

MAEFAIRS Budget Instructions

School Finance Division – July 2021

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Section 1 Introduction and Overview

Who Completes the Budget Report

Each elementary, high school, and K-12 district must file an annual Budget Report. All elementary, high school, and K-12 districts must complete each step shown in MAEFAIRS on the Budget screen under the Data Entry tab.

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Blank Forms

To print out a blank Budget form, log in to MAEFAIRS, hover on the Reports tab, slide the cursor down to Budget, then click Budget. In the screen, choose the Blank Report option under the Select Report Type heading. Click in the boxes to select district and use the Select or Unselect All Funds buttons to choose one or all funds.

NOTE: Only one district may be printed at a time.

Special Education Cooperatives

Special Education Cooperatives do not complete the Budget Form.

Districts That Will Become K-12 Next Year

Districts that will become K-12 in a subsequent year must report **separately** for the elementary and the high school for current year-end on the TFS. The K-12 district is created effective July 1, so the K-12 district will complete the budget report beginning July 1; however, the fund balances for the budget year will roll together from the EL/HS balance sheet entries.

Non-Operating Districts Verify

First Year Non-Operating Fund (19) **-** Establish the Non-Operating Fund

1. The district must send a letter to the county treasurer requesting the Non-Operating Fund (19) be opened effective June 30, 2021 Opening the fund effective for FY 2021-2021 allows the district to record residual equity "transfers-out" of operating funds and residual equity transfers into the Non-Operating Fund (19) at the end of FY 2020-2021.

2. For FY 2021-2022 prepare budgets for the Non-Operating Fund (19) and Debt Service Fund (50) if applicable. The Non-Operating Fund (19) budget may be used to budget for such items as tuition obligations to other districts, transportation of resident pupils, maintenance of district-owned property, and any other non-operating school function considered necessary by the trustees or required by law.

Second and Third Year of Non-Operating Status:

If the school district becomes operating in the second or third year, contact Nica Merala at nmerala@mt.gov, or (406) 444-4401 for specific instructions. Budgets are required in the second and third year for non-operating districts.

Where to Send Completed Reports:

Districts must electronically submit the budget to the OPI (through MAEFAIRS) **on or before September 15 each year**. §20-9-134, MCA, §20-9-501(11), MCA, and §20-10-146(4), MCA.

Section 2 Guidelines for Completing the Budget Report (Budget Completion Checklist)

1. Prepare to complete the Budget Report

- □ Read the Budget Instructions thoroughly.
- □ Finish the Trustees Financial Summary (TFS) **FIRST** as the budget uses the TFS data entered when establishing budgets in the ensuing years.
  - The balance sheet entries are used to establish the fund balances for each budgeted fund including the allowed operating reserves.
  - Interest earnings are carried over into the budgets for General Fund (01).
  - The fund balance in the General Fund (01) is used to calculate the operating reserve, fund balance reappropriated, and excess reserves, if applicable.

2. Gather the necessary materials

- □ Budget Report from the prior year.
- □ County Treasurer reports, Investment Accounts, and Student Activity reconciliations.
- □ Budgeted "Revenues and Expenditures to Actual" report as of June 30.
- □ Trustees' Financial Summary MAEFAIRS blank form for current year, if desired.

3. Check Non-Levy Revenues

- □ Non-levy revenues on the Trustee's Financial Summary (TFS) should match the treasurer's report for that fiscal year, adjusted for receivables.
- □ Some non-levy revenues for the General Fund (01) budget must match the non-levy revenues reported on the previous year's TFS for the General Fund (01) (the OPI pre-fills these revenues on the budget).
- □ Non-levy revenues estimated for all funds should look reasonable for the district.
- □ The amount of Guaranteed Tax Base (GTB) aid to districts who receive oil and natural gas revenue and do not meet certain exemptions is limited in certain situations. If a district estimated oil and natural gas in an amount to its BASE budget that is less than 12.5% of its prior year receipts of oil and natural gas production taxes, the district must levy permissive mills to make up the difference between 12.5% of its prior year receipts and the amount allocated to its BASE budget. This portion of the BASE levy will not be matched by GTB aid.
- □ Unreserved fund balance reappropriated is limited to 15% of the maximum General Fund (01) budget.

4. Check General Fund (01) Budget Voted Levy Amount

- □ Voted amount on budget matches amount voted on the ballot.
- □ Amount levied may be less than voted amount, but never more.

5. Check reserves General Fund (01) and Debt Service Fund Reserves.

- □ Verify that General Fund (01) operating reserves are not more than 10% of the adopted budget, or $10,000, whichever is greater. Smaller districts may want to identify up to $10,000 in General Fund (01) operating reserves, rather than reappropriate amounts above 10% of adopted budget.

- □ Verify that the Debt Service Fund (50) operating reserve is in accordance with §20-9-438, MCA. The district may have a reserve equal to the estimated payments due between July 1 and November 30 of the ensuing year. However, payments due July 1 should be included in the budget of the prior year and should not be reserved. There should be no operating reserve in the final year in which the bonds are paid.

Section 3 Complete the Budget Steps

Step 1: Taxable Valuation

- □ Taxable valuation entered on budget should match the amount reported to the county and district by the Department of Revenue (DOR) the first Monday of August, or any revised reports that were submitted by the DOR.
- □ Taxable valuation should seem reasonable. If changes from the prior year are extreme, either up or down, a reason should be available.
- □ If a joint district, verify that taxable values split between counties agree to the values reported on the county FP8a report.
- □ If a joint district, check ANB split between counties to confirm that ANB reported here matches ANB used to calculate county retirement GTB entitlement (refer to the county FP8a report).

Step 2: Taxing Jurisdiction (Debt Service Only)

- □ Enter only if the district has an active debt payment usually in the form of a bond approved by the voters of the district.
- □ Add New Taxing Jurisdiction Allocation and select the Taxing Jurisdiction.
- □ Enter Taxing jurisdiction taxable values per county DOR assessor.
    - Jurisdiction: A taxing jurisdiction is an area in the district that is taxed for a purpose, such as a bond payment or SID/RID.
    - Taxing jurisdictions are established and identified by the county assessor.
    - A district may have several SIDs/RIDs outstanding in one or more taxing jurisdictions.
    - Contact the OPI to expire or add a new taxing jurisdiction.
    - New taxing jurisdictions may be added each year.
- □ Enter the fund balance for each Jurisdiction.
- □ The total fund balance must match the balance sheet Debt Service Fund (50) amounts.
- □ Enter the TIF Fund Balance for Jurisdiction, if applicable, otherwise must enter 0.

Note: The amount entered for each fund on Line TFS48 of the Budget must equal the amount on the balance sheet, Line 48-Fund Balance for Budget for Debt Service Fund (50).

Step 3: Bus Depreciation (Buses/ Communication System and/or Safety Devices)

Asset Setup Page:

- □ MAEFAIRS stores information about each bus, communication system or safety device and calculates the levy limit for the budget year. Indicate any new bus or communication system purchases here.
- □ First Year of Purchase (FYOP): Fiscal year of purchase for the bus, communication system safety device (enter 2022 for FY 2022, school year 2021-2022).
- □ Value to District: Enter the bus value to the district for the bus, communication system or safety device.

- □ Identifying Description: Unique description of the bus, communication system or safety device.
- □ Vehicle Identification Number (VIN): All active buses must have a 17-digit VIN number before the budget may be submitted.
- □ If the asset has been sold or disposed of, check the box. To add a new asset for new buses or remove disposed assets, go to setup assets page.
- □ Levy Amount: Enter the amount to be depreciated this year. This year's levy may not exceed the 20% of the purchase amount. This amount will be levied and/or collected through receipt of non-levy revenues in this budget year.
- □ Total Depreciated: Recalculates when the Levy Amount is entered, showing total amount depreciated to date for the asset. This amount may not exceed 150% times the cost to the district for the bus, communication system or safety device. Add an amount up to the allowed limit, up to 150% of the original value
- □ Not required to levy for every, or any, bus each year, or the maximum amount. Entering a Levy Amount less than 20% of the cost to the district lowers the amount depreciated during the budget year.
- □ No time constraint unless asset no longer owned by district.

Step 4: Building Reserve (Elections)

- □ This screen is for voted levies in the Building Reserve Fund (61).
- □ Election Date: Date voters approved the building reserve levy (MM/DD/YYYY).
- □ Years Authorized: Number of years the building reserve levy is authorized for (maximum six (6) years for transition levy, twenty (20) years for a voted levy, and a voted safety levy can be perpetual).
    - Beginning in FY 2020, districts are required to designate the levy type of existing levies into the following categories:
        - 611 Voted Safety Levy (New in FY 2020), the Authorized Amount is the annual approved amount. If the 611 Voted Safety Levy is perpetual, enter “0” in the Years Authorized field.
        - 612 Voted Building Reserve Levy
        - 614 Voted Transition Levy
- □ Total Authorized: Total levy amount authorized by voters, unless this is a voted safety perpetual levy, then list the yearly authorized amount
- □ Levy Amount: Amount levied for the ensuing fiscal year.
    - The district may enter a ‘Levy Amount’ which is less than ‘Maximum Allowed Levy’ and/or the district can use non-levy revenues to lower the amount levied.
- □ However, the levy authority is not “saved” and will be lost; the amount cannot be levied in future year.

Note: After the user saves the levy amount for the ensuing year, The Total Levied to Date is the total amount levied in prior years.

Step 5: Debt Service (SIDs)

- □ Complete Step 2 Taxing Jurisdictions before Step 5.
- □ Establishes a levy for SID (Special Improvement District) or a RID (Rural Improvement District) in Debt Service Fund (50).
- □ SID/RID Type: Enter elementary or high school assessments; K12 districts will have program areas (EL or HS) levied
- □ Districts who have a RID/SID are notified of assessments from the county treasurer in the form of a statement.
- □ Taxing jurisdictions are established and identified by the county assessor. A district may have several SIDs/RIDs outstanding in one or more taxing jurisdictions.

- □ Contact the OPI to expire or add a new taxing jurisdiction. New taxing jurisdictions may be added each year
- □ Enter the taxable value for the fiscal year as provided by the taxing authority.

Note: Please use caution when entering the correct information. The County Treasurer can be of help in identifying separate taxing jurisdictions.

Step 6: Debt Service (Bonds)

- □ Complete Step 2 Taxing Jurisdictions before Step 6 for each taxing jurisdiction, then complete the Debt Service Fund (Fund 50) Budget Report.
- □ Each taxing jurisdiction may have one or more outstanding bonds. Except for agent fees, the OPI prefills the bond information.
- □ Districts must enter agent fees and save the annual records.
- □ Contact the OPI to add a new taxing jurisdiction.
- □ Original Bond Issue: This information is pre-filled by the OPI from the debt schedules provided by the district.
- □ Verify the pre-filled information and enter agent fees for each bond issue.
- □ Accept (Save) the annual record, check Debt Service Fund (50) Budget, and verify the accuracy of the MAEFAIRS scheduled amounts
- □ Verify the bond types are accurate (i.e., elementary general obligation bond is "BE," etc.)
- □ Verify the issue date is accurate, per the legal bond schedule.
- □ Principal, interest, and agent fee amounts must accurately represent obligations of the fiscal year.
- □ Check taxing jurisdictions for correct taxable valuation and fund balance distributions.
- □ Annual bond expenditures (principal, interest, and agent fees) are budgeted for each year scheduled.
- □ Total: Total of Interest, Principal, and Agent Fees for all issues in this taxing jurisdiction due this budget year under Budget Uses, included on Line 0002-Expenditure Budget.
- □ When funding allows, eligible districts receiving Facilities Debt Service Assistance may also qualify for an advance payment in the first budget year. No subsidy payments are paid in the final scheduled year.

Step 7: Technology Election Levy

- □ This screen allows districts with a voted technology levy to set up the levy and adopt a budget.
- □ Each levy requires an Election Date, Authorized Annual Amount, and Years Authorized per the ballot.
  - Election Date: Date voters approved the technology levy (MM/DD/YYYY).
  - Authorized Annual Amount: Total levy amount authorized by voters.
  - Years Authorized: The number of years for which the levy is authorized.
- □ Enter the Levy Amount: Amount levied for the ensuing fiscal year.
- □ After a levy amount is entered the system will show the historical data including:
  - Years Remaining: The years left on the levy; however, if the levy is perpetual the system will show 0.
  - Total Amount Levied to Date: Amount levied in prior years.
- □ Important notes about tech levies:
  - Levies approved on 7/1/2013 and later are limited to a duration of 10 years
  - Levies approved before 7/1/2013 may be durational or perpetual
  - If the district passes a new levy, the old levy is limited to no more than 10 years (or is expired) as stated on the ballot.

Step 8: Budget

- □ Each fund has specific Fund Instructions (listed below), located on the screen, which should be reviewed when entering each budget area.
- □ Each fund has its own set of on-screen links which toggles to other parts of the Budget.
- □ Each fund also has a link to the Validation and Budget Reports.
- □ The TFS must be fully completed before the budget screens are entered.

General Budget Instructions

TABS: Each fund will have several tabs within that fund. Ensure all tabs and entries are reviewed for completeness.

ADOPTED BUDGET: Some funds require the district to enter an 0001-Adopted Budget and some funds calculate the adopted budget based on other data entered into the system. Please read the instructions carefully for each fund.

Budget Options: Some general options are available to districts in most funds.

Some funds allow the district to adopt an 0003 Add to Fund Balance. This is optional. For management purposes, the district may select and enter an amount under 0003 Add to Fund Balance. This action sets aside a portion of the budget to be spent (0002 Expenditure Budget) and a portion of the budget NOT to be spent (0003 Add to Fund Balance). This does not legally restrict spending but offers a way to document the trustees' intention to underspend the adopted budget to build reserves, i.e., cover for expected tax protests, eliminate a negative fund balance, and/or to allow for a forecasted shortfall in revenues, etc.). Entering an amount on Line 0003-Add to Fund Balance does not alter the legally adopted spending limitation (Budget Authority), which is the Line 0001-Adopted Budget amount.

This tab will also include the 0002 Expenditure Budget which will equal Line 0001-Adopted Budget, unless an amount is entered on Line 0003-Add to Fund Balance.

RESERVES: Funds not already designated as a reserve fund, such as the Bus Depreciation Fund (11) and the Building Reserve Fund (61), have different statutory allowances for reserves. The reserve allows the district to set aside fund balance, or cash, to account for tax protests, eliminate a negative fund balance, and/or to allow for a forecasted shortfall in revenues, e.g. Districts will need to adopt an operating reserve in each fund. Use Budget Code 0961 Operating Reserve. Operating reserve allowances are indicated in each fund instruction and on the screen.

REVENUES: Each fund will allow the district to enter non-levy revenues. The following is a general list of available revenues. Use the drop-down box in each fund to determine the available revenues in each fund. If the revenue is not in the list, then that fund will not allow that revenue source to be anticipated.

District (or OPI) Entered Revenues:

- □ 1123 Coal Gross Proceeds (Pre-filled by the OPI using information provided by the Dept. of Revenue each June)
- □ 1130 Tax Title/Property Sales
- □ 1510 Investment Earnings
- □ 1800 Community Service Activities
- □ 1900 Other Revenue
- □ 1910 Rentals-Buildings and Equipment
- □ 1915 Dormitory Charges
- □ 1920 Contributions/Donations
- □ 1940 Textbook Sale/Rental
- □ 1945 Resale of Supplies/Materials
- □ 1950 Services to Other Schools
- □ 1960 Services to Other Governments
- □ 1981 Summer School Revenues
- □ 3302 State PLT, FWP
- □ 3460 Montana Oil and Gas Tax

System Calculated Revenues:

- □ 1110 District Tax Levy
- □ 0971 Remaining Fund Balance Available – unless reserved, the remaining fund balance will be "reappropriated".

Actual Non-Levy Revenues:

These revenues are required by law to be anticipated on the budget using the prior year actual receipts. *MAEFAIRS automatically records* these revenue estimates using actual amounts reported on the TFS.

These revenue codes include

- □ 1130 Tax Title/Property Sales
- □ 1510 Investment Earnings
- □ 1800 Community Service Activities
- □ 1900 Other Revenue
- □ 1910 Rentals-Buildings and Equipment
- □ 1915 Dormitory Charges
- □ 1920 Contributions/Donations
- □ 1940 Textbook Sale/Rental
- □ 1945 Resale of Supplies/Materials
- □ 1950 Services to Other Schools
- □ 1960 Services to Other Governments
- □ 1981 Summer School Revenues
- □ 3302 State PLT, FWP

SUMMARY: Each fund will have a summary screen where the district will want to verify the mill calculation and adopted budget is correct. The general formula for mill calculation is as follows:

Mills are calculated as follows:
Adopted budget
Minus: Unreserved Fund Balance Reappropriated
Minus: Estimated non-levy revenues
Equals: Taxes Needed to Fund Budget
Divided by: District Mill Value (Taxable Valuation X 0.001)
Equals: Number of Mills

Each summary tab may vary; however, the mill calculation remains the same. The screen will show the detail included in the data entry screen to show the district the information included in this fund's budget.

PRINT BUDGET REPORT: Each fund has the option to Print the Budget Report for that fund only.

PRINT VALIDATION REPORT: Each fund has the option to Print the Validation Report for the budget submission. This will include validations for every budgeted fund, not just the selected fund.

- □ Read through each fund instruction to ensure the information entered is correct. It is highly recommended to review the previous year's budget as a comparison. Errors can be spotted easily when comparing different prior year's information.

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01 - General Fund Budget

PURPOSE: This fund is used for the instructional programs and general operations of the school district. Budget Limits are established per §20-9-308, MCA. State law establishes a BASE (minimum budget) and a Maximum General Fund (01) budget limit for each district.

General Fund (01) budget limits are statutorily calculated values

The "BASE budget" (minimum) is calculated using:

1. 80% of the Basic Entitlement; and
2. 80% of the Per-Student Entitlement; and
3. 100% of the Quality Educator Payment; and
4. 100% of the At-Risk Student Payment; and
5. 100% of the Indian Education for All Payment; and
6. 100% of the American Indian Achievement Gap Payment; and
7. 100% of the Data for Achievement Payment; and
8. 100% of the State Special Ed "Allowable Cost" Payment (special education block grants to the district and reimbursement for disproportionate costs); and
9. 40% times Special Ed "Allowable Cost" Payment plus the state special education payments made to the district's Special Ed Cooperative.

The "Maximum budget" is calculated using:

1. 100% of the Basic Entitlement; and
2. 100% of the Per-Student Entitlement; and
3. 100% of the Quality Educator Payment; and
4. 100% of the At-Risk Student Payment; and
5. 100% of the Indian Education for All Payment; and
6. 100% of the American Indian Achievement Gap Payment
7. 100% of the Data for Achievement Payment; and
8. 100% of the State Special Ed "Allowable Cost " Payments (special education block grants to the district and reimbursement for disproportionate costs); and
9. Between 75% and 100% times State Special Ed "Allowable Cost" Payments plus the state special education payments to the district's Special Ed Cooperative, depending on the ratio of actual special education allowable costs compared to the state special education funding for 2 years prior.

VOTING REQUIREMENTS: Voter approval is necessary for a district to increase Over-BASE taxes from the prior year as referenced in§20-9-308, MCA, and §20-9-353, MCA. Unless Non-Voted Levy Authority is transferred to the General Fund (01) from the Transportation Fund (10), Bus Depreciation Fund (11), Tuition Fund (13), or Adult Education Fund (17)

Voting requirements vary depending on:

- The district's prior year adopted budget compared to the ensuing year BASE budget and Maximum budget;
- The amount of district taxes budgeted to fund the Over-BASE budget for the prior five years; and
- Other revenues available to fund the Over-BASE budget.

BUDGET LIMITS Tab:

1. The district should estimate any non-levy revenues before the adopted budget is entered as non-levy revenues can change the highest budget amounts.

2. 0001 Adopted Budget: Enter the district's General Fund (01) budget as adopted by the district trustees. Select and enter Adopted Budget. The budget must fall between the "BASE Budget" and the "Highest Budget" shown on the Budget Limits tab.

3. 0151 Amount Approved on Ballot by Voters: Enter the amount submitted to and approved by voters, if any. Enter ONLY THE PORTION VOTED, not the entire adopted budget. Revenues paid by

the state are calculated and automatically included. If the election failed, do not enter an amount.

4. 0002 Expenditure Budget: This field will equal Line 0001-Adopted Budget, unless an amount is entered on Line 0003-Add to Fund Balance.

RESERVES (and Excess Reserves) Tab:

1. (This TFS step must be completed before the General Fund (01) Budget entry) - The "Fund Balance for Budget (TFS48)" is the amount as reported on the Trustees' Financial Summary (Line 48). The district must enter the amount of the TFS48 fund balance to be reserved. Unless reserved, the remaining fund balance will be "reappropriated", subject to 15% limit referred to in §20-9-104, MCA (TIF Fund Balance is exempt from this rule).

2. Select and enter 0961 Operating Reserve. The General Fund (01) reserve limit is 10% of the ensuing year's budget or $10,000, whichever is greater. Setting maximum reserves is recommended. The amount reserved cannot exceed the TFS48 fund balance. (TIF Fund balance may be reserved similarly and is considered as part of the 10% limit). (§20-9-104, MCA)

    a. (Optional) If TFS48 exceeds the operating reserve; the district may hold excess reserves in limited cases (§20-9-104, MCA). To set aside valid excess reserves, select and enter 0963 Reserve for Unused Protested/Delinquent Taxes or 0964 Reserve for Tax Audit Receipts.

    Note: To reserve excess funds in the accounts (0963 & 0964), the Operating Reserve (0961) must be at the maximum allowed by §20-9-104, MCA.

    b. If excess reserves were held on the prior year budget, or if revenues that could potentially be held in excess reserves were reported on the TFS, the screen will display an amount in the Ending Excess Reserves Limit amount.

3. After reserves are entered, 0970 Unreserved Fund Balance displays the amount of fund balance remaining to be reappropriated. That amount will reduce BASE levies and GTB Aid, unless the district specified that a portion of excess reserves from last year's budget will be used to fund the Over- BASE. As stated above, pursuant to §20-9-104, MCA, the unreserved fund balance reappropriated may not exceed 15% of the ensuing year's maximum General Fund (01) budget.

REVENUES Tab:

Revenues

1. 3110 Direct State Aid: *Prefilled by the OPI.*
2. 3111 Quality Educator: *Prefilled by the OPI.*
3. 3112 At Risk Student: *Prefilled by the OPI.*
4. 3113 Indian Education for All: *Prefilled by the OPI.*
5. 3114 American Indian Achievement Gap: *Prefilled by the OPI.*
6. 3115 State Special Education Allowable Cost Payment to Districts: *Prefilled by the OPI.*
7. 3116 Data for Achievement: *Prefilled by the OPI*.
8. 3120 State Guaranteed Tax Base Aid (as calculated on General Fund (01) Worksheet Line (V-LI)): *Prefilled by the OPI.*

Estimated Funding Sources (Lines 0970-3120)

□ 0970 Unreserved Fund Balance Reappropriated: This amount equals total General Fund (01) Balance for Budget (TFS48), minus Operating Reserves (0961), minus Reserve for Protested / Delinquent Taxes

(0963), minus Reserve for Tax Audit Receipts (0964). *MAEFAIRS calculates*

Note: Fund Balance Reappropriated cannot exceed 15% of the ensuing year maximum general fund (01) budget

Actual Non-Levy Revenue

These revenues are required by law to be anticipated on the budget using the prior year actual receipts. MAEFAIRS automatically records these revenue estimates using actual amounts reported on the TFS.

These revenue codes include

- □ 1130 Tax Title/Property Sales
- □ 1510 Investment Earnings
- □ 1800 Community Service Activities
- □ 1900 Other Revenue
- □ 1910 Rentals-Buildings and Equipment
- □ 1915 Dormitory Charges
- □ 1920 Contributions/Donations
- □ 1940 Textbook Sale/Rental
- □ 1945 Resale of Supplies/Materials
- □ 1950 Services to Other Schools
- □ 1960 Services to Other Governments
- □ 1981 Summer School Revenues
- □ 3302 State PLT, FWP

Anticipated Non-Levy Revenue- BASE

These are revenues the law requires to be anticipated on the budget using the best information available.

The revenue codes include:

- □ 1123 Coal Gross Proceeds: The OPI prefills this data based on section 15-23-703, MCA from data provided by the Department of Revenue (DOR).
- □ 3460 Montana Oil and Gas Tax: In the General Fund (01) estimate oil & gas revenue to the BASE using budget revenue code 0171 and estimate oil & gas revenue to the over-BASE using budget revenue code 0172.
    - Pursuant to §20-9-310, MCA, allows a school district to deposit its oil and natural gas production tax revenues in any budgeted fund of the district. If a district allocates an amount to its BASE budget that is less than 12.5 percent of its prior year receipts of oil and natural gas production taxes, the district must levy permissive mills to make up the difference between 12.5 percent of its prior year receipts and the amount allocated to its BASE budget. This portion of the BASE levy will not be matched by guaranteed tax base aid.
    - Exceptions to limitations on GTB subsidy related to estimating oil and gas revenue to the General Fund (01) BASE budget include:
        - ✓ If the prior year oil and gas receipts deposited to all funds + current year adopted General Fund (01) budget is <=105% of the current year maximum budget.
        - ✓ If the current year maximum budget is <$1 million
        - ✓ If the district has an oil and gas revenue bond (O&G must be applied toward debt service payment first)
        - ✓ If the district had an unusual enrollment increase related to the current budget.
        - ✓ If any of these exceptions apply, the GTB subsidy will not be limited by not estimating 12.5% to the BASE budget.
- □ 9100 Other Revenue: Used to anticipate revenue types that do not fit an Anticipated Non-Levy Revenue source as shown on the list.
- □ AND
- □ 9710 Residual Equity Transfers In: Used to anticipate the receipt of a transfer from the closure of another fund; closure of a district; or annexation of a district.

Other Non-Levy Revenue

These are revenues the district may anticipate. Due to the ability to hold these receipts as Excess Reserves, these sources are rarely anticipated, and it is not recommended to anticipate them.

Types of revenue the district might want to list here include:

- □ 1117 Prior Year Taxes
- □ 1118 Tax Audit Receipts
- □ 1190 Penalties and Interest on Taxes

Anticipated Non-Levy Revenue- Over-BASE

Estimated tuition receipts can be used to fund the over-BASE budget area. MAEFAIRS automatically applies these revenue sources to the over-BASE budget area.

The revenue codes include:

- □ 0172 Montana Oil and Gas Production revenues estimated to the Over-BASE
- □ 1310 Tuition from Individuals
- □ 1320 Tuition from In-State Schools
- □ 1330 Tuition from Out-of-State Schools
- □ 3117 State Tuition: for students placed in a group home, foster care, or by a state agency/court.

Note: TIF Fund Balance Reappropriated must be accounted for on the budget as Operating Reserves or on the revenue tab as TIF Applied to BASE budget (0174) or TIF Applied to Over-BASE budget (0175).

Levies

- □ 1110(a) Mandatory Non-Isolated Levy: This levy applies only to elementary districts with fewer than 10 budget limitation ANB (for two or more consecutive years) and do not meet criteria for isolation status. Prefilled by the OPI.
- □ 1110(b) BASE Levy: Calculated by MAEFAIRS as follows:

BASE Budget Limitation
Minus: Estimated state revenues
Minus: Unreserved Fund Balance Reappropriated to fund BASE
Minus: Estimated non-levy revenues (except tuition and other revenues estimated to over-BASE)
Minus: Guaranteed Tax Base Aid
Minus: TIF remittance distributed to fund the BASE
Minus: BASE over-levy amount

This should be approximately equal to (Taxable Valuation X .001) X BASE Mills.

- □ 1110(c) Over-BASE Levy: Calculated by MAEFAIRS as follows:

Adopted Over-BASE Budget
Minus: Unreserved Fund Balance Reappropriated and Non-Levy Revenue (If any is left after funding BASE, resulting in BASE mills = 0. Limited to 15% of the maximum budget)
Minus: Excess Reserves used to fund over-BASE
Minus: Tuition (estimated revenue for ensuing year)
Minus: Flexible Non-Voted Levy Authority

Minus: TIF remittance distributed to fund over-BASE
Minus: Over-BASE over-levy amount
Minus: Oil & Gas to fund over-BASE

- □ 1110 District Tax Levy: Equals the sum of 1110(a), 1110(b) plus 1110(c). *MAEFAIRS calculates*
- □ 0004 Total Estimated Revenues to Fund Adopted Budget: *MAEFAIRS calculates*

Equals the sum of Estimated Funding Sources (Lines 0970-3120)
Plus: Actual Non-levy Revenue (Lines 1130-3302)
Plus: Anticipated Non-levy Revenue BASE (Lines 1123-4800),
Plus: Anticipated Non-Levy Revenue over-BASE (Lines 1310-3117)
Plus: Other Non-levy Revenue (Lines 1117-9710)
Plus: District Tax levy (Line 1110)

- □ 0004a Estimated Revenues Exceeding Adopted Budget: *MAEFAIRS calculates*

If the amount of:
0004 Total Estimated Revenues to Fund the Adopted Budget
EXCEEDS Line 0001: Adopted Budget
AND Line 1110-District Tax Levy equals zero
THEN Line 0004 is reduced to equal Line 0001
AND the excess revenue is reported here

Note: If Estimated Funding Sources (Lines 0970-3120) and revenues [Actual Non- Levy Revenue (Lines 1130-3302); Anticipated Non-Levy Revenue BASE (Lines 1123-4800); and Anticipated Non-Levy Revenue Over-BASE (Lines 1310-3117) and Other Non-Levy Revenue (Lines 1117-9710)] do not exceed Line 0001- Adopted Budget, this line will be zero.

FLEXIBLE NON-VOTED LEVY AUTHORITY (FNVLA) Tab:

- □ Non-voted (permissive) levy authority in the Transportation Fund (10), Bus Depreciation Fund (11), Tuition Fund (13), and Adult Education Fund (17) may be transferred to the General Fund (01) to increase the Over-BASE budget levy without a vote.
- □ MAEFAIRS will calculate the accumulated total of non-voted levy authority for each allowable fund.
- □ MAEFAIRS calculates the Ending Levy Authority Balance for each of the four funds above. This will be the Beginning Levy Authority minus any transfers.
- □ The Flexible Non-Voted Levy Authority amount is transferred to the Budget Limits tab and increase the Highest Budget Without a Vote if the Highest Budget limit has not been met.

SUMMARY Tab:

No input required. Verify the number of mills shown here.

BASE Mills are calculated as follows:

Adopted BASE budget
Minus: Estimated state revenues
Minus: Unreserved Fund Balance Reappropriated to fund BASE
(Pursuant to, §20-9-104, MCA, Fund Balance Reappropriated is limited to 15% of the maximum General Fund (01) budget. Any unreserved fund balance in excess of 15% of the maximum General Fund (01) budget must be remitted to the state).
Minus: Estimated non-levy revenues (except tuition)
Equals: Taxes/GTB Needed to Fund BASE Budget
Divided by: District Mill Value plus GTB subsidy per mill, where District Mill Value = Taxable valuation X

0.001
Equals: Number of BASE Mills

Over-BASE Mills are calculated as follows:

Over-BASE Budget Limitation
Minus: Unreserved Fund Balance Reappropriated
(Pursuant to §20-9-104, MCA, Fund Balance Reappropriated is limited to 15% of the maximum General Fund (01) budget. Any unreserved fund balance in excess of 15% of the maximum General Fund (01) budget must be remitted to the state)
Minus: Non-Levy Revenue (if any is left after funding BASE, resulting in BASE mills = 0)
Minus: Excess Reserves used to fund Over-BASE
Minus: Tuition (estimated revenue for ensuing year)
Minus: Flexible Non-Voted Levy Authority
Minus: TIF remittance distributed to fund the over-BASE
Minus: Over-BASE over-levy amount
Equals: Taxes Needed to Fund Over-BASE budget
Divided by: District Mill Value, which is Taxable valuation X 0.001
Equals: Number of Over-BASE Mills

See the 'Checklist for Final Budget Report'.

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10 - Transportation Fund Budget

PURPOSE: The Transportation Fund can be used to support the costs of transporting students between home and school, including:

- costs of school bus purchase, repair, maintenance and operations;
- safety activities related to bus driver training, crosswalk attendants, etc.;
- bus barn facilities and maintenance; and
- payments to parents for individual transportation contracts.

Costs of field trips, travel costs related to extracurricular activities and athletics, and staff travel costs are NOT ALLOWABLE costs of the Transportation Fund (10).

Claims for Reimbursement:

State funding is paid based on semi-annual claims to the OPI in February for first semester and in May for second semester. The state sends a prepayment entitlement in August. The prepayment entitlement is equal to 50% of the average of the prior year's entitlements. The OPI and county treasurer pay the district their portions of the funding in March for the 1st semester and in June for the 2nd semester per §20-10-145, MCA.

State funding is disbursed in the following three payments:

1. September 1 – 50% of the prior year's unadjusted entitlement (Referred to as the pre-payment)
2. March 31 – 1st semester entitlement payment less the pre-payment amount received in September
3. June 30 – balance of approved amount due to the district for the 1st and 2nd Semester entitlement payment

VOTING REQUIREMENTS: The transportation fund tax levy is permissive. Consequently, it is not subject to voter approval. However, projected mill increases in this fund are subject to voter notification by March 31st

per §20-9-116, MCA. This fund may budget the On-Schedule costs of bus routes, individual contracts and any 'Over-Schedule' amounts of operating the transportation program.

BUDGET & RESERVES Tab:

1. Select and enter 0001 Adopted Budget. The budget is limited to the amount needed to operate the pupil transportation program. The adopted budget includes:

   a. 0005 On-Schedule: Enter the sum of estimated individual transportation contract reimbursements (daily contract rates X number of days transported) plus the sum of estimated bus route reimbursements (bus mileage rate X miles X number of days to be transported). The On-Schedule amount should include the 2220 County On-Schedule plus the 3210 State On-Schedule amounts summed together or the full cost of the bus routes plus individual contracts.

   Note: Total days covers the actual number of days transportation services were rendered for students to participate in the minimum aggregate hours of instruction required for the year.

   b. 0006 Contingency: Contingency items of 10% or $100, whichever is greater, may be budgeted. If $100 is greater than 10%, total regular contingency plus special education contingency cannot exceed $100. On-Schedule funding for the contingency budget may be paid only if additional contracts, bus routes, or bus route extensions are established after the budget is set for students who become eligible transportees after the beginning of the year.

   c. 0011 Over-Schedule: The sum of Lines 0005-On-Schedule and Line 0006- Contingency subtracted from Line 0001-Adopted Budget. This is the district's local responsibility (which is financed by a permissive district tax levy). *MAEFAIRS calculates by using the adopted budget less the On-Schedule amount entered by the district and less the Contingency entered by the district.*

2. Select and enter Operating Reserves. A reserve of up to 20% of the adopted budget or up to the available fund balance from balance sheet, whichever is greater, can be authorized.

3. After designating a reserve up to 20%, the unreserved fund balance for reappropriation and any estimated revenues must be used to lower the district levy.

4. If a district tax levy is not needed, remaining amounts of fund balance available for reappropriation and estimated non-levy revenue must be used next to lower the county's share of the "on-schedule" funding. Any amount remaining must be used to lower the state's share of "on-schedule" funding.

ON-SCHEDULE Tab:

1. This fund budgets the On-Schedule district costs for individual contracts for bus routes and any Over-Schedule amounts of operating the transportation program.

2. 0005 On-Schedule: costs are reimbursed by the state in August, March and June and by the county in March and June. The state and county normally each pay up to 50% of On-Schedule costs.

3. 0011 Over-Schedule costs are the responsibility of the district and funded with a district tax levy and various non-levy revenues, such as interest.

   a. Select and enter On-Schedule. Enter the total estimated on-schedule funding for bus routes and individual transportation contracts for the district. (NOTE: The Transportation Budgeting Worksheet can be found on the OPI Website at: http://opi.mt.gov/Leadership/Finance-Grants/School-Finance/Pupil-Transportation.

   b. Select and enter the Contingency, up to 10% of the On-Schedule amount or $100, whichever is greater. The OPI recommends adding the full contingency amount to provide adequate budget authority and funding to accommodate late individual contracts and bus route extensions without

budget amendments. IF A CONTINGENCY AMOUNT IS ENTERED, be sure to include it in the adopted budget amount. This funding will only be available if the district processes additional contracts or bus route extensions.

4. MAEFAIRS calculates the Over-Schedule funding, which is funded with a county wide district tax levy.

REVENUES Tab:

The Transportation Fund (10) includes the following revenues:

1. 3210 State On-Schedule Transportation Reimbursement is up to the lesser of the amount budgeted or claimed; *MAEFAIRS calculates*
2. 2220 County On-Schedule Transportation Reimbursement is up to the lesser of the amount budgeted or claimed; *MAEFAIRS calculates*
3. Non-levy Revenue; Entered by the district
4. Fund Balance Reappropriated; *MAEFAIRS calculates*
5. Tax Levies. *MAEFAIRS calculates*

Non-levy revenue sources should be ESTIMATED by the district and include: 1123, 1410, 1420, 1430, 1440, 1510, 1900, 3302, 3117, 3460, 9100, and 9710.

- Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Dept. of Revenue each June.

Note: If levy authority was transferred to the General Fund (01) from any allowable fund, the 1110 District Tax Levy will be limited to the Ending Levy Authority Balance for all funds listed on the General Fund (01) Flexible Non-Voted Levy Authority tab.

SUMMARY Tab: No input required.

Verify the information on the screen including the number of mills.

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11 - Bus Depreciation Fund Budget

PURPOSE: This fund is a reserve fund used to levy taxes for the following:

- Replace, remodel or convert yellow school buses and activities/athletics buses owned by the district;
- Replace communication and safety devices used in the transportation program;
- Purchase additional yellow school buses to be used on bus routes; and
- Purchase and install video cameras for security on buses.

The district can accumulate ("depreciate") a reserve to:

- Yellow school buses owned by the school district or vehicles meeting the legal definition of a school bus (such as a Type E bus) and used as a school bus;
- Coach buses (like a Greyhound-type) used for athletics/activities; and
- Communication and safety devices used in the transportation program.

The fund cannot be used:

- To purchase or replace vehicles which are not buses. (§20-10-147, MCA, and ARM 10.10.311)); or
- To purchase or replace cell phones, which do not qualify as communication devices.
- Since this is a reserve fund, there is traditionally no set aside operating reserve.

VOTING REQUIREMENTS: The Bus Depreciation Fund (11) tax levy is permissive up to the statutory limits. Consequently, it is not subject to voter approval. However, projected mill increases in this fund are subject to voter notification by March 31st per §20-9-116, MCA.

USE NON-LEVY REVENUE Tab:

The district must choose either to use non-levy revenue to lower the tax levy for "depreciation" of buses and radios OR to use the non-levy revenues to add to budget authority. Regardless of how the district chooses to use non-levy revenues, estimates under 9100 Other Revenues and 9710 Residual Equity Transfer In are used to add budget authority (not to reduce the tax levy).

BUDGET& RESERVES Tab:

1. The district may levy up to 20% of each asset's value per year and up to a maximum of 150% of the assets value. An asset can be fully depreciated in 8 (7.5) years, as a minimum. However, a district may levy less than the 20% per year maximum to extend the period of the "depreciation" up until the asset is disposed. The annual levy amount may be lowered using estimated non-levy revenues.
2. MAEFAIRS calculates the budget from the information entered in Step 3: Bus Depreciation. Generally, the budget may include:
   Fund balance reappropriated (includes the amount of the balance accumulated in the fund to date);
   Plus: Any amount entered as an estimate under 9100 or 9710 revenue;
   Plus: Amounts to be levied (as district specified under "Levy Amount");
   Minus: Non-Levy Revenues & TIF fund balance (1123 through 3460 & 0973) -- If the option selected is "Use non-levy revenue to reduce the tax amount";
   - OR -
   Plus: Non-Levy Revenues (1123 through 3460) – If the option selected is "Use non-levy revenue to add budget authority and not reduce the levy amount."
3. The Bus Depreciation Fund (11) is a reserve fund; therefore, there is not an operating reserve unless the district wishes to set aside cash or fund balance without budget authority to spend it.

REVENUES Tab:

Bus Depreciation Fund (11) receives the following revenues:

1. Non-levy Revenues are entered by the district and should be ESTIMATED.
   - Non-levy revenue sources include: 1123, 1510, 1900, 3302, 3460, 9100, and 9710.
   - Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Dept. of Revenue each June.
2. Fund Balance Reappropriated; *MAEFAIRS calculates*
3. Tax Levies; *MAEFAIRS calculates*

Note: If levy authority was transferred to the General Fund (01) from any allowable fund, the 1110 District Tax Levy will be limited to the Ending Levy Authority Balance for all funds listed on the General Fund (01) Flexible Non-Voted Levy Authority tab.

Also, the Total Amount Levied for All Buses on the Asset Depreciation page cannot exceed the Ending Levy Authority Balance on the Flexible Non-Voted Levy Authority Tab in the General Fund (01).

SUMMARY Tab: No input required.

Verify the information on the screen including the number of mills.

13 - Tuition Fund Budget

PURPOSE: This fund is used to pay tuition costs for resident students attending a school outside the resident district, for resident students attending private, non-sectarian day treatment programs, and for special education costs for resident students. Tuition payments are not credited to the tuition fund. These payments are required by law to be deposited into the General Fund (01), or Miscellaneous Programs Fund (15) in exceptional circumstances, see §20-5-324 (6), MCA. An operating reserve is not allowed in the Tuition Fund (13).

VOTING REQUIREMENTS: The Tuition Fund (13) is permissively levied fund. Consequently, it is not subject to voter approval. However, projected mill increases in this fund are subject to voter notification by March 31st per §20-9-116, MCA. The district is required to calculate the estimated need for each eligible student using the in-district cost calculator provided on the OPI School Finance webpage.

BUDGET Tab

1. Click Add a New Budget Record and select 0001 Adopted Budget. The budget should include tuition the district must pay during the ensuing year for resident students who attended other school districts during the prior year, payments to youth detention centers under §20-9-130, MCA, tuition for resident students attending day-treatment programs under approved individualized education programs at private, nonsectarian schools per, §20-5-324 (5)(a)(i), MCA, and for resident students with a disability per §20-5-324 (5)(a)(iii), MCA.

2. No operating reserves are allowed in the Tuition Fund (13). All fund balance must be reappropriated.

Note: In addition to the use of a tuition levy to pay tuition for out-of-district attendance of a resident pupil, §20-5-324, MCA has been amended to allow a school district to include in its tuition levy an amount necessary to pay for the full costs of providing a free appropriate public education, as defined in §20-7-401, MCA, to any child with a disability who lives in the district. The amount of the levy imposed for the costs associated with educating each child with a disability under this subsection is limited to the actual cost of service under the child's individualized education program minus:

A. The student's state special education payment;
B. The student's federal special education payment;
C. The student's per-ANB amount;
D. The prorated portion of the district's basic entitlement for each qualifying student; and
E. The prorated portion of the district's General Fund (01) payments in §20-9-327, MCA through §20-9-330, MCA for each qualifying student

Use the In District Special Education Permissive Tuition Levy Calculator to calculate the allowed per-student levy located on the OPI School Finance webpage.

REVENUES Tab:

The Tuition Fund (13) receives the following revenues:

1. Non-levy Revenues are entered by the district and should be ESTIMATED
    - Non-levy revenue sources include: 1123, 1510, 1900, 3110, 3302, 3460, 9100, and 9710.
    - Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Dept. of Revenue each June.

- 3110 - Direct State Aid: Estimate if the district will receive direct state aid to reimburse for tuition paid out-of-state or for resident students attending day-treatment programs under approved individualized education programs at private, nonsectarian schools.

2. Fund Balance Reappropriated; *MAEFAIRS calculates*
3. Tax Levies; *MAEFAIRS calculates*

Note: If levy authority was transferred to the General Fund (01) from any allowable fund, the 1110 District Tax Levy will be limited to the Ending Levy Authority Balance for all funds listed on the General Fund (01) Flexible Non-Voted Levy Authority tab.

SUMMARY Tab: No input required.

Verify the information on the screen including the number of mills.

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14 - Retirement Fund Budget

PURPOSE: This fund is used to pay the employer contributions to the Teachers' Retirement System, Public Employees' Retirement System, unemployment insurance, social security, and Medicare for the following:

1. District employees whose salary and health-related benefits, if any, are paid from state or local funding sources;
2. Cooperative employees whose salary and health-related benefits, if any, are paid from the cooperative's interlocal agreement fund if the fund is supported solely from districts' General Fund (01) and state special education allowable cost payments [or are paid from the miscellaneous programs fund from money received from the Medicaid program;)
3. District employee whose salary and health-related benefits, if any, are paid from the district's school food services fund;
4. District employee whose salary and health-related benefits, if any, are provided to the employee, are paid from the district impact aid fund.

The fund CANNOT be used to pay:

1. Retirement incentives;
2. Any portion of a retirement fund contribution on behalf of an employee (i.e., only the employer's contributions can be paid from the fund); or
3. Any amount paid to an employee directly (i.e., only payments to TRS, PERS, FICA, and unemployment insurance carriers are allowable). (§20-9-501, MCA)

VOTING REQUIREMENTS: The retirement fund is funded using a county wide levy and does not require the district to notice or vote to levy in this fund.

BUDGET & RESERVES Tab:

1. Select and enter 0001 Adopted Budget. This fund is supported by a countywide retirement levy. To allow the county to accurately determine the levy, districts must submit a list of all employment positions and their salaries to the county superintendent when submitting the adopted budget. (§20-9-132, MCA)
2. Operating Reserve: An operating reserve of up to 20% of the adopted budget is permitted and recommended as shortfalls in the retirement fund can present significant problems to both the district and county.
3. If the county needs to recover from a negative balance, include the shortfall amount to the amount to be adopted as a budget
4. This amount has been calculated by the OPI and appears on the Budget Report for the Retirement Fund (14).

REVENUES Tab:

This fund is not supported by a district tax levy on a county-wide tax levies basis. The Retirement Fund (14) receives the following revenues:

1. Non-levy Revenues are entered by the district and should be ESTIMATED.
    - Non-levy revenue sources include: 1510, 1900, 9100, and 9710.
2. Fund Balance Reappropriated; *MAEFAIRS calculates*
3. County Wide Distribution 2240. *MAEFAIRS calculates*

SUMMARY Tab: No input required.

Verify the budget shown here.

---

17 – Adult Education Fund Budget

PURPOSE: A district that operates an adult education program must use this fund. For financing adult education with student fees and district mill levies §20-7-705, MCA, and the provisions of "advanced opportunities" to qualified pupils in districts receiving funding through the Advanced Opportunity Aid program starting in FY2021, see §20-7-1506, MCA. Taxes levied for support of these programs is deposited into this fund.

VOTING REQUIREMENTS: The Adult Education Fund (17) is a permissively levied fund. Consequently, it is not subject to voter approval. However, projected mill increases in this fund are subject to voter notification by March 31st per §20-9-116, MCA.

BUDGET & RESERVES Tab:

1. 0001 Adopted Budget: Enter the amount that includes adult education programs to be funded using fees collected from students participating in adult education programs, a district tax levy, non-levy revenues, and unreserved fund balance reappropriated.
2. If a district collects fees for courses and needs to have budget authority to spend the fees, the district must add the estimated fees in this screen to adopt the higher budget.
3. Operating Reserve is limited to 35% of the Adopted Budget, or the available fund balance from the balance sheet.(20-7-713, MCA)
4. Do not budget for the Adult Basic & Literacy Education grant in this fund. It is deposited in the Miscellaneous Programs Fund (15) instead. (§20-7-705, MCA)

REVENUES Tab:

The Adult Education Fund (17) receives the following revenue sources:

1. Non-levy Revenues are entered by the district and should be ESTIMATED.
    - Non-levy revenue sources include: 1123, 1340, 1510, 1900, 3302, 3460, 9100, and 9710.
    - Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Dept. of Revenue each June.
2. Fund Balance Reappropriated; *MAEFAIRS calculates*
3. Tax Levies. *MAEFAIRS calculates*

Note: If levy authority was transferred to the General Fund (01) from any allowable fund, the 1110 District Tax Levy will be limited to the Ending Levy Authority Balance for all funds listed on the General Fund (01) Flexible Non-Voted Levy Authority tab.

SUMMARY Tab: No input required.

Verify the information on the screen including the number of mills.

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19 – Non-Operating Fund Budget

PURPOSE: This fund is used by non-operating districts only. Per, §20-9-505, MCA. Non-operating districts should budget necessary costs for the ensuing year, including but not limited to: clerk's salaries and benefits; board costs; transportation costs; tuition; building maintenance, repairs, and insurance; and publication costs.

REVENUE SOURCES: The district may budget state and county "on-schedule" transportation reimbursements for transporting students to another school. The state does not pay Direct State Aid (basic and per-student funding), special education allowable cost funding, or Guaranteed Tax Base Aid (GTB) to non-operating districts.

RESERVES: For the first year of non-operating status, the district may reserve the amount authorized as their General Fund (01) operating reserve in the previous year. For the second year of non-operating status, no reserve is allowed by law. (§20-9-505, MCA, and §20-9-506, MCA) If a non-operating district does not re-open in the 3rd year, the district must abandon and attach to another operating district.

VOTING REQUIREMENTS: When necessary, the non-operating fund is a permissively levied fund. Consequently, it is not subject to voter approval.

BUDGET AND RESERVES Tab:

1. Select and enter an Adopted Budget. The budget should include the necessary costs for the year.
2. If in the first year of non-operating status, enter a reserve amount no greater than the General Fund (01) operating reserve in the previous year. If in the second or third year of non-operating status, no reserve limit is allowed by law.

ON-SCHEDULE Tab:

1. Select and enter an On-Schedule amount. Enter the sum of anticipated individual contract reimbursements (daily contract rates X # of days to be transported). Total days transported may not exceed 180 for the year.
2. Select and enter a Contingency amount up to 10% of the On-Schedule amount. Be sure this amount is included in the amount entered for the Adopted Budget.

REVENUES Tab:

The Non-Operating Fund (19) receives the following revenue sources:

1. Non-levy Revenues are entered by the district and should be ESTIMATED.
    - Non-levy revenue sources include: 1123, 1510, 1900, 3302, 3460, 9100, and 9710.
    - Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Dept. of Revenue each June.
2. Fund Balance Reappropriated; *MAEFAIRS calculates*
3. District tax levy. *MAEFAIRS calculates*

SUMMARY Tab: No input required.

Verify the information on the screen including the number of mills.

28 - Technology Fund Budget

PURPOSE: This fund is used to establish a technology acquisition and depreciation fund authorized by §20-9-533, MCA.

1. Levies approved prior to FY2014: This fund is used for the purchase, rental, repair, and maintenance of technology equipment and computer network access. It can be funded by a levy of up to 20% of the cost of computer equipment and computer network access, not to exceed 150% of the cost over time. The fund may also be used for state, federal and private grants and donations received for technology.
2. Levies approved from FY2014 to current: The levy can be based on the cost of equipment AND the cost of providing the technologies listed; cloud computing services for technology infrastructure, platform, software, network, storage, security, data, database, test environment, curriculum, or desktop virtualization purposes, including any subscription or any license-based or pay-per-use service that is accessed over the internet or other remote network to meet the district's information technology and other needs. The technology levy cannot exceed 10 years. The duration of perpetual levies authorized prior to July 1, 2013, must be revised not to exceed 10 years.

VOTING REQUIREMENTS: The Technology Fund (28) tax levy requires voter approval by the qualified electors of the district.

USE NON-LEVY REVENUE Tab:

The district must choose either to use non-levy revenue to lower the tax levy for an approved technology levy OR to use the non-levy revenues to add to budget authority. Regardless of how the district chooses to use non-levy revenues, estimates under 9100 Other Revenues and 9710 Residual Equity Transfer In are used to add budget authority, not to reduce the tax levy.

BUDGET AND RESERVES Tab:

1. 0001 Adopted Budget is calculated from information in:
   - The estimated State Technology Aid is automatically inserted into the budget screen in the revenues section. *MAEFAIRS calculates*; pre-filled 3281 - State Technology Grant;
   - **Plus**: Step 7: Technology Election Levy: The voted tax levy entered in 1110 - District Tax Levy (prior to FY 2014: up to 20% of the cost for district's technology equipment and computer network access, up to 150% of the district's original costs; or FY 2014 and later, 100% of the cost of equipment and associated technology, subject to the limit of the annual levy);
   - **Plus**: The total amount of estimated revenues under any state, Federal, or private grants or donations deposited in the fund (entered under 1900 - Other Revenue from Local Sources);
   - **Plus**: The amount of estimated non-levy revenues;
   - **Plus**: Other revenues entered under 9100 - Other Revenue and planned transfers entered under 9710 -Residual Equity Transfers In;
   - **Plus**: Unreserved fund balance reappropriated
2. Operating Reserve: There is no legal reserve limit in this fund. Any amount received from the State Technology Grant and associated tax levies may either be reserved or may be spent in any budget year. Grants must be spent within the award periods specified in the state or Federal program regulations.

REVENUES Tab:

The Technology Fund (28) receives the following revenue sources:

1. Non-levy Revenues are entered by the district and should be ESTIMATED.

- Non-levy revenue sources include: 1123, 1340, 1510, 1900, 3302, 3460, 9100, and 9710.
- Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Dept. of Revenue each June.

2. Fund Balance Reappropriated; *MAEFAIRS calculates*
3. Tax Levies. *MAEFAIRS calculates*

SUMMARY Tab: No input required.

Verify the information on the screen including the number of mills.

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29 – Flexibility Fund Budget

PURPOSE: The Flexibility Fund to be used for purposes listed in §20-9-543, MCA. The following additional programs are accounted for in this fund: Innovative Education programs defined in §20-9-902, MCA, Transformational Learning Aid Program provided for in §20-7-1602, MCA and the Advanced Opportunity Act program provided for in §20-7-1506, MCA.

VOTING REQUIREMENTS: If the district is awarded a Transformational Learning Aid grant, the district may permissively levy up to 100% of their award. The district is required to notice any projected mill increases in this fund by March 31st per §20-9-116, MCA.

BUDGET & RESERVES Tab:

1. 0001 Adopted Budget is calculated from information in:
   a. State paid funding for Advance Opportunities Aid (20-7-1506, MCA) *Prefilled by the OPI*
   b. **Plus**: State paid funding for Transformational Learning Aid (20-7-1602, MCA) *Prefilled by the OPI*
   c. **Plus**: Permissive levy amount for Transformational Learning (20-7-1602, MCA) not to exceed 100% of the state funds distributed as Transformational Learning Aid.
   d. **Plus**: Transfers made for Transformational Learning (5304).
   e. **Plus**: The total amount of estimated revenues under any state, Federal, or private grants or donations deposited in the fund (entered under 1900 - Other Revenue from Local Sources or 3290);
   f. **Plus**: The amount of estimated non-levy revenues;
   g. **Plus**: Other revenues entered under 9100 - Other Revenue and planned transfers entered under 9710 -Residual Equity Transfers In;
   h. **Plus**: Unreserved fund balance reappropriated
2. Operating Reserve: There is no legal reserve limit on reserves in the Flexibility Fund. The district may reserve or reappropriate (and budget) the ending fund balance from the prior year.

REVENUES Tab:

The Flexibility Fund (29) receives the following revenue sources:

1. Non-levy Revenues are entered by the district and should be ESTIMATED.
   - Non-levy revenue sources include: 1123, 1510, 1900, 3302, 3460, 9100, 9710 and 5304 transfers.
   - Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Dept. of Revenue each June.
2. Fund Balance Reappropriated; *MAEFAIRS calculates*
3. Tax Levies, if applicable. *MAEFAIRS calculates*

SUMMARY Tab: No input required.

Verify the information on the screen including the number of mills.

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50 – Debt Service Fund Budget

PURPOSE: This fund is used to pay debt service payments for principal and interest on bonds or Special Improvement Districts (SIDs/RIDs). The expenditure budget of the fund should include both principal and interest payments due on bonds for each fiscal year of the bond term. The OPI recommends a district budget and pay the obligations due 1/1 and 7/1 in the same budget year. Payments due 1/1/22 and 7/1/2022 should be budgeted and paid in FY2022. In other words, if a payment is due 7/1/2021, the OPI recommends including this payment in the budget of the year just ended 6/30/2021.

"Taxing Jurisdiction" is an area in the district that is taxed for a purpose, such as a bond payment. Taxing jurisdictions are established and identified by the county assessor. A district may have several bonds SIDs/RIDs outstanding in one or more taxing jurisdictions. Each taxing jurisdiction is kept separate for budget purposes. The debt service fund adopted budget must be sufficient to pay SIDs/RIDs and bonds for all taxing jurisdictions.

Debt Service Assistance Reimbursements and Advances ("Debt Service GTB"): If the district qualifies to receive Debt Service Assistance Reimbursements and an advance, the OPI will send a single annual payment to the district in May. The payment should be combined with the fund balance of the appropriate taxing jurisdiction account and any balance remaining used to lower the debt service levy for the jurisdiction for the ensuing year.

VOTING REQUIREMENTS: The Debt Service Fund (50) is a voter approved district tax levy fund. This fund requires approval from the qualified electors of the school district.

BUDGET & RESERVES Tab:

1. 0001 Adopted Budget is calculated BY TAXING JURISDICTION. The budget includes:
    - □ Principal, interest, and agent fees entered for each bond and/or SIDs/RIDs for the jurisdiction (see NOTE below);
    - □ Plus: 0003 Add to Fund Balance, if entered for the jurisdiction.

NOTE: Currently all general obligation bonds are eligible for consideration to receive the debt service assistance payment. MAEFAIRS automatically refers to the bond repayment schedule established when the bond was issued for the principal and interest (P&I) payments due in the ensuing budget period. If the payments shown are incorrect, notify the OPI to correct and reissue the MAEFAIRS data files.

2. Optional: Enter an amount under Add to Fund Balance to recover a deficit fund balance in the taxing jurisdiction. This amount will increase the 1110 District Tax Levy.
3. NEGATIVE FUND BALANCES: If a negative fund balance exists because of debt obligations paid in previous years, the negative fund balance amount may be added to the budget for the ensuing year for the appropriate taxing jurisdiction to recover the deficit with taxes in the ensuing year. Enter the deficit under Add to Fund Balance in the appropriate jurisdiction budget screen.
4. Operating Reserves: A limited reserve may be held for cash-flow purposes. A reserve is allowable within §20-9-438(3), MCA. The statute allows a reserve approximating the payments due between July 1 and November 30 of the ensuing year. However, payments due July 1 should be included in the budget of the prior year and should not have to be reserved.
5. The available fund balance must be reappropriated to fund the budget.

6. Be sure to reserve zero for the final year in which bonds are paid.

REVENUES Tab:

The Debt Service Fund (50) receives the following revenue sources:

1. Non-levy Revenues are entered by the district and should be ESTIMATED.
    - Non-levy revenue sources include: 1123, 1510, 1900, 3302, 3460, 9100, and 9710.
    - Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Dept. of Revenue each June.
2. Districts that receive a Facilities Debt Service Assistance Payment in the first year of the bond obligation should include the anticipated advance amount on Line 9100-Other Revenue.
3. Fund Balance Reappropriated; *MAEFAIRS calculates*
4. Tax Levies, if applicable. *MAEFAIRS calculates*

SUMMARY Tab: (No input required.)

Verify the information on the screen including the number of mills.

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61 – Building Reserve Fund Budget

PURPOSE: The purposes and authorization of the building reserve fund spans four sub-funds, these are:

1. **School Safety Sub-fund (611)** – this subfund in the building reserve fund must be created for the funds transferred to the building reserve fund for school safety and security pursuant to §20-9-236, MCA. Any revenue transfers that are not encumbered for expenditures within 2 full school fiscal years after the funds are transferred must be transferred back to the originating fund. In addition, with the approval of the qualified electors of the district, the district may impose a perpetual safety levy for the purposes of providing funding for improvements to school and student safety and security.

2. **Voted levy sub-fund (612)** – this subfund may impose a levy with the approval of the qualified electors of the district for raising money for the future construction, equipping, or enlarging of school buildings, or for purchasing land needed for school purposes in the district or funding of intercap loans.

3. **Permissive sub-fund (613)** – this subfund may authorize and impose a levy for the purposes of raising revenue for identified school major maintenance projects and school safety projects if the district has a safety plan in place.

    a. The district may permissively levy up to $15,000 per district ($30,000 for a K 12 district) plus the product of $100 multiplied by the district's budgeted ANB for the prior fiscal year.
    b. The permissive levy may not exceed 10 mills (20 for a K 12 district)
    c. The district should use the FY 2022 General Fund (01) Budget Spreadsheet to estimate the amount of State Major Maintenance Aid to include in the budget.
    d. Non-levy revenues cannot be used in the permissive fund unless the district has levied the full 10.00 or 20.00 (K 12) mills.
    e. State Major Maintenance Aid is included in this subfund and will calculate based on the levy amount and the maximum amount of aid the district is eligible to receive.

4. **Transition Sub-fund (614)** – this subfund is used to impose a voted levy with the approval of the qualified electors of the district to provide funding for transition costs incurred when the trustees: (i) open a new school under the provisions of Title 20, chapter 6; (ii) close a school; (iii) replace a school building; or (iv) consolidate with or annex another district under the provisions of MCA, Title 20, chapter 6. The duration of the levy for transition costs may not exceed 6 years.

VOTING REQUIREMENTS: The Building Reserve Fund (61) has a permissive subfund levy that is consequently not subject to voter approval, but does require the district to notice any projected mill increases in this fund by March 31st per §20-9-116, MCA. In addition, the fund can have multiple voted levies including: the safety subfund, voted subfund, and transition subfund all requiring a vote with the approval of the qualified electors of the district.

USE NON-LEVY REVENUE Tab:

The district must choose either to use non-levy revenue to lower the tax levy for an approved voted levy OR to use the non-levy revenues to add to budget authority. Regardless of how the district chooses to use non-levy revenues, estimates under 9100 Other Revenues and 9710 Residual Equity Transfer In are used to add budget authority. (i.e., not to reduce the tax levy)

BUDGET AND RESERVES Tab:

1. This tab includes the 0001 Adopted Budget which is calculated by MAEFAIRS by using:
   - Unreserved fund balance reappropriated (any amount of the balance accumulated in the fund to date);
   - **Plus**: 003 Add to Fund Balance
   - **Plus**: 0961 Operating Reserve
   - **Plus**: Amounts to be levied (as specified under "Levy Amount" associated with a voted levy(s));
   - **Plus**: Any amount entered as an estimate under 9100 or 9710 revenues;
   - **MINUS**: TIF fund balance (0973)
   - **Plus**: Permissive Levy entered to the "Permissive Revenues" tab.
   - **Plus**: Permissive Non-Levy Revenue entered to the "Permissive Revenues" tab (1125 through 3461)
   - **Plus**: Any amount entered as an estimate under 5302 or 9101 revenues;
   - **Plus**: State Major Maintenance Aid (SMMA)
   - **MINUS**: Non-Levy Revenues entered to the "Voted Revenues" tab (1123 through 3460) -- If the option selected is "Use non-levy revenue to reduce the levy amount" **or**
   - **Plus**: Non-Levy Revenues entered to the "Voted Revenues" tab (1123 through 3460) -- If the option selected is "Use non-levy revenue to add budget authority and not reduce the levy amount."
2. The Building Reserve Fund (61) is a reserve fund; therefore, there is not an operating reserve unless the district wishes to set aside cash or fund balance without budget authority to spend it.

VOTED REVENUES Tab:

1. This screen calculates the 0117 Voted Sub-Fund District Tax Levy, which will include all allowed voted levies.
2. The district could have several voted levies: the voted safety levy (could be perpetual depending on the ballot language), the voted building reserve levy (up to 20 years), and a voted transition levy (up to 6 years).
3. Refer to the 'Voted Reserve Authorities' list previously completed in step 4.
4. Non-levy Revenues are entered by the district and should be ESTIMATED.
   a. Non-levy revenue sources include: 1123, 1130, 1510, 1900, 3302, 3460, 9100, and 9710.
   b. Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Dept. of Revenue each June.
5. Fund Balance Reappropriated; *MAEFAIRS calculates*

6. The screen will show the total of the 1110 Total District Tax Levy: The sum of budget code 0118 Permissive Sub-Fund District Tax Levy plus 0119 Voted Sub-Fund District Tax Levy. *MAEFAIRS calculates*

PERMISSIVE REVENUES Tab:

1. The district needs to adopt an amount in the 0118 Permissive Sub-Fund District Tax Levy.
2. A permissive levy may be assessed not to exceed 10.00 mills for elementary or high school districts and not to exceed 20.00 mills for K-12 districts. In any of the situations above the total number of mills are not to exceed the total size of the school major maintenance amount. The district must enter this amount up to the allowed value (which is indicated on the screen).
3. Non-levy Revenues are entered by the district and should be ESTIMATED if the district is able to mill the full 10.00 mills (20.00 mills if a K-12).
    - Non-levy revenue sources include: 1125, 1131, 1511, 1901, 3303, 3461, 5302, and 9101.
4. The screen will show the total of the 1110 Total District Tax Levy: The sum of budget code 0118 Permissive Sub-Fund District Tax Levy plus 0119 Voted Sub-Fund District Tax Levy. *MAEFAIRS calculates*
5. The State Major Maintenance Aid (3283) amount is included in this subfund and will calculate based on the levy amount and the maximum amount of state aid the district is eligible to receive (based on the required local dollar of effort printed on the preliminary data sheets released in March). *MAEFAIRS calculates*

SUMMARY Tab: No input required.

Verify the information on the screen including the number of mills.

Step 9: Validation

1. Select a validation and district.
    - All: Both Corrective and Red Warning/Information - Warning below
    - Corrective: Must be fixed before the district can submit
    - Red Warning/Informational - Warning: Alert the user to possible errors (may submit with warning errors)
2. Before submission, a district should understand all warning validations, please call the OPI if a validation is unclear.

Step 10: Submit to the OPI

- □ Once both the TFS and Budget are complete, and all validations have been reviewed and/or corrected, the district may submit. Select the district and click Submit.
- □ If the district finds there is an error in the submission, the district can request the OPI un-submit the district, If the county superintendent has not established the mill levies with the county treasurer and the county superintendent approves the resubmission.
- □ The district must complete all steps in MAEFAIRS by September 15th, 20-3-209, MCA & 20-9-134, MCA.

- ☐ Retain a copy for the district

Budget Timelines

- ☐ Between July 1st and August 10th, the clerk publishes a notice in a local or county newspaper stating the date, time, and place that trustees will meet to consider and adopt the final budget of the district. (20-9-121, MCA)
- ☐ By July 20th, the county treasurer provides bond, endowment fund and cash balances to schools, including cash balances for county school funds supported by countywide levies. (20-9-121, MCA)
- ☐ 1st Monday in August Department of Revenue delivers taxable valuation information to the county superintendent. (20-9-122, MCA)
- ☐ Not later than August 15th the trustees report annual financial activities of each fund maintained by the district to the county superintendent. (20-9-213, MCA)
- ☐ Not later than August 15th the annual fiscal reports for joint school districts must be submitted to the county superintendent of each county in which part of the joint district is situated. (20-9-131(2), MCA)
- ☐ On or before August 20th the trustees meet to consider the budget. (20-9-131(1), MCA)
- ☐ Not later than August 25th the trustees adopt final budget. (20-9-131(2), MCA)
- ☐ Within 3 days of approval the trustees deliver the adopted budget to the county superintendent. (20-9-131, MCA)
- ☐ By the later of the 1st Tuesday in September or within 30 calendar days after receiving certified taxable values the county superintendent reports to the county commissioners on final adopted school budgets. (20-9-141, MCA)
- ☐ By the later of the 1st Thursday after the first Tuesday in September or within 30 calendar days after receiving certified taxable values the county commissioners fix tax levies. (7-6-4036, MCA)
