

MEMORANDUM OF UNDERSTANDING “LUMP SUM FUNDING”

Between

Warren County Board of Supervisors
and
Warren County School Board

Concerning Lump-Sum Appropriation of Local Funds to Warren County Public Schools

This Memorandum of Understanding (“MOU”) is entered into by and between the **Warren County Board of Supervisors (“Board of Supervisors”)** and the **Warren County School Board (“School Board”)**, collectively referred to as “the Parties.”

The purpose of this MOU is to establish an agreed framework for the **appropriation and administration of local education funding as a lump-sum appropriation**, allowing the School Board flexibility in allocating funds consistent with applicable law and educational priorities.

1. Authority

This MOU is executed pursuant to the authority granted under the **Code of Virginia**, including but not limited to:

- **§ 22.1-88** – Governing body to levy taxes and appropriate funds for schools
- **§ 22.1-89** – Management of school funds
- **§ 22.1-115** – School boards responsible for management and control of funds made available for public schools

These statutes establish that while the governing body appropriates funds for public education, the **School Board maintains authority to manage and control those funds once appropriated.**

2. Purpose

The Parties agree that a **lump-sum appropriation method**:

- Improves financial efficiency
- Reduces administrative burden
- Allows the School Board to respond to changing operational needs
- Maintains fiscal transparency and accountability

This MOU establishes procedures to ensure responsible stewardship of public funds while providing appropriate flexibility to the School Board.

3. Lump-Sum Appropriation

Beginning with the Fiscal Year 2027 budget and continuing annually unless otherwise modified:

1. The Board of Supervisors shall appropriate local funding for Warren County Public Schools as a **single lump-sum amount** within the County budget with the exception of CIP and Textbook Funds which shall be funded in accordance with the appropriate category.
2. The appropriation shall not be restricted by categorical line items unless otherwise mutually agreed upon.
3. The School Board shall retain authority to allocate and expend the appropriated funds across state approved operational categories including, but not limited to:
 - Instruction
 - Administration, Attendance, and Health
 - Pupil Transportation
 - Operations and Maintenance Technology
 - Contingency Reserve

The School Board may adjust internal budget allocations as necessary to meet operational needs without requiring additional approval from the Board of Supervisors, provided total expenditures do not exceed the total appropriation.

4. Fiscal Responsibility

The School Board agrees to:

- Manage all appropriated funds in accordance with **generally accepted governmental accounting principles (GAAP)**.
 - Comply with all requirements of the **Code of Virginia** and applicable state and federal laws.
 - Ensure expenditures remain within the total appropriation approved by the Board of Supervisors.
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5. Budget Transparency and Reporting

To ensure transparency and accountability, the School Board shall provide the following to the Board of Supervisors:

1. **Adopted Annual School Budget**
2. **Monthly financial reports** summarizing expenditures and revenues.
3. **Provide all requested information in a timely manner to the county administration for the annual financial audit.**

These reports are intended for informational and oversight purposes and shall not restrict the School Board's authority to manage funds internally.

6. Cooperation Between Governing Bodies

The Parties commit to ongoing collaboration regarding:

- Annual budget planning
 - Capital improvement planning
 - Financial forecasting
 - Enrollment trends and facility needs
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7. Term and Modification

This MOU shall remain in effect beginning **July 1, 2026** and shall continue until amended or terminated by mutual agreement of both Parties.

Either party may request review or modification of this agreement.

8. Non-Binding Policy Agreement

This MOU reflects the cooperative policy agreement of the Parties and does not supersede statutory authority granted under the **Code of Virginia**.

9. Signatures

IN WITNESS WHEREOF, the Parties execute this Memorandum of Understanding.

Warren County Board of Supervisors

Chairman

Date: _____

Warren County School Board

Chair

Date: _____