

**PROCEDURES FOR SUBMITTING
BUDGET REVISIONS TO THE STATE DEPARTMENT
OF EDUCATION FOR APPROVAL**

Every county board of education, regional education service agency (RESA) and multi-county vocational center (MCVC) is required to prepare a proposed budget for the succeeding fiscal year for each fund that the agency intends to maintain during the year and submit it to the West Virginia Department of Education (WVDE) for approval in accordance with the procedures established by the Office of School Finance.

All proposed budgets are to be prepared and submitted to the WVDE by the dates specified in the Budget Calendar prepared annually as a part of the Proposed Budget Instructions, using the West Virginia Education Information System (WVEIS) for submittal of the data. RESAs and MCVCs are to provide the information to their fiscal agents so that the data can be entered electronically in the system prior to the due date. The proposed budgets submitted by the LEAs are to include the proposed budgets of all federal and state projects, whenever possible. The proposed budgets will be reviewed by the various program directors at the WVDE and approval notifications provided as quickly as possible.

Rarely, however, will actual revenues and expenditures equal budgeted revenues and expenditures for the year. To manage effectively, school administrators need to be able to adjust budgeted amounts to the actual amounts received and expended each year. According to the requirements of West Virginia Code §18-9B-10, however, county boards of education may expend funds or incur obligations only in accordance with the approved budget and expenditure schedule, and make transfers between items of appropriation or expenditure only with the prior written approval of the State Board of School Finance, whose duties have been transferred to the State Board. In addition, the U.S. Department General Administrative Regulations (EDGAR) contain requirements that local education agencies (LEAs) must follow in revising their approved budgets of federal programs.

The purpose of these instructions is to establish the procedures and thresholds that local education agencies (LEAs) in West Virginia are to follow in submitting their budget revision requests to the West Virginia Department of Education (WVDE) for approval.

1. General:

- a. All budget revisions must be presented to the local education agency's (LEA's) local board and submitted to the WVDE for approval and received by the WVDE on or before **June 30** of the year in which the budget is being revised in order to be considered for approval.
- b. All budget revisions must be submitted to the WVDE within **15 days** of the date of the board's meeting at which the revisions were approved.
- c. If the budgets of certain restricted programs are not included with the proposed annual budget when submitted for initial approval, those budgets are to be posted into WVEIS as a budget supplement as soon as possible after the budgets are approved by the WVDE program directors, but no later than **October 31** of the year for which the budget is submitted.
- d. In addition, all carry-over budgets must be entered into WVEIS as soon as possible after the annual financial statements and special projects worksheet for the previous year are completed, but no later than **October 31**.
- e. Any necessary budget revisions must be submitted for approval in accordance with the procedures stated herein as soon as possible after it is determined that budget revisions are necessary.
- f. It is recommended that all proposed budget revisions are to be made using the pending budget journal entry file (GNL 520) in WVEIS.

- g. Budget journal entries are to be divided into the following three types using a different number sequence **that uses all numeric characters** to identify each type. The three types and the recommended numbering sequence for each are:
 - i. Budget supplements – Number sequence 100-200;
 - ii. Budget transfers that are to be accumulated to determine if they exceed the 10% threshold requiring SEA approval – Number sequence 200-300;
 - iii. Budget transfers that are to be excluded from accumulation for determination of the 10% threshold – Number sequence 300–400.

Examples of budget revisions that are to be excluded are: (1) Transfers from a reserve account to an actual account for expenditure; (2) Transfers for revisions that must be approved by the SEA in accordance with the requirements described elsewhere in these procedures, such as a reduction in the amount originally budgeted for staff development; (3) Transfers beyond the third digit of the program/function code or the second digit of the object code for the LEAs that do not submit these revisions to their local boards for approval; and (4) Transfers among locations, cost centers or other account code elements beyond the object code element that an LEA may use.

Note: Other numbering sequences may be used, but a separate sequence must be used for each different type. The revision numbers cannot exceed five digits in length and must be all numeric.

- h. ***A separate budget journal entry must be created for each restricted program.*** Unrestricted funds and local projects may be combined in the same budget journal entry. Different projects related to the same program may be combined in the same budget journal entry only if the same WVDE program official is responsible for review and approval.
 - i. To standardize submission of all budget revision requests to the WVDE for approval, the requests **must be submitted using the WVEIS on Web (WOW) system.** Budget revisions submitted through WVDE form 11-20-12 will no longer be accepted.
 - j. For restricted projects that require an explanation for the revision, the explanation must be entered in the Reason field through WOW.
 - k. All proposed budget revisions are to be presented to the LEA's board for approval prior to submission to the WVDE.
 - l. Unless local policy or practice dictates otherwise, it is suggested that all budget revisions submitted to the LEA's board for approval be included on the consent agenda.
 - m. Budget revisions that do not meet the criteria described in sections 2 and 3 may be posted by the LEA as an official budget revision in WVEIS after the request is approved by the local board. On WOW, indicate that such revisions do not require WVDE approval so that the revisions no longer show in the Unapproved Requests area.

2. Unrestricted Funds, Step 7 and Local Projects:

For unrestricted funds, Step 7 projects and local projects, local education agencies (LEAs) must submit proposed budget revisions to the WVDE and receive prior approval from the WVDE whenever any of the following changes are anticipated:

- a. Any revision in which funds are being supplemented into the budget;

- b. All transfers involving revenue or expenditure account codes in which the revision affects the first three digits of the program/function code element or the first two digits of the object code element.

NOTE: Budget revisions may be submitted to the WVDE for approval that go beyond these minimum required thresholds, but that is not required nor recommended.

3. Restricted Federal and State Projects:

For all restricted federal and state projects, other than the ones included in the paragraph above, LEAs must comply with the budget change requirements specified in the U.S. Department of Education General Administrative Regulations (EDGAR) 80.30 and obtain the prior approval of the WVDE or awarding agency, if different, whenever any of the following changes are anticipated:

a. Nonconstruction projects:

- i. Any revision which would result in the need for additional funding;
- ii. Cumulative transfers among direct cost categories, or, if applicable among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent (10%) of the current total approved budget;
- iii. All transfers allotted as training allowances (professional staff development). This means any budget revisions that reduce the amount originally budgeted for staff development must be submitted to the WVDE for approval.

Budget revisions that transfer expenditures among staff development activities, but do not reduce the total amount originally budgeted for staff development are to be submitted using the criteria discussed in the preceding paragraph.

b. Construction Projects:

- i. Any budget revision which would result in the need for additional funds.

c. Combined construction and nonconstruction projects:

- i. Any budget transfer from nonconstruction to construction or vice versa.

d. Programmatic changes:

- i. Any revision of the scope or objectives of the project;
- ii. Need to extend the period of availability of the funds;
- iii. Changes in key persons in cases where specified in an application or grant award.

4. Submittal and Approval Process:

Budget revisions that must be approved by the WVDE as the grantor agency are to be submitted to the WVDE, using the following procedures:

- a. Log into the WOW system using your regular WVEIS User ID and password.
- b. Under Menus, Financial Management System, FMS000 General Ledger, click on GRA.NTA WVDE Grant Awards.
- c. Under Budget Revisions, click on Requests Unprocessed.
- d. To select a budget revision for submission, choose the revision from the pre-populated list of WVEIS budget revisions by clicking Provide Details.
- e. Enter the Board Approval Date and select the type of budget revision (supplement, transfer or carryover). If an explanation for the revision is required, enter it in the Reason field.
- f. The Commitment Number (C#) field may contain a pre-populated number based on the information contained in the county Special Project Worksheet. Confirm the pre-populated number is correct and update it if necessary. Some funding sources do not have C#s (local projects, Child Nutrition, etc.). For those revisions, the C# field should be blank. **Note: This field is the most critical part of the submission as it is the primary field that routes the budget revision to the appropriate WVDE official for approval.**
- g. If a WVEIS budget revision does not require WVDE approval, check the box to indicate so and hit Update.
- h. Click the Send Request to WVDE Coordinator box and hit Update to submit the request.
- i. Once submitted, the WOW system will send an email with all of the budget revision details to the appropriate WVDE program official. The person submitting the request will receive a copy of the email.
- j. Upon receipt, the program director, or designee, at the WVDE will review the revision request as quickly as possible, but no longer than 15 days after receipt. The WVDE official will click on the Approve this Request link from the email and have the option of approving or denying the request using their HRMS password. There is a field to provide comments for why a revision has been denied. Denied requests will require resubmission once the incorrect items have been fixed.
- k. Both the WVDE program official and the person who submitted the request will receive an email indicating whether the revision was approved or denied. Any comments entered by the WVDE program official will be included in the email.
- l. Once a budget revision has been approved by the appropriate WVDE program official, it will move to the Requests Approved section of WOW.
- m. If the pending budget revision feature is utilized, upon notification of approval, the LEA will post the approved budget revision as an official budget revision in WVEIS.

5. Review Process:

All budget transfers will be reviewed during scheduled consolidated federal monitoring reviews, including those budget revisions that do not require WVDE approval ensure that all transfers are handled in accordance with federal expenditure allowances as limited by EDGAR. In addition,

auditors performing the annual audits of LEAs will include a review of each LEA's budget revision process in the scope of their audits.

6. Legally Adopted Budget:

The legally adopted budget is considered to be the approved budget for each fund maintained by the LEA at the function level, as defined in the Chart of Accounts issued by the West Virginia Department of Education, Office of School Finance. Actual expenditures are not to exceed the amounts reflected in the approved budget at the function level.

Budget Revision Procedures - WOW
(Updated 9/10/12)