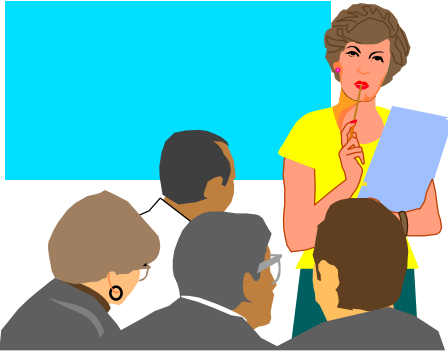


## Overview of the Budget Process



The budget preparation process requires departments and agencies to assess their program goals and objectives and the financial means needed to achieve them. It requires senior County officials to review, select, and prioritize organizational goals. It requires elected officials to weight the needs of their constituency against the cost of providing services. These are all difficult decisions that can prove to be very time consuming.

The Code of Virginia requires "all officers and heads of departments, offices, divisions, boards, commissions, and agency of every locality shall, on or before the first day of April of each year, prepare and submit to the governing body an estimate of the amount of money needed during the ensuing fiscal year for his department, office ... The governing body shall approve the budget and fix a tax rate for the budget year no later than the date on which the fiscal year begins".

The County generally begins its budget process in early December, well in advance of the April deadline specified in the Code of Virginia, and concludes the process by May. An early start is needed in order to ensure tax rates are set for the first semi-annual installment of real estate tax due in June.

### **BUDGET CALL** **TIME FRAME: MID DECEMBER**

The budget process commences with a memorandum addressed to County departments, boards, commissions, and agencies receiving County funds. This memorandum, also known as the "Budget Call", requests all County funded entities to provide an estimate of funds needed to operate their department in the ensuing fiscal year. Departments are requested to separate their funding request into two categories, operating funds and capital funds.

The operating funds category includes wages, benefits, contractual services, supplies and other operating expenditures. Acquisition of assets which are part of a regular replacement cycle are also included in this category. Departments are requested to provide written explanations for all increases in funding requests above the previous fiscal year adopted budget.

The capital funds category includes acquisition of assets on an irregular basis, not more frequently than once every three years. Capital requests must be accompanied by documentation justifying the capital asset purchase.

### **BUDGET DEVELOPMENT** **TIME FRAME: EARLY JANUARY TO LATE FEBRUARY**

All operating and capital expenditure funding requests are collected and reviewed by the Central Accounting Department. This department also prepares the revenue forecasts, debt analysis and other schedules as needed. All of this information is then incorporated into a preliminary budget document. Budget data contained in this document is presented using two different scenarios.



The first scenario, known as the "Base Budget", is essentially the previous years adopted expenditure budget combined with current revenue projections. The expenditure budget, under this scenario, only differs from the prior year budget in that existing employee benefit costs have been adjusted and previous year budget amendments determined to be recurring in nature have been included.

The second scenario, known as the "Requested Budget", combines current revenue projections with all requested expenditure increases submitted by departments and agencies.

## *Overview of the Budget Process-continued*

The preliminary budget, including the "Base" and "Requested" scenarios, is presented to the County Administrator for review. Changes suggested by the County Administrator are made and a budget document is produced.



### **BUDGET DELIBERATIONS TIME FRAME: EARLY TO LATE MARCH**

The budget document is presented to the County Board of Supervisors by the County Administrator during public session. Representatives of departments or agencies requesting additional operating or capital funds are then scheduled to present their justifications for increases in funding to the Board of Supervisors. After all departments and agencies are heard, the Board then begins the process of formulating their goals and directives into a County budget. Once this process is complete, the budget is ready to be advertised in the local newspaper.

### **PUBLIC HEARING**

### **TIME FRAME: EARLY APRIL**

The Code of Virginia requires a public hearing to be conducted in order to obtain citizen comments. The public hearing must be advertised at least seven days prior to the hearing date. Once the hearing is concluded, the Board must wait at least seven days before adoption of the advertised budget can take place.



### **BUDGET ADOPTION**

### **TIME FRAME: MID APRIL**

The Board may adopt the advertised budget at any time after public hearing requirements have been observed. The County may even reduce the advertised budget but cannot increase it without an additional public hearing. Once the budget is adopted, two other items need to be addressed.

First, the Board must set property tax rates.

Second, the Board must adopt an Appropriation Resolution. An appropriation is essentially the legal authorization to spend budgeted expenditures. The Board's appropriation resolution is made at the departmental or agency level. This allows department and agency heads to transfer budgetary funds among programs within their department without violating the appropriation resolution.

### **TAX BILL MAILING**

### **TIME FRAME: LATE APRIL TO EARLY MAY**

Real estate tax bills are mailed reflecting the new tax rates adopted.