

## 2. BUDGETING

### 2.2 Budgeting Procedures

#### 2.2.1 Annual Appropriated Operating Budgets

2.2.1.10 This is the traditional budget universally adopted by local governments for the general (or current expense) and special revenue funds. See Design and Prescription for more specific rules about which funds must adopt an appropriated operating budget. This type of budget is developed *from the ground up*; that is, it begins with budget estimates and requests from individual department and fund managers. From this level, the estimates and requests are summarized by the budget office into a total budget for the entire governmental unit. The individual government should decide how many levels of budgetary detail and summary are needed; however, the ordinance or resolution that formally adopts the budget should be at a fund or department level. (See the sample ordinance here.)

2.2.1.20 These illustrative forms and instructions provide for narrative explanations to accompany all budget requests. These narratives should be prepared by the operating department, not by the budget office. Narratives should accompany all budget forms where it is necessary to explain exceptions and/or analyze estimated revenues and expenditures. Detailed explanations are not required for routine continuing support costs such as electricity, water, heat, etc. The narrative requirements should be outlined by the budget officer.

2.2.1.30 The types of budgets are illustrated as SAO forms. Local governments are not required to use those forms. Your government may use its own forms and format as long as the required BARS coding is used.

#### Estimated Expenditures/Expenses/Uses/Reserves

2.2.1.40 The operating budget is prepared at the department or comparable level by fund, program, department, Basub, element, and object. Subobjects are not required for budgeting.

#### Estimated Beginning Fund Balance/Revenues/Other Sources

2.2.1.50 Initial estimates of revenues and other sources are prepared by the revenue collecting unit. These data are listed by fund, department, Basub and element. In addition, each intergovernmental revenue should be separately identified by a grant source code.

2.2.1.60 The collecting unit projects revenue on a departmental level with a narrative to explain increases or decreases. These estimates are submitted to the budget officer.

2.2.1.70 The budget officer summarizes all the departmental estimates by fund, element, and subelement and adds estimated beginning fund balance and tax levies. At this time, reference to departments is usually omitted since amounts are combined under applicable funds. Department narratives are combined into a single statement for the legislative body.

Fund Name and Number			Estimated Beginning Net Cash and Investments/ Revenue/Other Sources  ___ excluding taxes ___ including taxes				City/County/District		
Program							Budget For Year _____	Page	
Department									
Account Number			A Last Year Actual	Current Year			F Next Year Estimate	G <sup>2</sup> (F)E)-1 (%)	
Basub	Ele.	Object		B Actual to Date	C <sup>1</sup> B)E (%)	D Original Budget			E Amended Budget
			Enter account title from Chart of Accounts.	Columns:					
				A Enter prior year actual revenues/other sources, including beginning net cash and investments. B Enter current year revenues/other sources to budget preparation date, including beginning net cash and investments. C See Note 1 below. D Original budget adopted for current year. E Current year budget, including all amendments to date. F Proposed budget for next year, including estimated beginning net cash and investments. G See Note 2 below.					

<sup>1</sup> Column C gives the percent of estimated resources that have actually been earned or received.

<sup>2</sup> Column G is the estimated increase or (decrease) in the next year resources over the current year latest estimate.

Fund Name and Number			Estimated Expenditures/Uses/Reserves				City/County/District		
Program							Budget For Year _____	Page	
Department									
Account Number			A Last Year Actual	Current Year			F Next Year Estimate	G <sup>2</sup> (F)E)-1 (%)	
Basub	Ele.	Object		B Actual to Date	C <sup>1</sup> B)E (%)	D Original Budget			E Amende d Budget
			Enter account title from Chart of Accounts.	Columns:					
				A Enter prior year actual expenditures and ending net cash and investments. B Enter current year expenditures to budget preparation date. C See Note 3 below. D Original budget adopted for current year. E Current year budget, including all amendments to date. F Proposed budget for next year, including estimated ending net cash and investments. G See Note 4 below.					

<sup>1</sup> Column C gives the percent of estimated expenditures/uses that have actually been incurred.

<sup>2</sup> Column G is the estimated increase or (decrease) in the next year expenditures/uses over the current year latest estimate.

Fund Name and Number			Estimated Beginning Net Cash and Investments/ Revenue/Other Sources				City/County/District			
Program			___ excluding taxes ___ including taxes				Budget For Year _____		Page	
Department							F Next Year Estimate		G <sup>2</sup> (F)E)-1 (%)	
Account Number			Account Title	A Last Year Actual	Current Year				F Next Year Estimate	G <sup>2</sup> (F)E)-1 (%)
Basub	Ele.	Object			B Actual to Date	C <sup>1</sup> B)E (%)	D Original Budget	E Amended Budget		

<sup>1</sup> Column C gives the percent of estimated resources that have actually been earned or received.

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Fund Name and Number			Estimated Expenditures/Uses/Reserves				City/County/District			
Program			___ excluding taxes ___ including taxes				Budget For Year _____		Page	
Department							F Next Year Estimate		G <sup>2</sup> (F)E)-1 (%)	
Account Number			Account Title	A Last Year Actual	Current Year				F Next Year Estimate	G <sup>2</sup> (F)E)-1 (%)
Basub	Ele.	Object			B Actual to Date	C <sup>1</sup> B)E (%)	D Original Budget	E Amended Budget		

<sup>1</sup> Column C gives the percent of estimated expenditures/uses that have actually been incurred.

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