It Starts with Numbers

A look at the role of budgets in early childhood program planning for the new coordinator

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Workshop Outline

- Purpose of budgets
- District processes
- Budget timelines and details
  - Budget cycle
  - UFARS Basics
- Revenue sources
- Expenditures
- Creating your budget
- Keeping track of your budget
- Handy online resources

District Processes

Do you know...

Who leads the budget process in your district?
- Business manager, bookkeeper, superintendent

Who leads the budget process for your program?
- You, business office, community education director

What role do you play in setting and maintaining your program budgets?
- I’m responsible for everything...I’m told everything...somewhere in-between

Why is it important for you to know?
Budgets
Why are the numbers important?

- It establishes the parameters of your program
- They are essential to planning and the first step in planning
- It gives you a picture of the health of your program and how a district views its early childhood programs
- The coordinator is responsible for the fiscal accountability of the program and should be involved in creating and managing the budget
- Advisory council and staff can be involved in establishing priorities for program options
- Community Needs Assessment considerations

Anyone can do it! It's adding and subtracting

Budget Cycle
- Fiscal Year runs July 1 to June 30 - we are currently in FY18
- Fiscal Year on July 1 is the next calendar year; FY19
- Audits are done in school districts late July/August for the previous FY (FY18)
- Audits are approved by school boards October, early November
- Final financials are then posted to the MFR (Minnesota Funding Reports) system
Budget Cycle

- Fiscal Year runs July 1 to June 30 - we are currently in FY17
- Fiscal Year on July 1 is the next calendar year; FY18
- Audits are done in school districts late July/August for the previous FY (FY17)
- Audits are approved by school boards October, early November
- Final financials are then posted to the MFR (Minnesota Funding Reports) system

More Information at:
- Districts, Schools and Educators-School Finance-Community Education, ECFE, SR
  - [http://education.state.mn.us/MDE/diss/schlfin/comm/](http://education.state.mn.us/MDE/diss/schlfin/comm/)
  - [http://ecadmin.wikidot.com/](http://ecadmin.wikidot.com/)

Budget Cycle

- Plan
- Submit
- Board Approve
- Revise

UFARS (Uniform Financial Accounting and Report Standards)
Manual at Districts, Schools and Educators - School Finance - Financial Management - UFARS

**Revenue Sample**

04-005-580-325-000-040

**UFARS**

- **Fund Dimension**
  - 04 - Community Service Fund

- **Program Dimension**
  - 506 - ECTE/HV

- **District Determined**
  - 00 - ECTE

- **Revenue Sample**
  - 04-005-580-325-000-040

- **Sample**
  - 04-005-580-325-000-040

- **Finance Dimension**
  - 00 - Local property tax
  - 05 - ECTE
  - 107 - Pathway II Scholarships
  - 058 - Pathway I Scholarships
  - 044 - Non-Local
  - 045 - ECTE
Revenue Sources

- ECFE
  - Levy
  - Aid
  - Tuition
  - Local Sources
- School Readiness
  - Aid
  - Tuition
  - Pathway I and Pathway II Scholarships
- Early Childhood Screening
  - Aid

Find your Aid Calculations
Data Center - Data Report and Analytics - School Finance Reports - Minnesota Funding Reports (MFR)

http://w20.education.state.mn.us/MDEAnalytics/Data.jsp

1. Find your district
2. All Reports
3. All
4. All
5. Report - find the calculation you need:
   a. Early Childhood Family Education Aid Calculation
   b. School Readiness Aid Entitlement Calculation
   c. Early Childhood Screening Counts and Aid Entitlement Calculation
Revenues for ECFE

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<tr>
<th>UFARS Code</th>
<th>Description</th>
<th>FY18 0-4 census 385</th>
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<td>D4-005-S02-000-001</td>
<td>Tuition from Patrons</td>
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Expenditures

5 broad categories

1. Salaries - 100's
   - administration, coordinators, teachers, assistants, program support, substitutes

2. Benefits - 200's
   - FICA, TRA, PERA, W/C, insurance benefits

3. Purchased Services - 300's
   - Transportation, leases, professional services, utilities, phone, postage, travel, printing

4. Supplies - 400's
   - General, instructional, paper, food

5. Equipment - 500's
Expenditures

- How much can you expect to spend in each category?
  - Salaries 70-75%
  - Benefits 20-25%
  - Purchased Services 5-10%
  - Supplies 1-5%
  - Equipment 1-5%

- Limits
  - 110 Administration/Supervision 5% of revenue
  - 530 Equipment 10% of revenue

Create your budget.

Keeping Track of your Budget

- Some districts allow coordinators to manage their budgets through their district finance systems
- Some districts will provide printed reports
- Track your own expenses
- Track your fund balances and audited expenditures through the Minnesota Funding Reports system
On-line Reports

- General Ledger Summary
  - Gives you your fund balance as of June 30

- Expenditure by Finance Code
  - Gives you the most recent audited information for a fiscal year
  - Financial standing as of June 30
  - BOE approves the audit Oct/Nov
  - Numbers in this report are then final
Other Budget Considerations

- Early Childhood Screening
- School Readiness
- Pathway I and II Scholarships
- Voluntary PreK/School Readiness Plus

Budget

- Can protect you from unexpected expenses especially if you can track the numbers yourself
- Fund balance check
- The more knowledge you have about your budget, the better you will be able to plan programming
- If you track your budget from year to year, you can find areas to streamline which can then be invested in other program areas
- I have found the more knowledgeable you are about your budget, the more trust supervisors will have in your judgement and coordinating abilities
- It’s a fundamental responsibility of program management

Questions?

Thank you for attending

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