



**2016 Budget**

**Policy, Procedure, and Calendar**

# **BUDGET POLICY AND PROCEDURES**

## **Budget Statement**

“Chambers County is committed to achieving the Government Finance Officers Association Distinguished Budget Presentation Award for the fiscal year 2016”

## **Budget Policies**

### **Revenue Policy**

The County will maintain a stable and diversified revenue system to protect it from short-term fluctuations in any single revenue source and, whenever applicable, establish user fees and charges permitted by law at levels associated with the direct and indirect costs of providing those services. Furthermore, the County will annually evaluate fees and charges to assure that total costs are covered and will adjust accordingly to keep pace with the cost of providing those services.

### **Tax Rate Policy**

The Commissioners’ Court believes it is unacceptable to raise the tax rate next year. Every effort will be made to avoid increasing the tax rate.

### **Indebtedness Policy**

The County will confine long-term debt to capital projects.

### **General Level of Spending Policy**

All departments should expect to continue operations at the same level as this year. Exceptions may be requested, if fully documented, but may be granted only if revenues increase beyond currently foreseeable levels.

Department heads should request approximately the same funding they are receiving this year. The budget officer will make adjustments for inflation.

### **Investment Policy**

The County annually adopts a formal investment policy that is consistent with the Public Funds Investment Act and Public Funds Collateral Act. The County follows the “prudent person rule” in investment decisions.

### **Salaries and Benefits Policy**

Salaries and benefits must remain at current levels unless unforeseen revenue is obtained. There is a possibility of merit raises next year and every effort will be made to provide a cost-of-living to all employees. The budget officer will calculate all raises and adjustments.

# BUDGET POLICY AND PROCEDURES

## Fund Balance Policy

The County practices conservative budgeting and adopted a fund balance policy that requires the County to maintain an unassigned fund balance in the General Fund not less than 25% of annual expenditures.

## Budget Procedures

### Procedures

The County follows the procedures below in establishing the budget.

- Chambers County fiscal year begins on January 1<sup>st</sup> and ends of December 31<sup>st</sup>. The budget process starts in January/February with establishing the budget calendar and policy. Then in May, department heads project their financial requirements for the upcoming year. The Budget Worksheet is a guide of initial budget requests.
- Departmental annual requests are then submitted by the department to the County Auditor in June. The County Auditor compiles the initial requests and in July, budget hearings are held for each department. Commissioners' Court, who includes the County Judge and the four County Commissioners, oversees the budget hearings. The hearings allow department heads the opportunity to discuss with Commissioners' Court any changes in their budget, and items that are a priority. The public is invited to attend all budget hearings, which are posted according to the Open Meetings Act.
- The County Auditor prepares an estimate of available resources in each fund for the upcoming fiscal year. Expenditures budgeted in the various fund may not exceed the fund balances as of the first day of the fiscal year.
- In September, the County Auditor prepares the proposed annual operating budget to be presented to Commissioners' Court. Public hearings are held on the proposed budget.
- The Commissioners' Court must adopt an annual operating budget by a majority vote before October 1<sup>st</sup>.
- The budgets of general government are prepared on the accrual basis. This means that all of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.
- Encumbrance accounting is used for all funds. Encumbrance accounting means that an estimated cost is recorded on the books at the time of an order of goods and services so that all obligations are booked. When the actual cost is known, it is booked, and the encumbrance is reversed.
- The budget document doesn't include grants. Grants are restricted for specific purposes. Because grants are presented to Commissioners' Court throughout the year

# **BUDGET POLICY AND PROCEDURES**

and some run on different fiscal years, the grant budgets and accountings are maintained separately from this document.

## **Amending the Budget**

- Except through certification of the County Auditor and through approval by Commissioners Court, the total amount appropriated in the budget cannot be amended. However, funds may be reallocated to different expenditure accounts. These types of changes to the budget occur in the form of budget transfers.

# BUDGET CALENDAR

## January-February

- Establish the budget policy, process, and calendar with governing body

## March-April

- Communicate the budget policy, process, and calendar to all department heads and elected officials
- Distribute departmental request forms
- Help departments complete request forms

## May

- Collect all department request
- Prepare revenue estimates
- Prepare preliminary budget
- Receive Abatement and 381 schedules from EDC

## May 15

- Chief appraiser submits estimate of total appraised value to appraisal review board for review and determination of protests

## June-July

- Budget Committee reviews preliminary budget
- Governing body reviews preliminary budget
- Budget hearings

## July 25

- Deliver certified appraisal roll to Tax Assessor
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## August 1

- Deliver the appraisal roll to the court showing:
  - Total appraised, assessed, and taxable values
  - Total appraised, assessed, and taxable values for new property
- Certify a collection rate for the current year

## August 7

- Calculate, publish, and present to the court:
  - Effective tax rate, rollback rate, and calculation methods
  - Estimate amounts of unencumbered interest and sinking, and maintenance and operation balances
  - Schedule of debt obligations
  - Projected sales and use tax to reduce property tax
  - Amount of increase (decrease) based on effective tax rate
  - Information on transferred departments or functions
  - Information on tax effect of transferred department or functions

## August

- Complete proposed budget
- File proposed budget with County Clerk and make it available for public inspection at least 15 days prior to public hearings
- Discuss, with department head and elected officials any changes to their budget
- Make any changes if necessary

## September

- Hold public hearings for tax rate; if necessary vote on tax rate

# BUDGET CALENDAR

- Hold public hearings on budget
- Adopt budget
- Final Budget Review with Department Heads and Elected Officials
- Levy taxes before September 30, or the 60<sup>th</sup> day after the date the certified appraisal roll is received
- File copy of adopted budget with County Clerk