

## **THE BUDGET DEVELOPMENT PROCESS**

County Management meets with the Board of County Commissioners (BOC) near the beginning of the calendar year for direction relative to issues and countywide goals, objectives and priorities.

These goals, objectives and priorities become the driving force behind the budget cycle and initiates a three-phase process:

- REQUEST by Departments
- RECOMMENDED by Manager
- APPROVED by Board of Commissioners

### **DEPARTMENT REQUESTS**

In late January, the Office of Budget Management & Evaluation gives directions and instructions to all departments on the submission of budget requests for the next fiscal year. Information submitted to the departments includes a budget calendar outlining time frames for the completion of certain aspects of the budget process and guidelines for preparing the budget, such as inflation factors, formulae for calculating fringe benefits, etc. The departments are made aware of the budgetary goals and specific policies that the Board of Commissioners has established to govern the development of the annual budget.

The departments are required to submit performance and objective summary information, a purpose statement, and expenditure and revenue amounts by function/source for three consecutive years. The performance measures should indicate the departmental or activity goals for improvement, indicating percentage of change, number of persons served, and results of performance that can be measured against: (1) goals of the Board; (2) "best practices" in other cities and counties; or (3) prior years' performance.

### **MANAGER'S RECOMMENDED BUDGET**

The Office of Budget Management & Evaluation reviews and analyzes all revenue sources, including tax valuations, and determines the amount of projected revenues that will be available from all sources.

After receiving the budget requests from the departments, the Office of Budget Management & Evaluation analyzes the requests to determine if they are reasonable, justified and consistent with performance measures and budget directives; makes adjustment to bring budget requests in line with established goals; and makes an initial recommendation on each request, including capital equipment and new positions.

Work sessions including the County Manager, the Budget Director, the appropriate Budget Analyst and the leadership from each department are held to acquaint the Manager with the initial recommendation for the department. Work sessions with the Board and selected departments are also conducted to receive BOC input prior to a final recommendation from the Manager.

The Budget Director and County Manager, working in conjunction with the budget staff, develop a recommended budget to be presented to the Board, along with the budget message near the beginning of June.

## **THE BUDGET DEVELOPMENT PROCESS**

### **BOARD APPROVED BUDGET**

The Board of Commissioners, the County Manager and the Budget Director schedule work sessions to discuss the Recommended Budget, if such sessions are requested by the Commissioners. The Board reacts to the Recommended Budget, and the tax rates proposed to fund the recommendation. Adjustments are made to the Recommended Budget, based upon Board recommendations, citizens' input from public hearings, legislative actions, and other factors that become apparent.

The General Statutes of North Carolina require the adoption of a budget by June 30. The FY 2009-10 budget was adopted by the Board of Commissioners on June 04, 2009.

In accordance with the General Statutes of North Carolina, the County prepares and adopts its budget for the General Fund, School Capital Outlay Fund, Fire Protection District Funds, County Building Construction Fund, Law Enforcement Separation Fund, Room Occupancy and Tourism Development Tax Fund, and Emergency Telephone System Fund on the modified accrual basis. A financial plan to operate the Internal Services Fund is adopted each fiscal year, with revenue derived from fees for services, fund balances, and other revenues being adequate to meet expenditures. Each of these funds is included in the Budget Ordinance and in the schedules and tables included in this document.

**GUILFORD COUNTY  
BUDGET CALENDAR**

**FY 2009-2010**

<b>DATE</b>	<b>BUDGET PROCEDURES</b>	<b>ACTION BY</b>																
<b>2008</b>																		
December 17	Distribute Draft Calendar at Department Head Meeting	Budget & Management																
December 19	Downloads of current position/employee data and FY 2010 longevity estimates from Human Resources to Budget	Human Resources																
December 31	Distribution of Capital Investment Program information and forms	Budget & Management																
<b>2009</b>																		
January 16	New Position Requests from departments to Human Resources Technology/CB07 Requests from departments to Information Services	Departments Departments																
January 19	Preliminary Excel Budget Files ready for department use Preliminary department personnel budgets released	Budget & Management Budget & Management																
January 30	Capital Investment Program requests due from Departments --- <b>AND</b> ---	Departments																
	<b>FY 09-10 Budget Requests and Supporting Information due from GROUP A Departments:</b>	<b>Departments</b>																
	<table> <tr> <td><b>Commissioners</b></td> <td><b>Purchasing</b></td> </tr> <tr> <td><b>Clerk to the Board</b></td> <td><b>Security</b></td> </tr> <tr> <td><b>Administration</b></td> <td><b>Facilities</b></td> </tr> <tr> <td><b>County Attorney</b></td> <td><b>Veterans Services</b></td> </tr> <tr> <td><b>Human Resources</b></td> <td><b>Property Mangement/Courts</b></td> </tr> <tr> <td><b>Budget &amp; Management</b></td> <td><b>Parking/Fleet Operations</b></td> </tr> <tr> <td><b>Internal Audit</b></td> <td><b>Cooperative Extension</b></td> </tr> <tr> <td><b>Finance</b></td> <td></td> </tr> </table>	<b>Commissioners</b>	<b>Purchasing</b>	<b>Clerk to the Board</b>	<b>Security</b>	<b>Administration</b>	<b>Facilities</b>	<b>County Attorney</b>	<b>Veterans Services</b>	<b>Human Resources</b>	<b>Property Mangement/Courts</b>	<b>Budget &amp; Management</b>	<b>Parking/Fleet Operations</b>	<b>Internal Audit</b>	<b>Cooperative Extension</b>	<b>Finance</b>		
<b>Commissioners</b>	<b>Purchasing</b>																	
<b>Clerk to the Board</b>	<b>Security</b>																	
<b>Administration</b>	<b>Facilities</b>																	
<b>County Attorney</b>	<b>Veterans Services</b>																	
<b>Human Resources</b>	<b>Property Mangement/Courts</b>																	
<b>Budget &amp; Management</b>	<b>Parking/Fleet Operations</b>																	
<b>Internal Audit</b>	<b>Cooperative Extension</b>																	
<b>Finance</b>																		
February 9 - 13	CIP Committee reviews requests with departments & prepares recommendations	Departments																
February 13	Human Resources to submit recommended new positions and cost information for compensation issues/market survey/insurance estimates to Budget & Management	Human Resources																
	<b>FY 09-10 Budget Requests and Supporting Information due from GROUP B Departments:</b>	<b>Departments</b>																
	<table> <tr> <td><b>Law Enforcement</b></td> <td><b>Board of Elections</b></td> </tr> <tr> <td><b>Emergency Services</b></td> <td><b>Planning &amp; Inspections</b></td> </tr> <tr> <td><b>Fire Protection Districts</b></td> <td><b>Solid Waste</b></td> </tr> <tr> <td><b>Tax</b></td> <td><b>Soil &amp; Water</b></td> </tr> <tr> <td><b>Register of Deeds</b></td> <td><b>Culture &amp; Recreation</b></td> </tr> <tr> <td><b>Court Alternatives</b></td> <td><b>Economic Development</b></td> </tr> <tr> <td><b>Information Services</b></td> <td></td> </tr> </table>	<b>Law Enforcement</b>	<b>Board of Elections</b>	<b>Emergency Services</b>	<b>Planning &amp; Inspections</b>	<b>Fire Protection Districts</b>	<b>Solid Waste</b>	<b>Tax</b>	<b>Soil &amp; Water</b>	<b>Register of Deeds</b>	<b>Culture &amp; Recreation</b>	<b>Court Alternatives</b>	<b>Economic Development</b>	<b>Information Services</b>				
<b>Law Enforcement</b>	<b>Board of Elections</b>																	
<b>Emergency Services</b>	<b>Planning &amp; Inspections</b>																	
<b>Fire Protection Districts</b>	<b>Solid Waste</b>																	
<b>Tax</b>	<b>Soil &amp; Water</b>																	
<b>Register of Deeds</b>	<b>Culture &amp; Recreation</b>																	
<b>Court Alternatives</b>	<b>Economic Development</b>																	
<b>Information Services</b>																		
	Review of Current Year Property Tax Collections and Preliminary Growth Projections for next fiscal year.	Tax Department																
Mid-February	State estimates received by Social Servcies, Public Health, and Mental Health	State of North Carolina																
February 16 - 20	<b>County Manager to review GROUP A budget requests</b>	<b>Departments Budget &amp; Management County Manager</b>																

**GUILFORD COUNTY  
BUDGET CALENDAR**

FY 2009-2010

DATE	BUDGET PROCEDURES	ACTION BY
February 27	<b>FY 09-10 Budget Requests and Supporting Information due from GROUP C Departments</b>  <b>Social Services</b> <b>Mental Health</b> <b>Public Health</b> <b>Child Support Enforcement</b> <b>Other Protection</b> <b>Room Occupancy/Tourism Fund</b>	<b>Departments</b>
	<b>Public Assistance Programs</b> <b>Human Services Transportation</b> <b>Coordinated Services</b> <b>Animal Services</b> <b>Internal Services Fund</b>	
March 2 - 6	<b>County Manager to review GROUP B budget requests</b>	<b>Departments</b> <b>Budget &amp; Management</b> <b>County Manager</b>
Mid-March	Preliminary Budget requests from the School Board & GTCC, if possible.	Guilford County Schools GTCC
March 16 - 20	<b>County Manager to review GROUP C budget requests</b>	<b>Departments</b> <b>Budget &amp; Management</b> <b>County Manager</b>
March 20	Tax Valuation update from Tax Department. Estimate of Fund Balance & Investment Earnings from Finance.	Tax Department Finance
Late March to Mid-April	Additional review and meetings with departments, if necessary.	County Manager Budget & Management
Late April	Final adjustments and budget document preparation and printing	Budget
May 1	Statutory deadline for School Superintendent to present budget and budget message to the School Board.	Superintendent School Board
May 7	Manager's Recommended Budget to Board of Commissioners	County Manager
May 7	Notify fire districts of probable tax rates and public hearing.	Budget & Management
May 11	Board Work Session	County Commissioners County Manager Budget & Management Departments
May 15	Statutory deadline for Board of Education to present budget request to the County Manager.	Superintendent School Board
May 21	Public Hearing on Manager's Recommended Budget	Public County Commissioners
May 28	Board Work Session	County Commissioners County Manager Budget & Management Departments
June 4	Adoption of Budget Ordinance.	County Commissioners
July 1	Statutory deadline for Board of County Commissioners to adopt the Budget Ordinance.	County Commissioners

## THE BUDGET AMENDMENT PROCESS

### LEVEL OF BUDGETARY CONTROL

Budgets in the General Fund and annually budgeted projects in the Capital Projects Funds are legally controlled at the department level. For these funds, the budget is appropriated by the Board by department or project. Any amendments that increase or decrease departmental budgets or projects must follow certain approval processes as described below. Projects in the Capital Projects Fund with project-length budgets are controlled by project. The legal level of control varies for the Special Revenue Funds. Appropriations in the Rural Fire District Fund are by rural fire tax district; the appropriations in the Room Occupancy/Tourism Development Tax Fund are on a fund basis.

Modifications to the original budget occur throughout the year for a variety of reasons. These modifications take one of four forms: (1) Budget Transfers; (2) Budget Revisions up to \$30,000; (3) Budget Revisions over \$30,000; (4) Budget Revisions from Technology Pool.

### BUDGET TRANSFERS

Budget transfers usually originate at the department level. Transfers adjust various line items within the department's budget, but do not affect the overall total for the department. Transfer requests are submitted to the Budget Office for processing. The request includes a justification and the conditions resulting in the availability of funds to support the transfer. If the transfer involves a capital outlay account, a specific listing of the affected items must be included. Budget Transfers may not be used to provide funding for the creation of unauthorized positions. The assigned Budget Analyst reviews the request. The approved transfer is forwarded to the Finance Department for processing.

### BUDGET REVISIONS

#### ***Up to \$30,000***

The County Manager is authorized in the Budget Ordinance to make transfers between departments within the same fund of up to \$30,000 per transaction. These budget revisions are treated in much the same manner as Budget Transfers with one exception -- the County Manager is required to report each revision of this nature to the Board at its next regularly scheduled meeting. As with Budget Transfers, these Budget Revisions may not be used to create unauthorized positions or raise salaries.

The County Manager is also authorized in the Budget Ordinance to make appropriations from the Reserve for Contingencies in an amount not to exceed \$30,000. These transactions must be reported to the BOC at its next regular meeting.

#### ***Over \$30,000***

Budget Revisions in excess of \$30,000 require the approval of the Board of Commissioners. The preparation of these revisions is much the same as for transfers or revisions less than \$30,000. These types of transactions, however, must go through the Agenda Process for presentation to the Board. For this reason, additional supplemental information regarding the reason for the revision may be required.

#### ***Technology Items & Group Insurance***

The County Manager is authorized to transfer funds appropriated in the Technology Pool in the General Fund Capital Outlay to other departments within the General Fund for the purchase of computer hardware, software, and other technological items in amounts as he/she deems necessary and General Fund group insurance to other departments within the General fund to adjust for projected expenditure patterns. Each such transfer shall be reported to the Board of Commissioners at its next regular meeting.