and 15.010

Line 10.010—Certification of Appropriations

Used for the certification of appropriations in accordance with ORC 5705.412 and OAC 3301-92-05. Ensures that appropriations do not exceed available resources, maintaining fiscal compliance.

Line 12.010—Certification of Contracts & Salary Schedules

Used to certify contracts, salary schedules, and other financial obligations. Ohio law (ORC 5705.412) prohibits school districts from entering into certain contracts unless: (i) the obligation is included in the financial forecast; and (ii) the financial forecast projects a positive fund balance for the entire term of the contract. If this condition is not met, the contract may not be legally permitted.

Line 15.010—Modeling the Impact of New Operating Levies

This line can be used to model the potential impact of new operating levies, particularly in declining revenue districts. Important Caution: Balances at this line should NOT be relied upon for operational planning until the levy is approved by voters. Once passed, the actual revenue should be reported in line 1.010 or 1.030 as part of the district's financial forecasted revenue stream within thirty days of passing a levy.

C. Financial Forecast Assumptions

The numbers in a financial forecast only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the assumptions of the financial forecast before drawing conclusions or using the data as a basis for other calculations. Ohio law requires districts to include accompanying notes for each reported line item that describe the assumptions used to develop the projected amounts (see OAC Rule 3301-92-04).

A careful reading of the assumptions will help the reader understand why certain numbers are used in the financial forecast. Unexplained variances, or ones that do not seem to make sense, are cause for concern and should be investigated so the assumptions can provide context for the variances.

The financial forecast starts with three years of historical revenues and expenditures. These historical numbers can be used to develop trends when forecasting. Ohio law requires financial forecasts to use the known operational revenues, expenditures, and resulting cash balance of the district as a basis for projections. Items to consider:



- **Strategic, Capital, and Maintenance Plans**

The financial forecast should be integrated with the district's other planning documents developed by members of the administrative team, such as the district strategic plan and its capital and maintenance plans. For plans to become a reality, it almost always requires an allocation of financial resource.

The forecasting process can be an important mechanism to account for these allocations in relation to available resources. If resources are insufficient, it creates a feedback mechanism requiring either a prioritization of initiatives or an effort to obtain additional resources.

While districts with permanent improvement or bond levies have dedicated funds for building and capital projects (which are not reflected in the financial forecast), many districts cover these costs from the general fund. Therefore, it's important for the financial forecast to reflect the district's overall plans and anticipated expenses.

Districts should also consider creating special funds under ORC 5705.13 for specific costs, such as employee health care or capital projects, which often impact the general fund and can drive costs within a strategic plan. Establishing these special funds helps clarify cash flow related to particular activities by keeping funds in separate accounts and properly setting aside the necessary balances. For more details, refer to the OASBO Cash Balances Whitepaper.

- **Enrollment and Staffing**

Be aware of the district's enrollment trends and projections. Understand the number of new housing developments in the district and estimate the potential student population growth from each. Since a significant portion of district expenditures is allocated to wages and benefits, tracking enrollment trends is essential for assessing staffing needs. The treasurer and superintendent should collaborate closely on staffing decisions in response to enrollment changes. Additionally, districts should be mindful of the impact of Individualized Education Programs (IEPs) and Section 504 plans, which may require contracted or specialized services for students with disabilities. These legally-mandated services—such as speech therapy, occupational therapy, or paraprofessional support—can influence staffing and expenditure decisions. Lastly, districts should monitor upcoming retirements, as these transitions have significant wage and benefit implications.

- **Local Economy**

Consider many data sources to make informed decisions. For example, new housing developments may bring additional students into the district (and additional revenue) but may require new buildings and/or staff (increased expenditures). Conversely, a factory closing may reduce funding and population, causing the need for buildings and/or staff to decrease. Economic and population projections are essential factors in determining future requirements for educational services from the district.



- **Levies**

Be aware of different types of levies and when they are collected. It is important to constantly educate the community about a typical levy cycle where revenue exceeds expenditures in the first few years after approval of the levy, and then expenditures begin to exceed revenue due to inflation. Future levies are NOT included in the financial forecast above line 6.010 until approved by voters.

Also, communities need to be reminded that permanent improvement (PI) or bond levies cannot be used to fund general operations of the district. New school buildings may create a misconception that the district is operationally solvent. Only operational levies may be used to finance the day-to-day operations (salaries, utilities, etc.) of the district, which are the levies reflected in the financial forecast.

- **Property Valuation Cycles**

Know when the reappraisal and triennial update for the district's valuation occurs. Tax revenue may change the year after reappraisal because of increased or decreased valuation.

When reading a financial forecast, look for fluctuations in numbers on the same line. If numbers significantly vary up or down, there should be a discussion in the assumptions explaining why this has occurred or is expected to occur.

It is not uncommon for deficits to appear in the later years of a financial forecast. Given the uncertainty surrounding future state budgets, local economic conditions, and potential state or federal mandates, projections in the outer years are inherently less precise. The key is recognizing how these conditions relate to current operations. Identifying future years' deficits allows districts to engage in planning for those conditions before their arrival and eliminating the projected deficit. Remember, the longer the period allotted to deal with a potential financial problem, the better. Longer time horizons allow reductions in expenditures to be spread out over several years, reducing their impact on students and staff. Also, some reductions may take many years before realizing their full impact.

Sample assumptions from district financial forecasts are included in **Appendix C**. Please keep in mind that these are samples only and are provided to assist in determining the level of detail.

D. When to Update the Financial Forecast

The financial forecast is not a static document; it should be viewed as a "living" and dynamic tool that evolves in response to changes in the district's financial landscape. Regular updates are essential to ensure that the financial forecast remains accurate and relevant, providing a reliable basis for decision-making. The financial forecast should be updated not only according to statutory requirements but also in response to significant changes in the district's financial environment.



When to consider updating the financial forecast:

- **Significant Variances**

If monitoring reveals a significant variance between actual and financial forecasted figures, particularly in key areas such as revenue projections or major expenditure categories.

- **Passing a New Levy or Renewal**

When voters approve a new levy or a renewal the district should update their financial forecast to reflect the authority to collect these funds in the revenue section of the financial forecast within thirty days of passing the levy.

- **Legislative or Policy Changes**

When new laws or policies are enacted that affect school funding, tax levies, or expenditure mandates.

- **Economic Events**

In response to significant economic events, such as a major employer leaving or entering the district, changes in state funding formulas, or unexpected changes in enrollment.

- **Board Decisions**

After major board decisions that impact finances, such as approving a new contract, or initiating large capital projects.



III. Post-Monitoring: Practical Tips & Best Practices

Responsibility for the preparation of the financial forecast, the accuracy of the figures presented, and the soundness of the assumptions on which they are based rests with district administration and the board of education. Monthly post-monitoring of the financial forecast should include input from the superintendent and other district leaders to reassess assumptions in light of changing circumstances, ensuring that the financial forecast remains a relevant and effective management tool.

A. Aligning Appropriations and Estimated Revenue with the Financial Forecast

It is essential for the district's appropriations and estimated revenues to align directly with the assumptions and projections outlined in the financial forecast. The Certificate of Estimated Resources, as certified by the county budget commission, should match the financial forecasted revenue in the appropriate line item. Meaning, line 2.080 of the financial forecast should match (or approximate) the total general fund revenues listed on your Certificate of Estimated Resources. PowerSchool ERP users should refer to the Certification of Balances Report, generated upon the close of the fiscal year, as well as the Revenue Status Report, sorted on Fund/SCC, Account. See **Appendix D** for examples.

Appropriations serve as the district's spending plan for the current fiscal year, while the financial forecast provides a broader view of long-term financial health. Throughout the fiscal year, the treasurer and district leadership should regularly compare actual revenues and expenditures against both the appropriations and the financial forecast. This helps ensure consistency and facilitates timely adjustments to remain within budgetary constraints and achieve long-term financial goals.

To maintain this alignment, it is advisable to schedule periodic meetings with the treasurer, superintendent, and key district staff. During these meetings, both appropriations and the financial forecast should be reviewed together, enabling timely adjustments and a coordinated approach to financial management.

B. Monthly Monitoring and Reporting

Proactively managing revenues and expenditures is critical to keeping the district within available resources and avoiding deficit spending.



Monthly comparisons of actual revenue and expenditure performance against the budget appropriations and the financial forecast are essential for managing potential deficits and maintaining healthy cash balances. This can be achieved by using a monthly monitoring report to track:

- Actual revenues and expenditures compared to appropriations and budget, both monthly and year-to-date, and
- Actual revenues and expenditures compared to the financial forecast.

By regularly comparing monthly revenue and expenditure figures with the financial forecast, the district can detect deviations early and take corrective actions. This approach helps ensure that appropriations and the long-term financial outlook remain aligned.

These comparisons should be included in monthly financial reports presented to the board of education and the community. Additionally, the district's cash balance should be monitored in terms of the number of days of expenses on hand and reported to the board of education. The cash balance should align with the district's board-approved Cash Balance Policy (see below for further details).

For examples of monthly reports, see **Appendix E**. For state software and PowerSchool ERP reports, see **Appendix D**.

C. Addressing Variances in the Financial Forecast

Variances between the financial forecasted figures and actual financial performance are inevitable due to the dynamic nature of district finances. When monitoring these variances, it's important to distinguish between minor fluctuations and significant deviations that may impact the district's financial health.

Key steps to documenting variances:

- **Identify the cause**
Determine whether the variance is due to changes in revenue, expenditures, or unforeseen events. Examining changes at the line level of the financial forecast is most informative.
- **Evaluate the impact**
Assess the short-term and long-term implications of the variance on the district's financial position. This helps in prioritizing which variances require immediate action versus those that can be managed within existing budgets.
- **Adjust appropriations if necessary**
If a significant variance is identified, consider whether the district's appropriations need to be adjusted.
- **Adjust estimated revenues if necessary**
If a significant variance is identified, consider whether the district's estimated revenues need to be adjusted.



- **Communicate with stakeholders**

Regularly update the board of education, superintendent, district leaders, and the community about significant variances and work with those stakeholders to formulate a plan to address them. Engaging with stakeholders builds trust and encourages collaborative planning to address any financial challenges.

- **Adopt revised financial forecast**

Significant changes to budgeted revenues and expenditures should be updated in the financial forecast, explained in the assumptions, and presented for board-approval prior to the required February update. This approach helps maintain fiscal responsibility and ensures that the district's budget aligns with current revenue projections.

D. Cash Balance Policy

District officials have a responsibility to plan and monitor cash flow carefully to uphold their stewardship of public tax dollars. The district's financial forecast includes a prediction for how long the revenue and expense cycle can sustain a healthy cash balance (see line 15.010).

It is imperative for districts to implement board policies that achieve and maintain a minimum cash balance. It is recommended that this balance equals at least equivalent to 90 days (or 25%) of annual operating expenditures as a cash reserve. To strengthen cash flow management and safeguard the district's financial stability, it is also advisable to set a maximum cash days policy alongside the minimum. This upper limit prevents the accumulation of excessive reserves, which could indicate underutilized resources that might otherwise support student programming, facility improvements, or strategic initiatives.

For example, the board might set a maximum cash days threshold of 180 days (or 50% of annual operating expenditures). Balancing a minimum and maximum cash days policy allows for greater transparency and accountability in managing public funds, while ensuring that reserves are adequate but not excessive. Another way to conceptualize this is through "True Cash Days," which answers the question: How many days could the district operate at year-end if no additional revenues were received? This is calculated by:

$$\text{True Cash Days} = \text{Current Year's Ending Cash Balance} / (\text{Current Year's Expenditures} / 365 \text{ days})$$

Transfers are included in this calculation, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves. For sample policies, refer to **Appendix F**.

It is equally as critical to ensure stakeholders know what this policy means. While the policy references true days cash, it is important to reinforce the fact that as expenditures increase, the cost to manage the district per day increases as well, thus the true days cash calculation is changing every year.



The adequacy of a district's cash balance must consider the unique circumstances of the district and the community it serves. Having a policy in place makes it easier to explain the rationale for a fund balance to stakeholders, such as having the ability to protect taxpayers and employees from unexpected changes in the financial condition of the district. Revenue predictability, expenditure volatility, exposure to significant one-time outlays, and potential drain on the general fund resources from other funds are just some of the factors boards should consider when establishing a cash balance policy. For more comprehensive information, refer to the OASBO Cash Balance Whitepaper.

E. Use of Forecasting Software

District treasurers have access to various software programs designed to assist in creating their financial forecasts. These tools can be invaluable in streamlining the financial forecasting process, offering data analysis, and providing projections that support informed decision-making. However, while the software can significantly aid in managing complex financial data, treasurers must ensure the accuracy of their inputs and remain diligent in reviewing and updating the financial forecast outputs. This includes critically evaluating the numbers and assumptions generated by the software, as even the most advanced programs rely on the quality and relevance of the data provided to produce meaningful insights. It is also essential for treasurers to update and personalize the assumptions generated by the software, tailoring them to the specific circumstances and trends of their district to produce the most meaningful and accurate insights.

This tailored approach helps produce financial forecasts that are both reliable and actionable, ultimately empowering district leaders to make informed financial decisions that best serve their communities.



Appendix A: Line-By-Line Review

General Fund Revenue

LINE #	DESCRIPTION	OBJECT CODES/NOTES
1.010	General Property Tax (Real Estate) Taxes levied by a district by the assessed valuation of real property located within the district.	1110 through 1119
1.020	Tangible Personal Property Tax This line includes revenues related to public utility personal property (telephone, electric, and gas) tax paid by public utilities.	1120
1.030	Income Tax Any voter approved school district income is reported in this line.	1130
1.035	Unrestricted Grants-in-Aid Funds received through the State Foundation Program with no restriction. The foundation formula is the primary vehicle the Ohio legislature uses to determine how much state aid each district is to receive.	All 3100's except 313X
1.040	Restricted Grants-in-Aid Funds received through the State Foundation Program or other allocations that are restricted for specific purposes. Examples include career-technical and gifted funds.	All 3200's
1.045	Restricted Federal Grants-in-Aid Funds from the federal government passed through the State are accounted for in specific federal grant funds and are not included in this financial forecast in accordance with law. This is consistent with the fact that most federal funding for the district comes in the form of grants targeted for specific projects or purposes.	Captured as receipts to funds 532 and 504
1.050	State Reimbursement for Property Tax Credits This line includes the state share of local property taxes which primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. For certain qualifying levies, the state reduces the local taxpayer's tax bill with rollback credits, plus a homestead credit for qualifying taxpayers.	313X



LINE #	DESCRIPTION	OBJECT CODES/NOTES
1.060	All Other Operating Revenue Operating revenue sources not included above. Examples include but are not limited to tuition, fees, earnings on investments, rentals, donations, threshold cost reimbursement, excess cost reimbursement, and payment related to TIFs.	All other receipt codes except 1931, 1933, 1940, 1950, 5100, 5220
1.070	Total Revenue The sum of lines 1.010 through 1.060.	Total lines 1.010 through 1.060

Line 2.0 Other Financing Sources

LINE #	DESCRIPTION	OBJECT CODES/NOTES
2.010	Proceeds from Sale of Notes	1940
2.020	State Emergency Loans & Advancements (Approved)	1950
2.040	Operating Transfers-In Permanent movement of monies between funds.	5100
2.050	Advances-In Temporary movement of monies between funds.	5220
2.060	All Other Financing Sources Sale and loss of assets, refund of prior year expenditures.	1931, 1933, 5300
2.070	Total Other Financing Sources The sum of lines 2.010 through 2.060.	Total of lines 2.010 through 2.060
2.080	Total Revenue and Other Financing Sources The sum of lines 1.070 and 2.070.	Total of lines 1.070 and 2.070

Line 3.0 Expenditures

LINE #	DESCRIPTION	OBJECT CODES/NOTES
3.010	Personal Services—Employee Salaries & Wages Employee salaries and wages, including extended time, overtime, severance pay, supplemental contracts, etc.	100 through 199
3.020	Employees' Retirement and Insurance Benefits Retirement for all employees, Workers Comp., early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.	200 through 299
3.030	Purchased Services Amounts paid for personal services rendered by personnel who are not on the payroll of the district, and other services which the district may purchase. Examples include but are not limited to legal fees, maintenance agreements, and utilities.	400 through 499
3.040	Supplies and Materials Examples include but are not limited to general supplies, instructional materials including textbooks and media materials, teacher training, bus fuel and tires, and all other maintenance supplies.	500 through 599



3.050	Capital Outlay This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, furniture, buses, and vehicles.	600 through 799
3.060	Intergovernmental While very rarely used in financial forecasts, this line accounts for pass-through payments, as well as monies received by a district that will be spent by the district on behalf of another government. This does not include purchased services from other government agencies such as ESCs.	Any object with function 7600 or 7700

Line 4.0 Principal and Interest

This category represents general fund borrowing. The related assumptions for this category should include principal and interest payments for the financial forecast period.

LINE #	DESCRIPTION	OBJECT CODES/NOTES
4.010	All Principal (Historical)	No longer in use
4.020	Principal—Notes	810 through 813
4.030	Principal—State Loans	815
4.040	Principal—State Advancements	816
4.050	Principal—HB 264 Loans	814
4.055	Principal—Other	819
4.060	Interest and Fiscal Charges	820 through 829
4.300	Other Objects The primary components listed here consist of membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, election expenses, etc.	840 through 899
4.500	Total Expenditures Total lines 3.010 through 3.060 and lines 4.010 through 4.300.	Total lines 3.010 through 3.060 & 4.010 through 4.300

Line 5.0 Other Financing Uses

Advances are a temporary movement of monies between funds (which should be repaid in the same fiscal year or the next fiscal year), and transfers are a permanent movement of monies between funds. These advances and transfers are usually projected based on past history and knowledge of deficits in other funds. Advances and transfers both require BOE approval.

LINE #	DESCRIPTION	OBJECT CODES/NOTES
5.010	Operational Transfers—Out	910–919
5.020	Advances—Out	920–929
5.030	All Other Financing Uses	930, 940, 941, & 942



LINE #	DESCRIPTION	OBJECT CODES/NOTES
5.040	Total Other Financing Uses Total of lines 5.010 through 5.030.	Total of lines 5.010 through 5.030
5.050	Total Expenditures and Other Financing Uses Total lines 4.500 and 5.040.	Total lines 4.500 and 5.040

Line 6.0 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use

LINE #	DESCRIPTION	OBJECT CODES/NOTES
6.010	Excess Of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses Line 2.080 minus 5.050. This line can be used to get a good sense of a school district's fiscal health. A positive number indicates that a school district spent within its revenue for that fiscal year. A negative number indicates that a school district's expenditures exceeded the revenue generated for that fiscal year, resulting in a reduction to any surplus the district may hold. A school district experiencing several years of "overspending" will almost always result in fiscal concerns or insolvency. Pay great attention to this line!	Line 2.080 minus line 5.050

Line 7.0 Cash Balance July 1 and Ending Cash Balance

LINE #	DESCRIPTION	OBJECT CODES/NOTES
7.010	Beginning Cash Balance July 1—Excluding Proposed Renewal/Replacement and New Levies	Prior year line 7.020
7.020	Ending Cash Balance June 30—Excluding Proposed Renewal/Replacement and New Levies Line 6.010 plus line 7.010.	Line 6.010 plus line 7.010

Line 8.0 Estimated Encumbrances June 30

LINE #	DESCRIPTION	OBJECT CODES/NOTES
8.010	Estimated Encumbrances June 30 The amount of money already requested through a purchase order. The funds have been obligated, but a check has not yet been written. Funds may be encumbered (obligated) in one fiscal year and paid in another.	



Line 9.0 Reservation of Fund Balance

LINE #	DESCRIPTION	OBJECT CODES/NOTES
9.020	Capital Improvements Similar to above, O.R.C. 3315.18 requires a 3% set-aside each fiscal year for maintenance and capital improvements.	
9.030	Budget Reserve No longer required, but some school districts use this line as a "rainy day fund." See ORC 5705.13(A).	
9.040	DPIA The amount of funds a school district receives is based on the overall poverty levels within the school district. DPIA funds are restricted funds.	
9.045	Fiscal Stabilization	
9.050	Debt Service This includes any loans or other debt for which repayment by the district is required during the fiscal year.	
9.060	Property Tax Advances County Auditors may advance property tax payments (if money is available to the County Auditor through prepayment of taxes) to school districts at the conclusion of a fiscal year to be spent at the beginning of the next fiscal year. This practice allows a school district to start the fiscal year with money for operations.	
9.070	Bus Purchases	
9.080	Subtotal Total of lines 9.010 through 9.070.	Total of lines 9.010 through 9.070

Line 10.0 Fund Balance June 30 for Certification of Appropriations

LINE #	DESCRIPTION	OBJECT CODES/NOTES
10.010	Fund Balance June 30 for Certification of Appropriations Line 7.020 minus line 8.010 minus line 9.080. All reserved funds are "backed out" and therefore not available for the school district to use in school operations.	Line 7.020 minus line 8.010 minus line 9.080

Line 11.0 Revenue from Replacement / Renewal Levies

LINE #	DESCRIPTION	OBJECT CODES/NOTES
11.010	Income Tax—Renewal	
11.020	Property Tax—Renewal or Replacement	
11.300	Cumulative Balance of Replacement/Renewal Levies Previous year line 11.300 plus the current year line 11.010 plus line 11.020	Previous year line 11.300 plus the current year line 11.010 plus line 11.020



Line 12.0 Fund Balance June 30 for Certificates of Contracts, Salary Schedules, & Other Obligations

LINE #	DESCRIPTION	OBJECT CODES/NOTES
12.010	Fund Balance June 30 for Certificates of Contracts, Salary Schedules, and Other Obligations	Line 10.010 plus 11.300

Line 13.0 Revenue from New Levies

LINE #	DESCRIPTION	OBJECT CODES/NOTES
13.010	Income Tax—New	
13.020	Property Tax—New	
13.030	Cumulative Balance of New Levies	Previous year line 13.030 plus current year line 13.010 plus line 13.020

Line 14.0 Revenue from Future State Advancements

LINE #	DESCRIPTION	OBJECT CODES/NOTES
14.010	Revenue from Future State Advancements	

Line 15.0. Unreserved Fund Balance June 30

LINE #	DESCRIPTION	OBJECT CODES/NOTES
15.010	Unreserved Fund Balance June 30 Line 12.010 plus line 13.030 plus line 14.010	Line 12.010 plus line 13.030 plus line 14.010

This amount must not go below \$0, or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed that results in a negative unencumbered cash balance violates 5705.412, ORC, punishable by the personal liability of \$10,000. It is recommended that a district maintains a minimum of 90 day cash balance.

Line 20.0 ADM Financial Forecasts

LINE #	DESCRIPTION	OBJECT CODES/NOTES
20.010	Kindergarten—ADM count	
20.015	Grades 1 to 12—ADM count	



Appendix B: School Budget Process Calendar

The sample calendar included below is provided as a planning tool to assist treasurer/CFOs in working with their boards of education and other stakeholders. Some of the items listed are best practices, while others are required pursuant to the Ohio Revised Code (ORC). Statutory references are included where applicable.

January	<p>On or before January 15—Tax budget for following fiscal year is approved by board of education. (ORC 5705.28)</p> <p>On or before January 20—The board-adopted tax budget is filed with the county budget commission for review and approval. (ORC 5705.30)</p> <p>NOTE: If your county budget commission has waived the submission of the tax budget, you will still need to provide information to your county auditor to perform his/her duties under law, including dividing the rates of each of the subdivision's or taxing unit's tax levies. Both the submission of the tax budget and the submission of the information required by the budget commission in lieu of the tax budget require an open line of communication between the school district treasurer/CFO and the county auditor.</p>
February	<p>Suggested best practice: February prior to fiscal year—Allocations for each building and department are submitted to the administrators to allocate among their funds based on department/building budget planning meetings.</p> <p>On or before the last day of February—board of education adopts updated general operating fund financial forecast for the fiscal year that started the previous July. (ORC 5705.391)</p> <p>You may need to amend your certificates again if the financial forecast has significant enough changes in revenues or expenditures.</p>
March–April	<p>By March 1—The county budget commission provides the certificate of tax rates and amounts to each school district (ORC 5705.35)</p> <p>Suggested best practice: On or before April 15—Building and department administrators submit proposed building/department budgets to treasurer and superintendent.</p> <p>Continue routine budget monitoring and reporting out of the financial status for the current year; amend certificates of appropriations or certificates of estimated</p>



resources as needed and have them board approved and submitted to the county auditor.

June	<p>By June 30—Finalize permanent appropriation resolution and submit to county auditor. (ORC 3313.62; ORC 5705.38)</p> <p>By June 30—Finalize certificate of estimated resources for June 30 balances and submit to county auditor. (ORC 5705.39)</p>
July	<p>On or about July 1—Certify beginning fund balances to county auditor (ORC 5705.36)</p> <p>On or before July 1—Adopt temporary appropriations measure for next fiscal year, which includes Certificate of Estimated Resources for the new fiscal year (July 1 through June 30 balances for the new fiscal year) and a new Certificate of Appropriations due to the new budget year. You can adopt a temporary appropriation not greater than 25 percent of the anticipated permanent budget.</p> <p>If a temporary appropriation/budget is put in place, the permanent budget must be approved by September 30. (ORC 5705.36; ORC 5705.38; ORC 5705.39)</p>
August	<p>On or before August 31—Board of education adopts general operating fund financial forecast for the fiscal year that started July 1. (ORC 5705.391)</p>
September	<p>On or before September 30—All budgets must be finalized for the fiscal year. Final appropriations must be board approved (for the fiscal year that started July 1) and submitted to the county auditor in the certificates of appropriation. (ORC 5705.38; ORC 5705.36)</p>
October–December	<p>Continue routine budget monitoring and reporting out of financial status for the current year; amend appropriations resolution as needed (which may include an amended certificate of estimated resources) and have it board approved and submitted to the county auditor.</p> <p>Continue to work with your budget managers on their next fiscal year’s budget.</p>



Appendix C: Sample Financial Forecast Assumptions

Example Framework—Assumptions for Financial Forecast

Line [X.XXX] – [Line Item Title]

This line represents [*briefly describe what the line represents, e.g., “revenue received through property taxes” or “expenses related to personnel”*]. The amount is based on [*summarize the primary basis or methodology, such as historical data, legislative changes, or specific district factors*].

- **Methodology**
Explain how the amount is calculated (e.g., using historical trends, percentage increases, state or county data, etc.).
- **Key Influences**
Highlight factors affecting this line, such as reappraisals, legislative changes, enrollment projections, or economic conditions.
- **Assumptions for the Financial Forecast Period:**
Clearly state the assumptions driving the projections (e.g., expected percentage growth, no significant policy changes, etc.).
- **Recent Trends**
Provide context from recent fiscal years to justify assumptions.
- **Special Considerations**
Note any unique district-specific factors (e.g., levy renewals, one-time revenues, or significant changes in expenditures).

Example Template—Assumptions for Financial Forecast

Introduction

The financial forecast serves as a comprehensive tool to project revenues and expenditures, combining historical trends with future assumptions. Prepared in accordance with Ohio Revised Code (ORC) Section 5705.391 and Ohio Administrative Code (OAC) Section 3301-92-04, it provides a critical basis for financial decision-making and transparency.



Revenue Assumptions

Line 1.010—General Property Tax (Real Estate)

This line reflects revenue generated from property taxes levied on real estate within the district. Revenue projections are shaped by the effects of Ohio House Bill (HB) 920 and the 20-mill floor.

Under HB 920, voted tax rates are adjusted downward as property values rise, ensuring taxpayers are not burdened with higher taxes solely due to increased valuations. While this stabilizes revenue growth, it limits the district's ability to collect additional funds without voter approval for new levies. Conversely, districts at or near the 20-mill floor benefit from valuation increases, capped to inflation, because they cannot fall below the statutory minimum rate for current expense levies.

Revenue projections assume [*describe expected trends, e.g., modest growth in property valuations due to reappraisals or triennial updates*]. The financial forecast also factors in voter-approved levies, including emergency or renewal levies that are expected to generate \$[X] annually from [*start year*] through [*end year*]. Inside millage, which is not subject to HB 920 adjustments, provides additional stability to the district's revenue base.

Line 1.035—Unrestricted Grants-in-Aid

State funding through the Fair School Funding Plan represents a significant portion of this line. The funding formula considers district enrollment, property valuation, and income levels to determine the State Share Index and subsequent allocations.

Projections assume a [X%] phase-in of the Fair School Funding Plan through the current biennium budget, with full implementation anticipated by [year]. Enrollment trends, whether stable, increasing, or declining, play a key role in calculating per-pupil funding. Additionally, rising property valuations may reduce the district's state share percentage, shifting more financial responsibility to the local community. Legislative updates to the base cost calculation, while a possibility, are not included in this financial forecast.

Line 1.060—All Other Revenues

This line includes various revenue streams such as investment income, fees (such as "pay to play" and other fees), and donations.

Investment income projections reflect current interest rates, anticipated to [increase/decrease] by [X%] annually. Miscellaneous revenues, including tuition fees and rental income, are expected to follow historical trends. One-time revenue sources, such as significant grants or donations, are excluded unless confirmed.



Expenditure Assumptions

Line 3.010—Personnel Services

Salaries and wages for district personnel represent the largest expenditure in the budget. Projections account for step increases, negotiated raises, and advancements tied to educational attainment.

Financial forecasts also consider anticipated retirements and replacements, with savings from retiring higher-salaried employees balanced by new hires at lower starting salaries. Additional staffing needs due to enrollment changes or program expansions are incorporated based on current trends. Severance payments are projected at historical averages of \$[X] per year.

Line 3.020—Employee Retirement/Insurance Benefits

This line covers retirement contributions, health insurance premiums, and other employee benefits.

Health insurance costs are projected to rise by [X%] annually, reflecting market trends and claims history. Premium holidays or other temporary adjustments are not anticipated beyond [specific year].

Contributions to state retirement systems remain at 14% of salaries, as mandated by state law.

Line 3.030—Purchased Services

Expenses for contracted services, utilities, and tuition for external programs such as College Credit Plus fall under this line.

Utility costs are projected to increase by [X%] annually, driven by [e.g., market rates or infrastructure changes]. Other notable expenditures include [specific items, such as contracted transportation services or special education tuition].

Guidance for Customization

Each district can adapt this narrative by inserting specific figures, trends, and unique circumstances. For instance:

- Clarify how HB 920 and the 20-mill floor directly impact district revenue.
- Include projections based on local property reappraisals or enrollment trends.
- Identify legislative changes or local initiatives influencing revenue



Appendix D: Helpful Reports for Preparing and Monitoring the Financial Forecast

The following state software reports and resources are valuable tools for both preparing the financial forecast and monitoring it post-implementation.

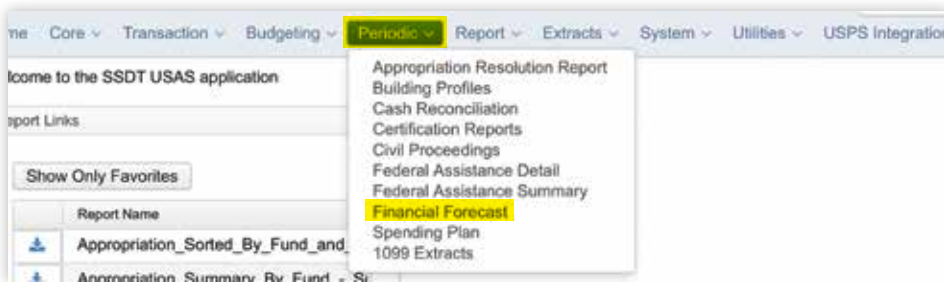
USAS-Redesign Wiki

The USAS-Redesign Wiki provides a wealth of information on procedures, offering detailed guidance and resources to assist with financial forecasting and financial management.

More info: <https://mcoecn.atlassian.net/wiki/spaces/usasrdoc/overview>

Financial Forecast Report

Location: USAS-R > Periodic > Financial Forecast



The Financial Forecast report allows users to extract financial forecast data for the current fiscal year.

This report includes:

- A grid of accounts included in the financial forecast, along with associated financial forecast line numbers and descriptions.
- Three prior years' actual values.
- Current fiscal year expendable or receivable values (which correlate back to appropriations and amended certificates).

Additionally, users can explore more granular data through the CORE > Accounts > Expenditure Tab.

This section provides the same financial forecast-related information, with options to extract further data using the report feature. By clicking on "More," users can access additional options, such as selecting ODEW line numbers for detailed reporting .



Reports to Analyze Variances and Document Findings

The following State Software Development Team (SSDT) reports are valuable tools for drilling down into variances and documenting them.

- **SSDT Budget Expense Worksheet**

A summary report for budget accounts. Similar to the Budget Summary, but this report also includes expenditure amounts from the three prior years.

- **SSDT Revenue Expense Worksheet**

A summary report for revenue accounts. Similar to the Revenue Summary, but this report includes received amounts from the three prior years.

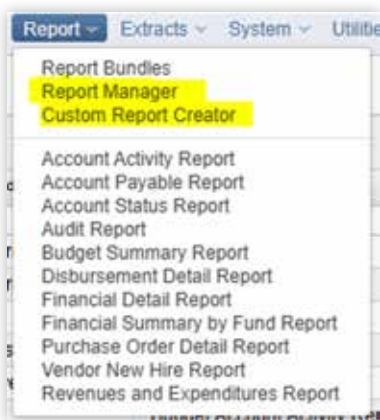
- **SSDT Financial Report by Financial Forecast Line Number**

Generates a report containing financial forecast line numbers and totals. This report includes three prior years' actual values, as well as the current fiscal year-to-date (FYTD) expendable or receivable values as the first-year estimate.

- **SSDT Financial Detail**

Provides a detailed report of the transactions that comprise the amounts in cash accounts. This report includes both receipt and expenditure data.

As users become more comfortable with SSDT reports, they can create and save district-specific or unique reports to monitor key areas such as overtime, gasoline, utilities, severance, and more. These custom reports can be generated and managed under the “Reports” section.





PowerSchool ERP

The following PowerSchool ERP reports are valuable tools.

Annual Spending Plan Report

Location: Fund Accounting > State > Annual Spending Plan > Reports

Report Mode

Summary Report Detail Report

Report Criteria

Year: 2025

From Period: 1

To Period: 13

Cash Balance Funds: 001

Cash Account 1: A10000

Cash Account 2:

Cash Account 3:

Cash Account 4:

Cash Account 5:

File Format: PDF Excel

Create

The Annual Spending Plan Report allows users to extract historical or current data by fiscal year.

The *Summary* report provides:

- Estimated and actual revenue and expenditure totals, by financial forecast line number.

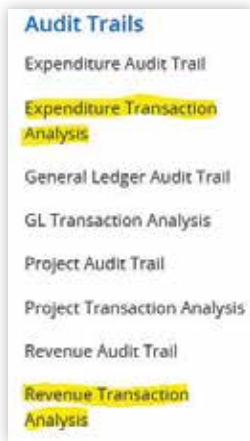
The *Detail* report provides:

- A list of budget units, grouped by the associated financial forecast line numbers.
- Estimated and actual revenue and expenditure totals.



Expenditure and Revenue Transaction Analysis Reports

Location: Fund Accounting>Reports>Audit Trails>Expenditure (Revenue) Transaction Analysis



Users can access detailed data and search by time period, fund, account or any number of additional data points.

Expenditure and Revenue Comparison Reports

Location: Fund Accounting > Reports > Expenditure (Revenue) Comparison Reports



These reports compare the current year to the previous year, both budget and actual. Suggested sort options are:

- **Expenditure**
Sort by account and function; total by account.
- **Revenue**
Sort and total by account.

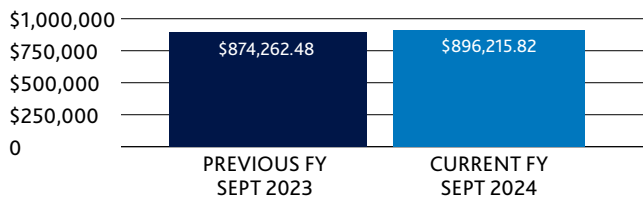


Appendix E: Sample Monthly Monitoring Reports

Brecksville-Broadview Heights Monthly CFO Report

REVENUE COMPARISON

COMPARING REVENUES FROM SEPT 2023 TO SEPT 2024



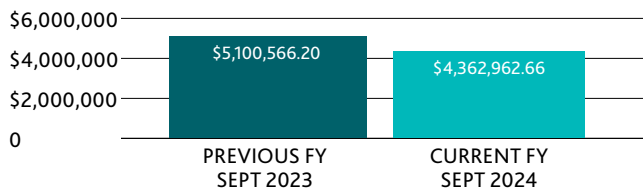
FINANCIAL FORECASTED REVENUES	PROJECTED REVENUES	OVER/(UNDER) FINANCIAL FORECAST
\$56,414,589.00	\$56,531,277.25	\$116,688.25
		FAVORABLE

Why?

1. We received approximately \$60k more in state funding this year over last year.
2. Other revenue was down approximately \$40k mostly due to timing.

EXPENDITURE COMPARISON

COMPARING EXPENDITURES FROM SEPT 2023 TO SEPT 2024



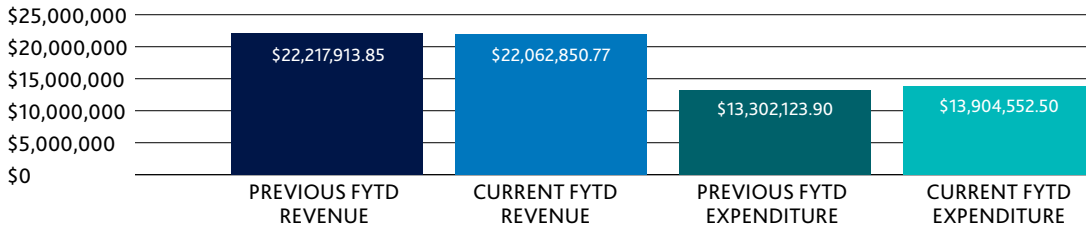
FINANCIAL FORECASTED EXPENSES	PROJECTED EXPENSES	OVER/(UNDER) FINANCIAL FORECAST
\$57,464,481.00	\$57,127,212.69	-\$337,268.31
		FAVORABLE

Why?

1. September 2023 was a 3 pay month thus timing is the result of the lesser expenditures this September.
2. Purchased services and supplies increased from last FY. The largest category increase this year was in supplies. Much of this is due to timing.



Projected increase/(decrease) to cash balance **-\$78,142.44**
 Projected ending cash balance as of June 30, 2025 **\$26,698,605.22**



	JULY	AUG	SEPT	OCT	NOV
	ACTUAL				
BEGINNING CASH BALANCE	26,776,748	26,770,652	38,401,793	34,935,045	33,325,141
RECEIPTS					
1.01 REAL ESTATE	3,437,937	14,706,507	0	0	0
1.02 PERSONAL TANGIBLE	0	1,201,685	0	0	0
1.035 UNRESTRICTED GRANTS-IN-AID	392,167	512,169	392,061	406,300	386,368
1.04 RESTRICTED GRANTS-IN-AID	86,954	46,108	57,653	46,562	39,558
1.05 PROPERTY TAX ALLOCATION	0	0	0	2,104,147	0
1.06 ALL OTHER OPERATING REVENUE	311,089	439,802	446,502	285,422	231,174
1.07 TOTAL REVENUE	4,228,147	16,906,271	896,216	2,842,431	657,100
2.01 PROCEEDS FROM SALES OF NOTES	0	0	0	0	0
2.02 STATE LOANS AND ADVANCEMENTS	0	0	0	0	0
2.04/5 TRANSFERS IN AND ADVANCES IN	0	0	0	0	0
2.06 ALL OTHER FINANCING SOURCES	15,797	16,420	0	0	0
2.08 TOTAL REVENUE AND OTHER FINANCING	4,243,944	16,922,691	896,216	2,842,431	657,100
TOTAL RECEIPTS PLUS CASH BALANCE	31,020,691	43,693,343	39,298,009	37,777,476	33,627,492
EXPENDITURES					
3.01 PERSONAL SERVICES	2,219,407	3,496,681	2,649,689	3,205,828	2,905,023
3.02 EMPLOYEES RETIREMENT/INSURANCE	1,002,860	1,020,158	1,056,983	1,123,327	1,079,547
3.03 PURCHASED SERVICES	771,539	195,896	322,615	380,519	358,489
3.04 SUPPLIES AND MATERIALS	180,468	125,462	324,175	82,646	63,966
3.05 CAPITAL OUTLAY(INCL. REPLACEMENT)	28,527	470	1,075	5,784	306
4.02 DEBT SERVICE: PRINCIPAL-NOTES	0	0	0	0	0
4.04 DEBT SERVICE: PRINCIPAL-STATE ADVANCES	0	0	0	0	0
4.06 INTEREST AND FISCAL CHARGES	0	0	0	0	0
4.3 OTHER OBJECTS	47,237	267,884	8,426	8,981	5,597
5.01/2 TRANSFERS OUT AND ADVANCES OUT	0	185,000	0	0	0
5.03 ALL OTHER FINANCING USES	0	0	0	0	0
5.02 TOTAL EXPENDITURES AND OTHER FINANCING	4,250,039	5,291,550	4,362,963	4,807,085	4,412,928
MONTHLY POS/NEG	-6,096	11,631,141	-3,466,747	-1,964,653	-3,755,828
ENDING CASH BALANCE (MONTHLY)	26,770,652	38,401,793	34,935,045	32,970,392	29,214,564



DEC	JAN	FEB	MAR	APR	MAY	JUN	PROJECTED TOTAL	FINANCIAL FORECAST NOVEMBER 2024
29,318,991	25,577,658	22,276,649	29,863,104	36,131,119	32,506,275	30,863,930		
0	1,887,000	11,310,000	8,824,977	0	0	0	40,166,421	40,613,102
0	0	0	1,605,500	0	0	0	2,807,185	2,824,134
392,061	473,262	392,061	392,061	392,061	392,061	392,061	4,914,690	4,946,093
24,779	24,504	25,038	25,305	25,000	24,724	400,000	826,186	683,687
0	0	0	0	0	2,102,455	0	4,206,602	4,208,874
168,944	141,928	313,020	458,191	370,515	273,047	138,342	3,577,976	3,103,699
585,784	2,526,694	12,040,118	11,306,035	787,575	2,792,286	930,402	56,499,060	56,379,589
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	32,217	35,000
585,784	2,526,694	12,040,118	11,306,035	787,575	2,792,286	930,402	56,531,277	56,414,589
29,800,348	27,800,635	33,710,621	40,594,588	36,396,142	34,759,157	31,294,462	56,531,277	56,414,589
2,688,283	4,500,000	2,688,283	2,900,000	2,688,283	2,682,401	3,250,000	35,873,876	35,944,173
1,250,000	1,098,851	1,098,851	1,098,851	1,098,851	1,098,851	1,098,851	13,125,981	13,219,764
500,000	436,899	539,546	520,140	540,845	461,083	607,811	5,635,383	5,746,762
84,533	75,364	91,606	62,340	90,094	145,000	120,000	1,445,654	1,501,381
0	0	0	0	7,407	69	34,397	78,036	80,000
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
3,591	19,019	3,781	404,690	3,792	7,693	2,592	783,282	787,401
0	0	0	0	0	0	0	185,000	185,000
4,526,407	6,130,132	4,422,068	4,986,021	4,429,271	4,395,097	5,113,651	57,127,213	57,464,481
-3,940,623	-3,603,438	7,618,051	6,320,013	-3,641,696	-1,602,811	-4,183,249	-595,935	-1,049,892
25,273,941	21,670,503	29,288,554	35,608,567	31,966,871	30,364,060	26,180,811	26,180,812	25,726,856

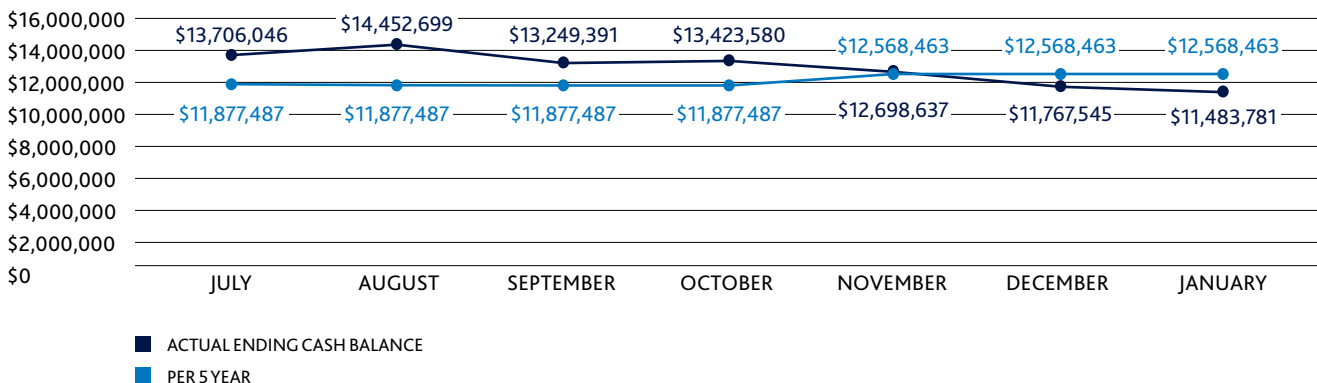


London City Schools

VARIANCE REPORT

	PROJECTED	ACTUAL	MONTHLY	FYTD
	JANUARY	JANUARY	MONTHLY VARIANCE	ACTUAL + PROJECTED
REVENUE				
LINE: 1.010 GENERAL PROPERTY (REAL ESTATE)	\$205,000	\$ —	\$(205,000)	\$8,440,580
LINE: 1.020 TANGIBLE PERSONAL PROPERTY TAX	\$ —	\$ —	\$ —	\$ —
LINE: 1.030 INCOME TAX	\$940,000	\$927,669	\$(12,331)	\$4,857,685
LINE: 1.035 UNRESTRICTED GRANTS-IN-AID	\$860,000	\$825,930	\$(34,070)	\$9,249,773
LINE: 1.040 RESTRICTED GRANTS-IN-AID	\$49,000	\$45,598	\$(3,402)	\$581,544
LINE: 1.050 PROPERTY TAX ALLOCATION	\$ —	\$ —	\$ —	\$951,793
LINE: 1.060 ALL OTHER OPERATING REVENUE	\$72,000	\$53,699	\$(18,301)	\$1,100,186
LINE: 2.040 OPERATING TRANSFERS—IN	\$ —	\$ —	\$ —	\$54,521
LINE: 2.050 ADVANCES—IN	\$ —	\$ —	\$ —	\$ —
LINE: 2.060 ALL OTHER FINANCING SOURCES	\$1,000	\$443	\$(557)	\$19,390
TOTAL REVENUE	\$2,127,000	\$1,853,339	\$(273,661)	\$25,255,473
EXPENDITURES				
LINE: 03.010 PERSONAL SERVICES	\$1,050,000	\$1,053,672	\$3,672	\$12,727,000
LINE: 03.020 EMPLOYEES' RETIRE/INSUR BEN	\$580,000	\$599,795	\$19,795	\$4,957,825
LINE: 03.030 PURCHASED SERVICES	\$340,000	\$318,051	\$(21,949)	\$3,495,259
LINE: 03.040 SUPPLIES AND MATERIALS	\$70,000	\$48,032	\$(21,968)	\$683,352
LINE: 03.050 CAPITAL OUTLAY	\$50,000	\$72,822	\$22,822	\$2,483,527
LINE: 04.050 DEBT SERVICE: PRINCIPAL—HB264	\$25,806	\$25,806	\$0	\$51,483
LINE: 04.060 DEBT SERVICE: INTEREST /CHARGES	\$1,455	\$1,455	\$0	\$3,038
LINE: 04.300 OTHER OBJECTS	\$22,000	\$17,470	\$(4,530)	\$480,163
LINE: 05.010 OPERATING TRANSFERS—OUT	\$ —	\$ —	\$ —	\$950,000
LINE: 05.020 ADVANCES—OUT	\$ —	\$ —	\$ —	\$ —
LINE: 05.030 ALL OTHER FINANCING USES	\$ —	\$ —	\$ —	\$ —
TOTAL EXPENDITURES	\$2,139,260	\$2,137,103	\$(2,157)	\$25,831,647
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$(12,260)	\$(283,764)	\$(271,504)	\$(576,174)
BEGINNING CASH BALANCE	\$10,232,121	\$11,767,545	\$1,535,424	\$12,967,414
ENDING CASH BALANCE	\$10,219,861	\$11,483,781	\$1,263,920	\$12,391,240
DAYS OPERATING CASH AVAILABLE	143	161	175	

PROJECTED VS. ACTUAL CASH BALANCES JULY 2023–JANUARY 2024





BUDGET VARIANCE

NOVEMBER 2023
FINANCIAL FORECAST
FOR FY24

+/- %

\$8,646,667	\$(206,087)	-2.38%
\$ —	0.00%	
\$4,871,738	\$(14,053)	-0.29%
\$9,277,914	\$(28,141)	-0.30%
\$587,904	\$(6,360)	-1.08%
\$954,263	\$(2,470)	-0.26%
\$1,118,831	\$(18,645)	-1.67%
\$54,521	\$ —	0.00%
\$ —	\$ —	0.00%
\$15,000	\$4,390	29.27%
\$25,526,838	\$(271,365)	-1.06%

Tax Advance not received until February.

Increased gas tax refund.

\$12,749,908	\$(22,908)	-0.18%
\$4,806,284	\$151,541	3.15%
\$3,639,022	\$(143,763)	-3.95%
\$742,690	\$(59,338)	-7.99%
\$2,526,943	\$(43,416)	-1.72%
\$51,483	\$0	0.00%
\$3,038	\$0	0.00%
\$456,421	\$23,742	5.20%
\$950,000	\$ —	0.00%
	\$ —	0.00%
\$ —	\$ —	0.00%
\$25,925,789	\$(94,142)	-0.36%

Increased HSA contribution. More family than single medical plans.

Trending under budget.

Trending under budget.

\$(398,951)	\$(177,223)	
\$12,967,414		
\$12,568,463	-1.41%	

Goal of 60 days operational cash.

177



NEW: OASBO's Monthly Monitoring Tool



Ohio Association of School Business Officials

Monthly Report

Month of February 2025- Fiscal Year 2025

Step 1 Complete the highlighted cells below:

District IRN:	043802
Fiscal Year:	2025
Payroll Type:	Semi-monthly
First Pay Date of FY:	7/10/2024
FY Beginning Cash Balance:	\$ 394,663,338
Month Selection:	February

Step 2 Copy and paste your SSDT Financial Detail Report (FINDET) for FYTD 2025 below:
Beginning date will always be 7/1/2024; ending date is the end of month of the desired report, i.e 11/30/2024

General Report
SSDT Financial Detail Report

Save and Print: Most Recent

Report Options Query Options Sort Options

Report Options

General Report
SSDT Financial Detail Report

Save and Print: Most Recent

Report Options Query Options Sort Options



Appendix F:

Sample Cash Balance Policies

Example #1: 6218—Cash Balance Reserve Policy

The Board believes that maintaining a cash reserve unencumbered unreserved balance of ninety (90) days of operating expenditures is necessary in the interest of sound fiscal management. The Board affirms that tax levies shall be pursued, and/or the District's finances otherwise managed, to ensure a General Operating Fund unencumbered unreserved cash balance equivalent to at least ninety (90) days of operating expenditures.

Promptly upon receiving any indication that such cash balance may not be achieved within any year of the district's financial forecast, the treasurer/CFO shall report such a finding to the Board. Upon such notification by the treasurer/CFO, the superintendent and treasurer/CFO will prepare and propose options that the Board may consider to forestall such an eventuality.

Further, the Board believes the financial goals of the district should be in alignment with the district's strategic plan and instructional goals. When a General Operating Fund cash balance exceeds 150 days the superintendent may prepare a plan for the expenditure of the excess General Operating cash balance on one or more of the deliverables of the strategic plan. This plan must be approved by the board of education and cannot result in the General Operating Fund cash balance falling below ninety (90) days in any year of the District's financial forecast.

Example #2: Cash Balance Reserve

The Board believes that maintaining a cash reserve unencumbered unreserved balance of ninety (90) days of operating expenditures is necessary in the interest of sound fiscal management. The Board affirms that tax levies may be pursued, and/or the district's finances otherwise managed, to ensure a General Operating Fund unencumbered unreserved cash balance equivalent to at least ninety (90) days of operating expenditures. Promptly upon receiving an indication that such cash balance may not be achieved within any year of the district's financial forecast, the treasurer/CFO shall report such a finding to the board. Upon such notification by the treasurer/CFO, the superintendent and treasurer/CFO will prepare and propose options that the board may consider to forestall such an eventuality.

Further, when a General Operating Fund cash balance exceeds 150 days the superintendent and/or treasurer/CFO may recommend the funds be transferred to an approved 070 Capital Projects fund for future capital improvements as approved by the board. The transfer must be approved by the board and cannot result in the General Operating Fund cash balance falling below ninety (90) days in any year of the district's financial forecast.



Appendix G: Financial Policy Review Checklist and Governance Considerations

Financial Policy Review Checklist

1. Fiscal Planning Policy
2. Budget Preparation Policy
3. Appropriations and Spending Policy
4. Tax Budget Policy
5. Financial Forecast Policy
6. Cash Balance Reserve Policy

The following material is provided as a governance resource to assist boards of education and administrators in reviewing existing financial policies.

This material is not intended to replace or duplicate policies developed in collaboration with a district's policy service provider. Rather, this appendix is designed to serve as a checklist of key governance considerations related to forecasting, budgeting, appropriations, tax budgeting, and cash balance planning.

Districts are encouraged to review their current board policies in consultation with their policy provider and legal counsel to ensure these distinguishing financial concepts are clearly addressed and aligned with current law and administrative rule.

Many Ohio school districts work with policy service providers to draft, update, and maintain board policies. Districts should work with their policy provider to determine how best to incorporate or reflect these governance considerations within their existing policy framework.

Fiscal Planning—Policy Review Considerations

When reviewing board policy related to fiscal planning, districts may wish to confirm that their policy clearly establishes the board's responsibility for long-range financial oversight and connects fiscal planning to the district's strategic goals.

When reviewing board policy related to fiscal planning, districts may wish to confirm that their policy:

- Clearly affirms the board's responsibility for long-range fiscal planning.
- References both the annual budget and the multi-year forecast.
- Connects fiscal planning to strategic goals and enrollment trends.
- Identifies the collaborative roles of the superintendent and treasurer/CFO.
- References cash balance expectations.



Example Fiscal Planning Policy

The [insert School District name] Board of Education recognizes that sound fiscal planning is essential to the district's ability to support educational programs, maintain financial stability, and meet its obligations to students, staff, and the community.

The board affirms its responsibility to engage in ongoing fiscal planning that considers both current financial conditions and the long-term sustainability of district operations.

Fiscal planning shall support:

- the district's educational mission and strategic goals;
- responsible stewardship of public funds; and
- informed decision-making by the board and administration.

Planning Framework

Long-range fiscal planning shall be informed by:

- the district's annual budget;
- the district's financial forecast and multi-year financial projections;
- enrollment trends and demographic changes;
- cash balance and reserve expectations;
- staffing and program plans; and
- known and anticipated financial commitments.

The superintendent and treasurer/CFO shall collaborate to provide the board with the financial information and analysis necessary to support effective planning and oversight.

Relationship to Other Financial Policies

This policy is intended to be implemented in coordination with the district's Forecast Policy, Cash Balance Reserve Policy, Budget Preparation Policy, Appropriations and Spending Policy, and Tax Budget Policy.

Budget Preparation—Policy Review Considerations

When reviewing board policy related to annual budget preparation, districts may wish to confirm that their policy clearly distinguishes the annual budget from other financial documents and establishes expectations for administrative preparation, board review, and alignment with District priorities.

While the treasurer/CFO leads the technical development of the budget, effective policy should reflect collaboration with the superintendent and administrative leadership to ensure alignment with instructional priorities and strategic goals.



Districts may wish to confirm that their policy:

- Clearly defines the annual budget as the district's current-year operating plan.
- Distinguishes the annual budget from appropriations, the tax budget, and the forecast.
- Identifies the treasurer/CFO as responsible for preparing the budget.
- Reflects collaboration between the treasurer/CFO and superintendent.
- Requires board review and adoption of the annual budget.
- Connects budget development to enrollment, staffing, contractual obligations, and strategic priorities.
- References cash balance and reserve expectations.
- Aligns with applicable provisions of Ohio law.

Example Budget Preparation Policy

The board of education recognizes that the annual budget is a critical component of the district's financial management and governance framework. The annual budget reflects the district's operational revenues, expenditures (including carryover encumbrances), and unencumbered fund balance assumptions for the current fiscal year.

The board directs the superintendent and treasurer/CFO to prepare an annual budget. The budget shall reflect realistic revenue estimates and expenditure plans consistent with the board's priorities and financial expectations.

Budget Development

The treasurer/CFO shall lead the development of the annual budget in collaboration with the superintendent and administrative staff. The budget process shall:

- Be informed by enrollment, staffing, and operational plans.
- Consider known contractual and statutory obligations.
- Align with the district's strategic plan.
- Reflect the board's cash balance and reserve expectations.

Relationship to Other Financial Policies

The annual budget informs the district's appropriations, tax budget, and financial forecast.

- The annual budget reflects the district's expected revenues and planned expenditures for the current fiscal year.
- Appropriations establish the legal authority to expend public funds for the current fiscal year and are adopted by the board of education. Appropriations set maximum spending levels that may not be exceeded without further board action. While closely aligned, appropriations do not necessarily reflect the exact expenditure amounts assumed in the annual budget.
- The tax budget, if required by the county, provides an early planning snapshot and serves as the primary communication tool with the county budget commission to justify the need to levy property taxes to support District operations and capital needs for the upcoming fiscal year.
- The financial forecast provides multi-year financial projections based on stated assumptions and is used to assess long-term financial sustainability.



This policy is intended to be implemented in coordination with the district's Forecast Policy, Cash Balance Reserve Policy, Fiscal Planning Policy, Appropriations and Spending Policy, and Tax Budget Policy.

Appropriations and Spending—Policy Review Considerations

When reviewing board policy related to appropriations and spending authority, districts may wish to confirm that their policy clearly establishes the board's legal authority to expend public funds and distinguishes appropriations from planning documents such as the annual budget and forecast.

Appropriations establish maximum legal spending authority and serve as a critical governance tool for fiscal oversight.

Districts may wish to confirm that their policy:

- States that appropriations establish the maximum legal authority to expend public funds.
- Requires annual adoption of appropriations in accordance with Ohio law.
- Clarifies that no expenditures may exceed board-approved appropriations.
- Identifies the treasurer/CFO as responsible for administering and monitoring appropriations.
- Distinguishes appropriations from the annual budget.
- Distinguishes appropriations from the forecast.
- References required fund-level adoption.
- Supports board oversight through regular financial reporting.

Example Appropriations and Spending Policy

The annual appropriation measure shall be designed to carry out district operations in a thorough and efficient manner, maintain district facilities, and honor the continuing obligations of the board of education.

Appropriations Authority

The board shall adopt annual appropriations in accordance with Ohio law. Appropriations shall establish the maximum legal authority to expend public funds for the current fiscal year, reflecting the district's annual budget.

No expenditures shall be made in excess of approved appropriations or contrary to board action.

The appropriation measure shall be adopted at the fund level for all funds, as required by law.

Relationship to the Financial Forecast

In accordance with state law, the board shall adopt, as supporting documentation to the annual appropriation measure, a spending plan, also referred to as the district's financial forecast.

The financial forecast is a planning tool and does not authorize expenditures. Its purpose is to demonstrate the district's ability to sustain authorized spending and to support the board's long-range financial oversight responsibilities.



Administration and Oversight

The treasurer/CFO shall be responsible for administering appropriations and monitoring expenditures to ensure compliance with board action and statutory requirements.

The treasurer/CFO shall provide financial reports and analysis necessary to support the board's oversight of appropriations, spending, and long-term financial sustainability.

Relationship to Other Financial Documents

The appropriations resolution is distinct from the district's annual budget, tax budget, and financial forecast.

- The annual budget reflects the district's expected revenues and planned expenditures for the current fiscal year.
- Appropriations establish the legal authority to expend public funds for the current fiscal year and are adopted by the board of education. Appropriations set maximum spending levels that may not be exceeded without further board action. While closely aligned, appropriations do not necessarily reflect the exact expenditure amounts assumed in the annual budget.
- The tax budget, if required by the county, provides an early planning snapshot and serves as the primary communication tool with the county budget commission to justify the need to levy property taxes to support District operations and capital needs for the upcoming fiscal year.
- The financial forecast provides multi-year financial projections based on stated assumptions and is used to assess long-term financial sustainability.

This policy is intended to be implemented in coordination with the District's Forecast Policy, Cash Balance Reserve Policy, Fiscal Planning Policy, Budget Preparation Policy, and Tax Budget Policy.

Tax Budget—Policy Review Considerations

When reviewing board policy related to the tax budget, districts may wish to confirm that their policy clearly defines the purpose of the tax budget (or alternative tax budget, if the formal process is waived by the county) as a planning and communication document and distinguishes it from the annual budget, appropriations, and forecast.

The tax budget plays an important role in public transparency and communication with the county budget commission.

Districts may wish to confirm that their policy:

- Defines the tax budget (or the alternative tax budget, as applicable) as a planning and communication document.
- Clarifies that the tax budget does not authorize expenditures.
- Identifies the treasurer/CFO as responsible for preparation.
- References compliance with statutory requirements and county budget commission procedures.
- Requires a public hearing unless waived by the county.
- Distinguishes the tax budget from the annual budget, appropriations, and forecast.
- Reflects its role in communicating the district's need to levy property taxes.



Example Tax Budget Policy

The [insert School District name] Board of Education recognizes the importance of transparency and public engagement in the development of the district's financial plans.

The annual tax budget reflects the district's anticipated revenues and expenditures and provides the public with an opportunity to review and comment on the district's financial needs.

The tax budget serves as a planning and communication document and does not authorize expenditures.

The annual tax budget is regulated and controlled by state law and the requirements of the local county budget commission in which the district is located.

Preparation, Hearing, and Adoption

The treasurer/CFO shall prepare the tax budget in accordance with statutory requirements and guidance issued by appropriate state and county authorities.

Unless waived by the county, the board shall hold a public hearing on the proposed tax budget in accordance with Ohio law. Following the public hearing, the board shall adopt the tax budget by resolution and authorize its submission.

Relationship to Other Financial Documents

The tax budget is distinct from the district's annual budget, appropriations, and financial forecast.

- The annual budget reflects the district's expected revenues and planned expenditures for the current fiscal year.
- Appropriations establish the legal authority to expend public funds for the current fiscal year and are adopted by the board of education. Appropriations set maximum spending levels that may not be exceeded without further board action. While closely aligned, appropriations do not necessarily reflect the exact expenditure amounts assumed in the annual budget.
- The tax budget, if required by the county, provides an early planning snapshot and serves as the primary communication tool with the county budget commission to justify the need to levy property taxes to support District operations and capital needs for the upcoming fiscal year.
- The financial forecast provides multi-year financial projections based on stated assumptions and is used to assess long-term financial sustainability.

The tax budget shall be prepared in coordination with these documents but does not replace them.



Financial Forecast—Policy Review Considerations

When reviewing board policy related to financial forecasting, districts may wish to confirm that their policy clearly establishes expectations for development, assumptions, monitoring, collaboration, and board oversight.

The forecast is both a statutory requirement and a governance tool that supports long-term financial sustainability and informed decision-making.

Districts may wish to confirm that their policy:

- Identifies the treasurer/CFO as responsible for preparing the forecast.
- Reflects collaboration with the superintendent regarding staffing, programs, and operational plans.
- Requires written assumptions for each line of the forecast addressing revenue and expenditure drivers.
- Includes projections for the current fiscal year and succeeding fiscal years, as required by law.
- Establishes expectations for monitoring forecasted results against actual performance.
- Requires updates when material changes occur.
- Requires board review and approval.
- Clarifies that the forecast does not authorize expenditures.
- Addresses transparency and public filing requirements.

Example Financial Forecast Policy

The [insert School District name] Board of Education recognizes the financial forecast as a critical financial planning tool used to assess the district's fiscal health, identify potential risks, and support informed decision-making.

The purpose of this policy is to establish expectations for the development, use, and monitoring of the district's financial forecast.

The district shall prepare and maintain a financial forecast in accordance with state law and applicable administrative rules. The financial forecast shall be used as a planning and oversight tool and shall not, by itself, authorize expenditures.

Forecast Development

The treasurer/CFO shall be responsible for preparing the financial forecast and related written assumptions.

The treasurer/CFO shall collaborate with the superintendent to ensure that the financial forecast reflects instructional priorities, staffing plans, operational needs, and known or anticipated programmatic and organizational changes.



The financial forecast shall include:

- The current fiscal year budget, which reflects the district’s operational revenues, expenditures (including carryover encumbrances), and unencumbered fund balance, and
- Projections of the operational revenues, expenditures (including carryover encumbrances), and unencumbered fund balance for the succeeding fiscal years, as required by law.

Assumptions and Analysis

Each financial forecast submission shall include clear, written assumptions addressing major revenue and expenditure drivers, known risks, and material uncertainties, in accordance with state law and applicable administrative rules.

The superintendent and treasurer/CFO shall work collaboratively to ensure that the financial forecast assumptions related to staffing, programs, and operations are reasonable and aligned with district plans.

Monitoring and Updates

The treasurer/CFO shall monitor financial forecasted results against actual financial performance and provide updates to the board on a monthly basis or when material changes occur.

When significant changes in enrollment, staffing, programs, or operations are anticipated, the superintendent shall communicate such changes to the treasurer/CFO to support timely financial forecast updates.

Board Oversight and Use

The board shall review and approve financial forecast submissions and use the financial forecast to inform decisions related to staffing, contracts, levy planning, capital needs, and long-term financial sustainability.

The board-approved financial forecast and accompanying assumptions shall be filed at least twice annually in accordance with law.

Relationship to Other Financial Policies

The financial forecast is distinct from the district’s annual budget, appropriations, and tax budget.

- The annual budget reflects the district’s expected revenues and planned expenditures for the current fiscal year.
- Appropriations establish the legal authority to expend public funds for the current fiscal year and are adopted by the board of education. Appropriations set maximum spending levels that may not be exceeded without further board action. While closely aligned, appropriations do not necessarily reflect the exact expenditure amounts assumed in the annual budget.
- The tax budget, if required by the county, provides an early planning snapshot and serves as the primary communication tool with the county budget commission to justify the need to levy property taxes to support District operations and capital needs for the upcoming fiscal year.
- The financial forecast provides multi-year financial projections based on stated assumptions and is used to assess long-term financial sustainability.



This policy is intended to be implemented in coordination with the district’s Cash Balance Reserve Policy, Fiscal Planning Policy, Budget Preparation Policy, Appropriations and Spending Policy, and Tax Budget Policy.

Cash Balance Reserve—Policy Review Considerations

When reviewing board policy related to cash balance or reserve expectations, districts may wish to confirm that their policy establishes clear parameters for maintaining financial stability while preserving flexibility to advance strategic priorities.

Cash balance policy should align with the district’s forecast and multi-year financial planning process.

Districts may wish to confirm that their policy:

- Establishes a minimum cash balance expectation.
- Defines the basis for calculating operating expenditures (e.g., days of operating expenditures).
- Requires monitoring of projected cash balances through the forecast.
- Establishes reporting requirements when projected balances fall below board expectations.
- Provides a framework for presenting options to address projected shortfalls.
- Addresses conditions under which excess cash balances may be strategically deployed.

Example Cash Balance Reserve Policy

The [insert School District name] Board of Education believes that maintaining an unencumbered, unreserved cash balance is necessary in the interest of sound fiscal management and the long-term financial stability of the district. The board affirms that tax levies shall be pursued, and/or the district’s finances otherwise managed, to ensure a General Operating Fund unencumbered unreserved cash balance equivalent to at least ninety (90) days of operating expenditures.

Promptly upon receiving any indication that such cash balance may not be achieved within any year of the district’s financial forecast, the treasurer/CFO shall report such a finding to the board. Upon notification by the treasurer/CFO, the superintendent and treasurer/CFO shall collaboratively prepare and present options for the board’s consideration to address the projected shortfall. [These options must be presented to the board within two months of receiving such notification.]

Further, the board believes the financial goals of the district should be in alignment with the district’s strategic plan and instructional goals. When a General Operating Fund cash balance exceeds one hundred fifty (150) days of operating expenditures, the superintendent may prepare a plan for the strategic use of the excess General Operating Fund cash balance on one or more of the deliverables of the strategic plan. This plan must be approved by the board of education and cannot result in the General Operating Fund cash balance falling below ninety (90) days in any year of the district’s rolling financial forecast.



Appendix H: Sample—Administrative Budget Preparation Guideline

The following is provided as an example of an administrative guideline used by one Ohio school district to support internal budget preparation.

Board-adopted policies establish expectations for governance, oversight, and accountability. Administrative guidelines, by contrast, describe internal processes and procedures used by district administrators to implement those policies.

Districts vary significantly in organizational structure, staffing, and budgeting practices. This sample is provided **for reference only** to illustrate how a district may operationalize its budget preparation process in alignment with board policy and forecasting practices. Districts are encouraged to adapt any administrative guidelines to reflect local practices and needs.

This document is not intended to be adopted verbatim and does not constitute legal or financial advice.

Sample Administrative Guideline

Budget Preparation

The purpose of this administrative guideline is to outline the internal procedures for preparing the district's annual operating budget. The budget development process is intended to ensure that financial resources are allocated in a manner that supports the district's instructional priorities, operational needs, and strategic goals, while maintaining fiscal responsibility.

Roles and Responsibilities

- **Treasurer/CFO**

- Leads the annual budget development process.
- Establishes budget timelines and procedures.
- Prepares revenue estimates based on available data and assumptions.
- Reviews expenditure requests for accuracy, reasonableness, and compliance.
- Prepares the proposed budget for superintendent and board review.

- **Superintendent**

- Provides overall direction for budget development.
- Ensures alignment between the proposed budget, instructional priorities, and strategic goals.
- Reviews budget recommendations prior to board presentation.



• **Principals and Department Supervisors**

- Develop budget requests for assigned buildings or departments.
- Ensure requests are aligned with district priorities and operational needs.
- Provide justification for requested expenditures.
- Manage approved budgets within allocated resources.

Budget Development Process

The annual budget development process shall:

- Begin with sufficient lead time to allow for review and refinement.
- Incorporate enrollment projections, staffing plans, and program needs.
- Consider known contractual obligations and statutory requirements.
- Reflect anticipated revenues available to support operations.

Budget requests submitted by principals and department supervisors shall be reviewed by the treasurer/CFO and superintendent for consistency with district priorities and available resources.

Budget Allocation and Review

Budget allocations shall be based on:

- historical expenditure patterns;
- anticipated changes in enrollment or program delivery;
- operational requirements; and
- district-wide financial constraints.

Throughout the budget development process, adjustments may be made to ensure fiscal balance and alignment with district goals.

Approval and Implementation

The proposed budget shall be presented to the superintendent for review and recommendation prior to submission to the board of education.

Upon board adoption of the annual budget and appropriations, administrators shall be responsible for managing expenditures within approved allocations.

Ongoing Monitoring

Throughout the fiscal year:

- expenditures shall be monitored against approved budgets;
- variances shall be reviewed and addressed as necessary; and
- administrators shall work with the treasurer/CFO to manage resources responsibly.

Relationship to Board Policy and Forecasting

This administrative guideline is intended to support implementation of the district's board-adopted financial policies, including the Forecast Policy, Budget Preparation Policy, and Cash Balance Reserve Policy.



The annual budget developed through this process represents the district's **current-year operating plan** and is distinct from the district's forecast, which provides multi-year financial projections based on assumptions.

Review and Revision

This administrative guideline may be reviewed and updated as necessary to reflect changes in district operations, organizational structure, or legal requirements.



Notes



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