

School District Budget Instruction Manual

This Instruction Manual is provided to assist Nebraska School Districts in preparing/completing their Budget Document Forms in compliance with State Statutes. The information contained within is intended to be consistent with relevant State Statutes, as they existed on the last updated date of this manual.

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

State Capitol, Suite 2303
Lincoln, Nebraska 68509-8917

Phone: 402-471-2111
Fax: 402-471-3301



Questions - E-Mail: Jeff.Schreier@nebraska.gov

Submit Your Budget Online: From website choose "[SUBMIT your Audit or Budget](#)" from left-hand side of screen.

Website: auditors.nebraska.gov

Last updated: 6/9/25

This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document. (Neb. Rev. Stat. § 84-901.03)

Budget Forms



Budget forms can be downloaded from the Auditor of Public Accounts website at:

auditors.nebraska.gov

Click on “Local Governments” followed by “Budget Information” from the list on the top of the screen. Then select “Click Here for Budget Forms.”

Select your type of subdivision (School Districts) from the list to obtain the Excel Version of the forms. You will also see links to Instruction Manuals, Budget Timeline, etc.

Note to MAC Users: You can use a MAC to input information but there have been issues noted in printing from the MAC. The only known solution is to print using a PC.

Budget Filing

Due Date is September 30th - A copy of the adopted budget, Lid Computation Form LC-2, Special Grant Fund List, and attachments must be filed with:

County Board c/o the County Clerk,
Nebraska Department of Education,
Auditor of Public Accounts

The Auditor of Public Accounts prefers that budgets be submitted through our website. Please submit all pages, including attachments, as one PDF file. However, we do still accept mailed in budgets through USPS.

The Department of Education only accepts Budgets electronically in PDF form by uploading through the LC-2 in the NDE portal with, the file name for the budget document must include the county-district #. Budgets mailed / emailed will not be accepted.

Who is Required to File Budget

The Nebraska Budget Act does not apply to any governing body for any fiscal year in which the governing body will not have a property tax request or receive state aid as defined in Section 13-518. This restriction is based on a year by year basis.

School Districts should contact the Auditor of Public Accounts and the Nebraska Department of Education when the Nebraska Budget Act does not apply. This will allow the State to track this information.

Notice/Hearing Requirements

All school districts are required to provide notice for, and hold, a Budget Hearing, and a Special Hearing to set Property Tax Request. School Districts increasing the property tax request above the allowable growth percentage set out in the Property Tax Request Act will attend the Joint Public Hearing organized by the County in-lieu of holding your own Special Hearing to set the Property Tax Request.

1. **Budget Hearing** – State Statute Section 13-506 outlines what must be included in the Budget Hearing Notice.

- The budget information may be published in a summary format, but detail information must be available for public review.
- We have provided a sample form for the Notice of Budget Hearing which includes detailed instructions.
- Notice can be given in one of the following methods:

- Published in a newspaper of general circulation within the governing body's jurisdiction. Publication must be at least four days prior to the date of the hearing. You can include the day of publication, but not the day of hearing. You must include a copy along with the affidavit of publication of the Budget Hearing Notice.
- Posted at the governing body's principal headquarters. This option is available only if the total budget of disbursements and transfers does not exceed \$10,000. Please provide details of where and when your notice was posted.

Budget Hearing Procedures

The following requirements apply to the Budget Hearing:

- Budget hearing must be held separately from regular scheduled meeting and cannot be limited by time.
- At least 3 copies of budget must be available to the public
- Presentation must be given outlining key provisions of the proposed budget, including, but not limited to, a comparison with the prior year budget.
- Any member of public desiring to speak on the proposed budget shall be allowed to address the governing body and given a reasonable amount of time to do so.

2. Special Hearing to set Property Tax Request

- Required by State Statute Section 77-1632
- Notice must be published. Publication must be at least four days prior to the date of the hearing. You can include the day of publication, but not the day of hearing. You must include a copy along with the affidavit of publication of the Special Hearing to Set Property Tax Request Notice.
- Hearing may be held on the same day as the Budget Hearing, as long as notice has been given for both hearings
- If the School District's proposed property tax request is in excess of the Property Tax Request Act's allowable growth percentage, the Joint Public Hearing discussed below is held in-lieu of this hearing.

***NOTE:** A sample of a combination notice, which combines the information for the two hearings can be found as a sheet tab in Excel and in the Samples Packet.*

3. Joint Public Hearing – Applies to School Districts that intend to increase property tax request by more than the allowable growth percentage.

***Note:** Form has been added to the Budget Forms to calculate whether or not your school district is subject to the Joint Public Hearing and postcard notification requirements found in the Property Tax Request Act.*

- Property Tax Request Act found in Section 77-1630 to 77-1634.
- Counties, School Districts, and Cities are required to participate in Joint Public Hearing and be included in postcard notification if property tax request increases by more than the allowable growth percentage (2% plus real growth percentage provided by County Assessor). For School Districts only, Property Tax Request does not include the tax request to pay principal and interest on bonds.
- Each political subdivision required to participate in Joint Public Hearing must designate one representative to attend the Joint Public Hearing. The representative is not required to be a Board member.
- At least one elected official from each participating political subdivision must attend the Joint Public Hearing. This elected official may also be the designated representative.
- If political subdivision includes valuation in more than one county, the political subdivision is required to attend the Joint Public Hearing in the County where the political subdivision's principal headquarters are located.
- The presence of a quorum of elected officials at the joint public hearing does not constitute a meeting as defined in the Open Meetings Act
- Joint Public Hearing must be held between September 14th and 23th. Joint Public Hearing must be held after 6 p.m. local time on the relevant date.
- Representative from each political subdivision must provide a brief presentation on the political subdivision's intent to increase its property tax request by more than the allowable growth percentage. The presentation is required to include, at a minimum:
 - The name of the political subdivision
 - The amount of the property tax request

- The following statements:
 - The total assessed value of property differs from last year's total assessed value by percent
 - The tax rate which would levy the same amount of property taxes as last year, when multiplied by the new total assessed value of property, would be \$..... per \$100 of assessed value
 - The (name of political subdivision) proposes to adopt a property tax request that will cause its tax rate to be \$..... per \$100 of assessed value
 - Based on the proposed property tax request and changes in other revenue, the total operating budget of (name of political subdivision) will exceed last year's by percent
 - To obtain more information regarding the increase in the property tax request, citizens may contact the (name of political subdivision) at (telephone number and email address of political subdivision).
- Any member of public desiring to speak on the proposed budget shall be allowed to address the governing body and given a reasonable amount of time to do so.

Joint Public Hearing Notice Requirements:

- Notice of Joint Public Hearing must be provided by: 1) County Assessor sending postcard to all affected property taxpayers; 2) posting notice of the hearing on the County's website (only required if County has population of more than 10,000); and 3) County Clerk publishing notice of the hearing in a legal newspaper of general circulation in the relevant County.
- Each political subdivision that intends to increase property tax request by more than the allowable growth percentage (2% plus real growth percentage provided by County Assessor), must provide information needed for the postcard to County Assessor electronically by September 4th.
- County Assessor responsible for mailing postcard to all property owners impacted by the proposed tax increases in excess of the allowable growth percentage. Postcards must be mailed at least seven calendar days before the Joint Public Hearing.
- Each participating political subdivision shall also include a link on the home page of their website to the proposed budget.

If the Budget adopted is different than the previously published budget

If the adopted budget statement reflects a change from that shown in the published proposed budget statement, a Notice of the Summary of Changes **must** be published within twenty days after its adoption setting forth the items changed and the reasons for such changes. This notice of the summary of changes must be provided in the same manner as the original notice of budget hearing (published or posted). **No public hearing is required as long as the summary of changes is published within twenty days.**

If the governing body adopts a budget which is different than was previously published, and fails to provide notice of the summary of changes within twenty days; the budget has not been legally adopted. The governing body must conduct another budget hearing, giving proper notice, and re-adopt its budget.

If the Budget contains a clerical, mathematical, or accounting error

State Statute Section 13-511 allows certain corrections to be made without having a public hearing. Section 13-511 states within thirty days after the adoption of the budget, a governing body may, or within thirty days after notification of an error by the State Auditor, a governing body shall, correct an adopted budget which contains a clerical, mathematical, or accounting error. If the error does not affect the total amount budgeted by more than one percent, or increase the amount required from property taxes; no public hearing is required for such a correction.

Amending a Previously Adopted Budget

During the fiscal year, if it becomes apparent to a governing body there are circumstances which could not reasonably have been anticipated at the time the budget for the current year was adopted such that either, the receipts will be insufficient or additional disbursements will be necessary, such governing body may propose to revise the previously adopted budget. Some of the most common reasons for amending a budget are issuance of bonds, refunding of bonds, or being awarded a grant. By law, the total budget of disbursements and transfers per the adopted or amended budget for each fund cannot be exceeded. Keep in mind it is not possible to change the amount of property taxes after the levies are finalized.

State Statute Section 13-511 specifies the requirements necessary to amend the budget. A public hearing must be held with notice given at least four days in advance. The notice must be given in the same manner as the original budget hearing (published or posted), and the notice must include the following:

- The time and place of the hearing.
- The amount in dollars of additional or reduced money required and its purpose.
- A statement setting forth the nature of the unanticipated circumstances and, if the budget is increased, why the previously adopted budget cannot be reduced during the remainder of the year.
- A copy of the summary of the originally adopted budget previously published.
- A copy of the summary of the proposed revised budget.

A copy of the revised budget as adopted must be filed with the County Board, Nebraska Department of Education, and the Auditor of Public Accounts.

Property Tax Request

The school must hold either 1) Special Hearing to set Final Tax Request (if proposed property tax request does not exceed the Property Tax Request Act's allowable growth percentage), or 2) attend the Joint Public Hearing (if proposed tax request exceeds the Property Tax Request Act's allowable growth percentage). The resolution setting the tax request must be certified and forwarded to the county clerk on or before October 15.

The Special Hearing to set Final Tax Request may be held after notice is published in a newspaper of general circulation in the area of the school district at least four days prior to the hearing.

NOTE: LB 103 (2019) outlines specific information that must be included in both the Special Hearing to set Final Tax Request publication and the resolution to set the property tax request. The forms provided have been updated to include this information. The Department of Education has additional information in their Budget Text at <https://www.education.ne.gov/fos/budgeting-school-district/>.

SPECIFIC SCHOOL FUNDS

Contingency Fund

By law, the disbursements from this fund shall not exceed 5% of the Total Budgeted General Fund Disbursements and Transfers of the district and may only be used for defense against losses, payment of losses and transfers to the General Fund (Section 79-1072).

Activities Fund

School districts must complete the Activities Fund for all fiscal years on the budget.

School Nutrition Fund

If your District does not have a School Nutrition Fund, please indicate this on your budget.

Cooperative Fund

These pages should only be filled out by the school acting as the fiscal agent for the Cooperative. All schools should show payment for services of a cooperative in the General Fund.

Student Fee Fund

State Statute Sections 79-2,125 through 79-2,135 requires each school district that collects money from students pursuant to subdivisions (1) Participation in extracurricular activities, (3) Postsecondary education costs, and (8) Summer school or night school to establish a Student Fee Fund.

The Student Fee Fund means a separate school district fund not funded by tax revenue into which all money collected from students pursuant to such subdivisions shall be deposited and from which money shall be expended for the purposes for which it was collected from students.

Funds collected from another school district providing summer school or night school instruction to a school district's students and the related expenditures for providing such instruction shall be accounted for in the General Fund of the school district providing the instruction.

INSTRUCTIONS FOR PAGE 1 (COVER PAGE)

1. State Statute 13-508 of the Nebraska Budget Act, requires governing bodies to set out separately the amount of Personal and Real Property Tax to be levied for the payment of principal and interest on bonds issued by the governing body and the amount for all other purposes.

Enter the amount levied for the payment of principal and interest on bonds issued. (NOTE: If your School District has no bonded indebtedness, enter 0 (zero).) Enter the amount levied for all other purposes of your School District.

The amount entered in the Total Column should equal Line C of the Personal and Real Property Tax Recap on Page 2.

2. Indicate if a successful election was held to override the levy limits, which is in effect for the current budget year.
3. Complete the Outstanding Bonded Indebtedness section as of September 1, 2025. This section should be completed only if bonds have been issued and includes bonds issued in the Qualified Capital Purpose Undertaking Fund. This section identifies the dollar amount your school district still owes for principal and interest payments.
4. Complete the Interlocal Agreement section. All political subdivisions must file the Report of Joint Public Agency and Interlocal Agreements with the Auditor of Public Accounts by September 30th each year. You are reporting on the prior year ending June 30. If your school district was not a party to any interlocal agreements during the period July 1, 2024 through June 30, 2025, please mark the "NO" box. If your school district was a party to an Interlocal Agreement, please submit the separate report to the Auditor of Public Accounts. The report can be found as a tab within the budget form Excel file.

5. Complete the Trade Name section. All political subdivisions must file the Report of Trade Names, Corporate Names, and Business Names with the Auditor or Public Accounts by September 30th each year. If your school district operated a function under a name other than the name of the school district, you need to report those names on the separate Trade Name Report. The report can be found as a tab within the budget form Excel file.

INSTRUCTIONS FOR COMPLETING BUDGET PAGE 2

The School District Budget Form Worksheet can be used to help you in the completion of the School District Budget Form and to identify activity if needed by fund for the local school board. The Worksheets are set up to include each of your funds and allows the ability to document in detail the receipts and disbursements. The totals are then included on the School District Budget Form. The School District Budget Form Worksheet does not need to be sent to the State and counties. The Worksheets are for use by your school district only. Your school district is only required to file your budget information by fund in summary format.

Total Beginning Balance (Column 1)

Total Beginning Balance is for *information purposes only* and is the total of cash, investments, and the county treasurer's balance. **The Total Beginning Balance should agree to the ending balance on page 3 for each fund.**

Total Available Resources Before Property Taxes (Column 2)

The Total Available Resources Before Property Taxes is the Total Beginning Balance plus anticipated receipts from local sources, county and ESU sources, state sources, federal sources and non-revenue sources for your school district.

Personal and Real Property Taxes (Column 3)

List the personal and real property tax necessary to balance the budget for each fund.

Total Resources Available (Column 4)

The Total Resources Available is Column 2 plus Column 3. *Total Resources Available for each fund must agree to Total Requirements for each fund.*

Total Budget of Disbursements & Transfers – Special Education (Column 5)

The Total Budget of Disbursements & Transfers – Special Education are split out for lid purposes for the General Fund.

Total Budget of Disbursements & Transfers – Non-Special Education (Column 6)

Column 6 is the remainder of the disbursements & transfers that do not affect Special Education in the General Fund.

Total Budget of Disbursements & Transfers (Column 7)

The Total Budget of Disbursements & Transfers is Column 5 plus Column 6 for the General Fund only. By law, you may not spend more than the Total Budget of Disbursements & Transfers for each fund unless the provisions of State Statute Section 13-511 (Revised Budget Hearing) are met. Cash Reserves are not a portion of the Total Budget of Disbursements & Transfers.

Necessary Cash Reserve (Column 8)

See Lid Computation Form LC-2 for the calculation of the maximum allowable reserve.

Cash reserves are an extremely important element of budgeting since they help to provide a stable flow of cash during your fiscal year.

For the Bond, Activities, School Nutrition, Qualified Capital Purpose Undertaking and Student Fee Funds, you are entitled to **a cash reserve not to exceed 50%** of the Total Budget of Disbursements & Transfers less capital outlay for each fund. If you have included in your budget proposal any amounts for capital outlay such as machinery, vehicular equipment, building, land acquisition, etc., you must reduce the total budget of disbursements & transfers by the amount of capital expense, and multiply this amount by 50%, to compute the allowable cash reserve.

Total Requirements (Column 9)

Total Budget of Disbursements & Transfers (Column 7) plus the Necessary Cash Reserve (Column 8) is equal to the Total Requirements of the fund.

Total Requirements must be equal to Total Resources Available for each fund.

Personal and Real Property Tax Recap

The Personal and Real Property Tax Recap assumes an extremely important role in considering the tax needed to support the funds.

Line A – The amount of personal and real property tax the fund needs to receive for the upcoming budget year to operate on.

Line B – The County Treasurer receives a percentage collection fee (commission) from tax collections received in that office. For school districts, the collection fee is 1%. To more accurately reflect the amount the school will receive after the collection fee, the formula has been adjusted to calculate at 1.01 %.

Line D – This amount is the total property tax plus the county treasurer's commission. This is the amount that should be included as the personal and real property tax request on Page 1.

Certified State Aid to Schools

State Statute Section 79-1022 requires the Certified State Aid to Schools amount be shown in the budget document.

County Treasurer's Balance

State Statute Section 13-504 requires any funds held by the county treasurer shall be accurately stated on the proposed budget statement. This amount should be included in the Total Beginning Balance (Column 1).

Motor Vehicle Taxes

Document the amount of motor vehicle taxes budgeted. This amount should be included in Total Available Resources Before Property Taxes (Column 2).

INSTRUCTIONS FOR COMPLETING BUDGET PAGES 3 AND 4

Fund Pages 3 and 4 are documenting prior year activity for your school district. Page 3 should contain actual/estimated amounts for fiscal year 2024-2025. Page 4 should contain actual amounts for fiscal year 2023-2024.

Total Beginning Balance (Column 1)

Total Beginning Balance is for *information purposes only* and is the total of cash, investments, and the county treasurer's balance. The Total Beginning Balance should agree to the ending balance for the prior year. **The Total Beginning Balance on Page 4 should agree to the beginning balance reflected in your audit report, or have an explanation provided.**

Total Available Resources Before Property Taxes (Column 2)

The Total Available Resources Before Property Taxes is the Total Beginning Balance plus receipts from local sources, county and ESU sources, state sources, federal sources and non-revenue sources for your school district.

Personal and Real Property Taxes (Column 3)

In column 3, list the personal and real property tax collected for your school district.

Total Resources Available (Column 4)

The Total Resources Available is Column 2 plus Column 3. *Total Resources Available for each fund must agree to Total Disbursements & Transfers (Column 7) plus Total Ending Balance (Column 8).*

Total Disbursements & Transfers – Special Education (Column 5)

The Total Disbursements & Transfers – Special Education are split out for the General Fund.

Total Disbursements & Transfers – Non-Special Education (Column 6)

Column 6 is the remainder of the disbursements & transfers that do not affect Special Education in the General Fund.

Total Disbursements & Transfers (Column 7)

Total Disbursements & Transfers is Column 5 plus Column 6 for the General Fund only.

Total Ending Balance (Column 8)

Total Ending Balance is equal to Column 4 minus Column 7.

Motor Vehicle Taxes

Document the amount of motor vehicle taxes collected. This amount should be included in Total Available Resources Before Property Taxes (Column 2).

Correspondence Information (Page 5)

- **Board Chairperson** – include name and address of the Board Chairperson.
- **Correspondence Address** – include the name and address of the individual that should receive correspondence from our office. This will be the individual contacted regarding the budget information for the following year.
- **E-Mail Address** – In an effort to reduce costs, the Auditor of Public Accounts intends to notify political subdivisions by e-mail whenever possible. Please provide an e-mail address on Correspondence Information page. If there is a change in contact information, please contact our office so we can maintain the most current Contact for Correspondence.
- **Preparer** – include the name and address of the individual who prepared the budget document.

Allowable Growth Percentage Computation Form (Page 6)

This form calculates if the School District's property tax request is in excess of the Property Tax Request Act's allowable growth percentage. If line 7 is greater than line 6, the School District is required to attend Joint Public Hearing, and provide their information the County Assessor electronically by September 4th. The phone number provided should be for someone knowledgeable about the proposed budget and property tax request and can address comments and questions from the taxpayers. See form for specific instructions.

Instructions for Schedule A

Schedule A is provided to account for the General Fund Lid Exclusions.

State Statute Section 79-1028.01 provides exceptions to the budgeted General Fund limitation for:

- (a) repairs to infrastructure damaged by a natural disaster,
- (b) judgments,
- (c) a specific dollar amount not to exceed the amount received during such school fiscal year from educational entities for providing distance education courses through the Educational Service Unit Coordinating Council to such educational entities,
- (d) employer contributions pursuant to Statute 79-958(2) to the School Retirement System to the extent such contributions exceed a contribution rate of seven and thirty-five hundredths percent,
- (e) school district contributions pursuant to Statute 79-9,113(1)(b) to the Class V School Employees Retirement System to the extent such contributions exceed the contribution rate of seven and thirty-seven hundredths percent,
- (f) eligible sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination, and
- (g) estimated amount district will receive during school year for Native American Impact Aid. Eligible schools have children in attendance that live on federal property classified as Indian Lands.

List the amount your School District has budgeted for these types of disbursements. The budgeted disbursements are used on the LC-2 Lid Computation Form.

Instructions for Schedule B

Schedule B is provided to account for exclusions from the levy limitation.

Line 1 - This amount will be the Total Personal and Real Property Tax Requirement, which should agree to the cover page.

Lines 3 through 11 - These amounts will be the allowable exclusions from the levy limitation. List the exclusions. You must be able to provide documentation upon request.

State Statute § 77-3442(10) eliminated general obligation bonds used for insurance that were approved on or after April 2, 2008, as an allowable exclusion.

Legislative Bill 512 (2017) restricted the amounts allowed to be excluded for voluntary termination agreements. Additional information is available on the form regarding the amounts eligible as an allowable exclusion.

Line 12 - This amount is the total of lines 3 through 11.

Line 13 - This amount will be line 1 minus line 12.

Line 14 - This amount will be the assessed valuation.

Line 15 - This amount is calculated by dividing line 13 by line 14 and multiplying by 100 to determine the levy subject to the limit. **This is the Total Personal and Real Property Tax Requirement Subject to the \$1.05 Levy Limitation.**

NOTE: Taxes levied by a school district on or after April 2, 2008, for the payment of the principal of, premium of, or interest on such a general obligation bond of such school district and the payment of all costs associated with membership in a risk management pool shall be subject to the levy limit.

Instructions for Schedule D

Schedule D is provided to comply with §79-2401 - §79-2405 which provides contract details for the school district superintendent.

School districts are required to attach a separate identification and description of all current and future costs to the district which are reasonably anticipated as a result of any contract, and any adopted amendments thereto, for superintendent services to be rendered to such school district. See more detailed instructions on the budget page.