

BUDGET PROCESS

North Carolina counties budget and spend money under the Local Government Budget and Fiscal Control Act (LGBFCA), as adopted by the North Carolina General Assembly. The major effects of the LGBFCA on the budgetary process for FY 2010 were as follows:

1. In the fall, the County Manager submitted the budget calendar to the Board of Commissioners for adoption. This set the schedule for the budget planning process.
2. Once the Budget Calendar was approved, the Finance department distributed forms for department requests of the capital improvement projects. These requests were returned to Finance for compilation and recommendation of projects to the Board of Commissioners. The adoption of the CIP was delayed due to uncertain funding streams in the current year. Commissioners later adopted this plan in the Spring with the contingency that it would be adopted in concept only, and revisited in the Fall when there will be a better picture of available revenues. Normally, once adopted, this becomes a documented and funded plan based on the commitment by the Board with respect to capital improvements for the budget year and the following four years. This plan is reviewed and changed each year as priorities become known.
3. In January, the Finance department sent out forms for departmental input in two phases— (1) personnel requests and (2) operating and capital budget requests. All departments, other than the public schools, were required to submit to the County Manager their personnel requests by January 30th and their operating and capital budget requests (along with revenue estimates) by February 27th. In February, applications for funding were available to nonprofit organizations. These applications were due to the Finance Office by March 6th.
4. March and April were important information collection months. March 16th- April 10th marked departmental budget presentations with the County Manager and the Finance Office. Each county department was required to present their budget during this time period. Additionally, March 25th was the Board of County Commissioners Annual Retreat, where they discussed what they would like to see in the budget and gave the manager ideas on how to accomplish their requests. Finally, a public hearing was held on April 20th for nonprofit agencies which had applied for funding.
5. Having collected and analyzed the information collected in the previous months, the County Manager delivered her Recommended Budget to the Board of County Commissioners during their regular meeting on May 18th. This recommended budget was balanced pursuant to G.S. 159-11 and the Commissioner's request. On this same day, a copy of this Proposed Budget was filed with the Clerk to the Board for public inspection as well as posted to the county's website at www.personcounty.net. To give the public an opportunity to comment on the proposed budget, notice of the budget public hearing was posted on May 27th for the regularly scheduled Board of Commissioners meeting on June 1st. Commissioners then entered into their first of three budget work sessions on May 28th to discuss potential changes they desired to make. Each of these

three work sessions was open to the public. A public comment period was included in the beginning of this work session for citizens to voice their opinions about the proposed budget. Keeping with the posting and LGBFCA requirements, the Commissioners held the formal Public Hearing at the beginning of their regularly scheduled June 1st meeting. The second and third budget work sessions were held June 2nd and June 8th.

6. At the final budget work session on June 8th, the Board of County Commissioners adopted the FY09-10 Annual Budget Ordinance. This is in line with LGBFCA regulations, requiring all budget ordinances to be adopted by July 1st, but no earlier than 10 days after the recommended budget is submitted. The Ordinance contains the appropriations, estimated revenues, and property tax rate. This adopted Ordinance allows for all adjustments from the Board from the initial adoption date plus any subsequent adjustments approved through June 30th to include personnel costs. Any shortfalls or other adjustments to the Adopted Budget will be adjusted by a like amount appropriation from the County's fund balance or an adjustment to contingency or other revenue or expenditure line item so that the fiscal year budget remains balanced pursuant to Chapter 159 of the General Statutes.
7. The FY09-10 Adopted budget will become available in the County's Logics System by July 7th.
8. The Board of County Commissioners adopts the budget for each year at the organizational/departmental level. Spending is controlled at the appropriation unit level for each organization. Departments are allowed to spend beyond the budgeted amount on any line item (object), but they must do an appropriations transfer from another line item that must be approved by the County Manager.
9. During the course of the year, departments can submit budget amendments to the Finance Department due to increases or decreases in revenues (i.e., receipt of a new grant, change in State or Federal funding, etc.); a request for use of contingency funds; or the transfers of funds between appropriation units (i.e. personnel, operating, or capital expenditures) or between other departments or funds. The Finance Department may consider the merit of these changes, and if deemed appropriate, the budget amendment is brought before the Board of County Commissioners for approval.
10. Departments have the ability to access the County's financial system 24 hours a day.
11. Two employees are authorized to enter budget revisions into the financial system. On occasion, these employees will prepare a budget revision and enter the revision into the financial system. However, in all cases, the revision is reviewed and signed by either the County Manager or approved by the Board of County Commissioners.