



BUDGET POLICY

The Secretary/Treasurer has the overall responsibility for preparing, presenting, and administering the annual budget for the general fund and all special revenue funds in accordance with the Local Government Budget Act found in Louisiana Revised Statute (R.S.) 39:1301-1315.

A. The Secretary/Treasurer is to prepare a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund using the following guidelines:

1. Revenue projections – Budgeted by fund and/or department and based on historical data and known trends.
2. Expenditure projections – Budgeted by fund and/or department and based on actual costs and reasonable estimates.
3. Fund Balance – Maintain a minimum general fund balance of between 5% and 15% of operating revenues or no less than 1 to 2 months of operating expenditures.

B. The budget must include a clearly presented side-by-side detailed comparison of information for the current year, including the fund balances at the beginning of the year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character; other financing sources and uses by source and use, both year-to-date actual and estimates for the remainder of the year; the year-to-date actual and estimated fund balances as of the end of the fiscal year; and the percentage change for each item of information as required by state law [R.S. 39:1305(C)(2)(a)].

C. The Secretary/Treasurer is to present the proposed annual budget with a proposed adoption instrument to the Police Jury in December. Also, the proposed budget must be made available for public inspection no later than 15 days prior to the beginning of the fiscal year in accordance with state law. (See R.S. 39:1306 and R.S. 39:1308 for when and where to post the budget.)

The Jury is responsible for adopting the budgets in an open meeting before the end of the prior fiscal year.

Before the adoption of the budget, if the Parish has total proposed expenditures of \$500,000 or more from the general fund and any special revenue funds in a fiscal year, the public must be

given an opportunity to participate in the budgetary process in accordance with state law. No proposed budget shall be considered for adoption or otherwise finalized until at least one (1) public hearing has been conducted on the proposal. The Parish must comply with the notice, publication and public hearing requirements as required by state law (R.S. 39:1307).

If, at the end of any fiscal year, the appropriations necessary for the support of the municipality for the ensuing fiscal year have not been made, then 50% of the amounts appropriated in the appropriation ordinance/resolution for the last validly passed budget year shall be deemed re-appropriated for the several objects and purposes specified in such ordinance/resolution. This 50% limitation will continue until a budget is approved (R.S. 39:1312).

D. The Secretary/Treasurer is to administer and monitor the budgets and provide the Jury with monthly financial statements and budget-to-actual comparisons, including any warnings of any corrective action needed. The Jury is responsible for adopting amended budgets on a timely basis.

PROCEDURES

Budget Preparation

Ideally the budget process should be started approximately 90 to 120 days before the beginning of the fiscal year being budgeted.

1. Meet with department heads to receive/discuss budget requests for the year.
2. Analyze trends of all sources of revenues and consider whether any increases/decreases are warranted.
3. Using the side by side comparison, analyze current year line-item expenditures to identify costs that can be reduced or eliminated and those that may increase.
4. Prepare a proposed budget for the general fund and each special revenue fund that includes the following as required by state law (R.S. 39:1305):
 - Estimated fund balance at beginning of year;
 - Estimated revenues/receipts itemized by source;
 - Recommended expenditures itemized by department, function, and character;
 - Other financing sources and uses by source and use; and
 - Estimated fund balance at end of fiscal year.
5. Prepare the budget adoption instrument (an appropriation ordinance or adoption resolution) to adopt and implement the budget document as required by state law [R.S. 39:1305(D)].
6. Prepare and sign a budget message that contains a summary description of the proposed budget, policies and objectives, assumptions, budgetary basis, and a discussion of the most important features as required by state law [R.S. 39:1305(C)(1)].

Budget Availability, Presentation, and Adoption

1. Before the adoption of the budget, the budget must be made available for public inspection (R.S. 39:1306).
 - If total proposed expenditures are \$500,000 or less in a fiscal year, make the proposed budget available at the Parish office for public inspection no later than 15 days prior to the beginning of the fiscal year. (See R.S. 39:1306 and R.S. 39:1308)
 - If total proposed expenditures are \$500,000 or more in a fiscal year (from the general fund or any special revenue funds), the public must be afforded an opportunity to participate in the budgetary process prior to adoption of the budget (See R.S. 39:1307).

- If total proposed expenditures are \$500,000 or more, it is mandatory that a notice be published in the official journal stating that (a) the proposed budget is available for public inspection (no later than 15 days prior to the beginning of the fiscal year); (b) a public hearing on the proposed budget will be held; and (c) the date, time, and place of the hearing. [Note: The notice must be published at least 10 days prior to the date of the first public hearing.]
2. If applicable, conduct at least one public hearing on the proposed budget before it is adopted (R.S. 39:1307).
 3. If applicable, certify completion of public participation in the budget process by publishing a notice in the official journal (R.S. 39:1307).
 4. Present the proposed budget document (i.e., budget message, ordinance or resolution, and budget statement) to the Jury no later than 15 days prior to the beginning of the fiscal year in accordance with state law (R.S. 39:1306).
 5. Ensure that the budget is adopted in an open meeting before the end of the prior fiscal year in accordance with state law [R.S. 39:1309(B)]. [Note: The adopted budget must be balanced with approved expenditures not exceeding the total of estimated funds available.]
 6. Upon adoption, certified copies of the budget and adoption instrument should be provided to the Jury and maintained on file as required by state law [R.S. 39:1309(D)].

Budget Monitoring

Prepare monthly budget to actual comparison statements and formally present to the department heads and Jury for review/monitoring purposes.

Budget Amendment

Ensure that the board adopts a budget amendment (using the appropriate adoption instrument) in an open meeting upon receiving notification of a 5% variance or a change in operations upon which the original budget was developed.