

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 initiate a three-phase process:

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

DEPARTMENT REQUESTS

At the start of the budget development process, 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 narratives describing their operations, plans for the next budget year, performance information, and expenditure and revenue requests by function/source. Expenditure and revenue requests are divided into three categories:

- Base – expenditures/revenues that are needed to support existing programs at existing service levels
- Expansion – expenditures/revenues associated with new programs or expanded service levels
- Cuts – expenditure/revenue reductions associated with programs proposed for elimination or reductions in service levels.

Budget requests and related information is also received from external organizations funded by the County, including the Guilford County Schools, Guilford Technical Community College, and county fire districts.

Staff committees are convened to evaluate department requests for major facility maintenance projects, large equipment purchases, vehicle acquisitions, and major technology expenditures. The focus is on prioritizing the requests and developing and updating multi-year inventories of needs.

Finally, 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.

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MANAGER'S RECOMMENDED BUDGET

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; identifies adjustments 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 in April.

BOARD APPROVED BUDGET

The Board of Commissioners, or a Board-appointed sub-committee, the County Manager and the Budget Director schedule work sessions to discuss the Recommended Budget, if such sessions are requested by the Commissioners. The North Carolina General Statutes require that a public hearing on the budget be held before its adoption.

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 direction, citizens' input from public hearings, legislative actions, and other factors that arise during deliberations.

The General Statutes of North Carolina require the adoption of a budget by June 30. (The FY 2010-2011 budget was adopted on June 3, 2010.)

In accordance with the General Statutes of North Carolina, the County prepares and adopts its budget for the General Fund, Fire Protection District Funds, County Building Construction Fund, and the Room Occupancy and Tourism Development Tax 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 2010-2011

DATE	BUDGET PROCEDURES	ACTION BY																
2009																		
August 11	Distribute Draft Calendar at Department Head Meeting	Budget & Management																
August 21	Downloads of current position/employee data and FY 2011 longevity estimates from Human Resources to Budget	Human Resources																
September 11	New Position Requests from departments to Human Resources Technology/CB07 Requests from departments to Information Services Facility Renovation/Repair requests from departments to Facilities	Departments Departments Departments																
September 30	Preliminary Excel budget entry files provided to departments Personnel budget estimates provided to departments Recommended Technology (operating) expenditures to departments Recommended Facility expenditures to departments Human Resources to submit recommended new positions and cost information for compensation issues/market survey/insurance estimates to Budget & Management	Budget & Management Budget & Management Information Services Facilities Human Resources																
October 30	Budget Requests due from Departments Estimate of Fund Balance & Investment Earnings from Finance	Departments Finance																
December (subject to change)	Budget Requests from Guilford County Schools and GTCC	GCS, GTCC																
Mid-January - February	Manager's review of budget requests	Departments, Budget, Manager																
2010																		
January 7	Board Retreat	County Commissioners																
January 15	Review of Current Year Property Tax Collections and Updated Growth Projections for next fiscal year.	Tax Department																
Late January	Manager's Review of GROUP A Requests:	Departments																
	<table border="0"> <tr> <td>Commissioners</td> <td>Purchasing</td> </tr> <tr> <td>Clerk to the Board</td> <td>Security</td> </tr> <tr> <td>Administration</td> <td>Facilities</td> </tr> <tr> <td>County Attorney</td> <td>Veterans Services</td> </tr> <tr> <td>Human Resources</td> <td>Property Management/Courts</td> </tr> <tr> <td>Budget & Management</td> <td>Parking/Fleet Operations</td> </tr> <tr> <td>Internal Audit</td> <td>Cooperative Extension</td> </tr> <tr> <td>Finance</td> <td></td> </tr> </table>	Commissioners	Purchasing	Clerk to the Board	Security	Administration	Facilities	County Attorney	Veterans Services	Human Resources	Property Management/Courts	Budget & Management	Parking/Fleet Operations	Internal Audit	Cooperative Extension	Finance		
Commissioners	Purchasing																	
Clerk to the Board	Security																	
Administration	Facilities																	
County Attorney	Veterans Services																	
Human Resources	Property Management/Courts																	
Budget & Management	Parking/Fleet Operations																	
Internal Audit	Cooperative Extension																	
Finance																		
February 2, 16, March 2, 16, April 8, 27	Board Education Budget Committee	Bd of Comm Committee Bd of Education Committee Manager Budget & Management																
Early February	Manager's Review of GROUP B Requests:	Departments																
	<table border="0"> <tr> <td>Law Enforcement</td> <td>Board of Elections</td> </tr> <tr> <td>Emergency Services</td> <td>Planning & Inspections</td> </tr> <tr> <td>Fire Protection Districts</td> <td>Solid Waste</td> </tr> <tr> <td>Tax</td> <td>Soil & Water</td> </tr> <tr> <td>Register of Deeds</td> <td>Culture & Recreation</td> </tr> <tr> <td>Court Alternatives</td> <td>Economic Development</td> </tr> <tr> <td>Information Services</td> <td></td> </tr> </table>	Law Enforcement	Board of Elections	Emergency Services	Planning & Inspections	Fire Protection Districts	Solid Waste	Tax	Soil & Water	Register of Deeds	Culture & Recreation	Court Alternatives	Economic Development	Information Services				
Law Enforcement	Board of Elections																	
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Fire Protection Districts	Solid Waste																	
Tax	Soil & Water																	
Register of Deeds	Culture & Recreation																	
Court Alternatives	Economic Development																	
Information Services																		
Mid-February	State estimates received by Social Services, Public Health, and Mental Health	State of North Carolina																

**GUILFORD COUNTY
BUDGET CALENDAR**

FY 2010-2011

DATE	BUDGET PROCEDURES	ACTION BY
Late February	Manager's Review of GROUP C Requests: Social Services Mental Health Public Health Child Support Enforcement Other Protection Room Occupancy/Tourism Fund	Departments
February 19	Tax Valuation update from Tax Department. Updated Estimate of Fund Balance & Investment Earnings from Finance	Tax Department Finance
Late February to March	Additional review and meetings with departments, if necessary	County Manager Budget & Management
March 22, 29, April 6, May 6	Board Budget Committee Work Sessions	Board Budget Committee County Manager Budget & Management Departments
Early April	Final adjustments and budget document preparation and printing	Budget
April 15	Manager's Recommended Budget to Board of Commissioners	County Manager
April 15	Notify fire districts of recommended tax rates and public hearing	Budget & Management
May 1	Statutory deadline for School Superintendent to present budget and budget message to the Board of Education	Superintendent Board of Education
May 6	Board Budget Work Session	County Commissioners
May 6	Public Hearing on Manager's Recommended Budget	Public
May 15	Statutory deadline for Board of Education (GCS) and Board of Trustees (GTCC) to present budget request to Board of Commissioners	Board of Education Board of Trustees
May 18	Board Budget Work Session	<i>County Commissioners County Manager Budget & Management Departments</i>
June 3	Adoption of Budget Ordinance	County Commissioners
June 30	Statutory deadline for Board of County Commissioners to adopt the Budget Ordinance	County Commissioners
July 1	New fiscal year begins.	

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 and are submitted to the Budget Department for processing. Transfers adjust various line items within the department's budget, but do not affect the overall total for the department. The request includes a justification and the conditions resulting in the availability of funds to support the transfer. Budget transfers may not be used to provide funding for the creation of unauthorized positions. The assigned Budget Analyst reviews the request and, upon approval, makes the adjustment in the financial system.

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.

\$30,000 and above

Budget Revisions in equal to or 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.