

# The Budget Process

“If you can’t describe what you’re doing as a process, you don’t know what you’re doing.”

- W. Edwards Deming



# Capital Improvement Plan

August - December

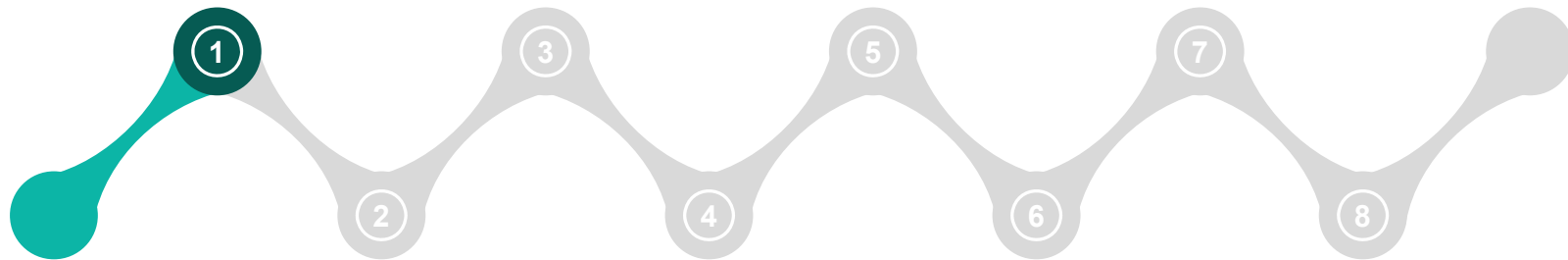


## 01

### CIP

The CIP informs the budget process by identifying the operating impact, including transfer to the debt reserve and to the pay-go reserve and expansions needed to bring buildings online.

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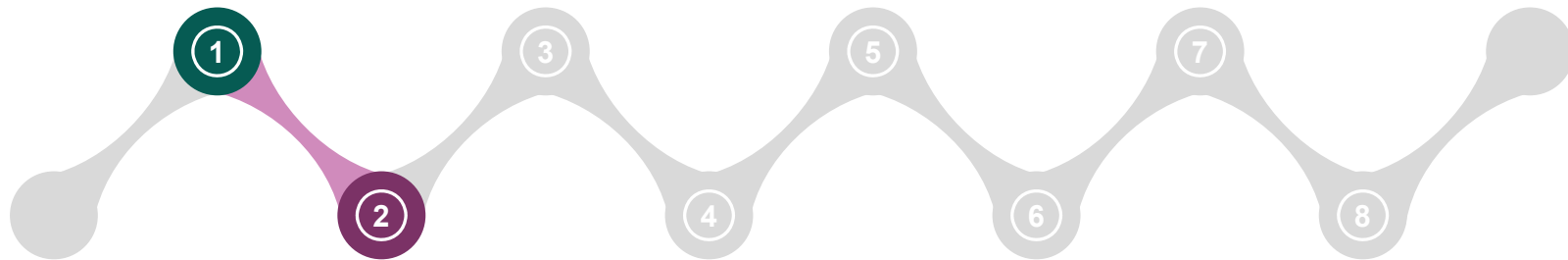
# Budget Retreat

January 14, 15, 17 2020



## 02 Retreat

Commissioners examine current year performance, trends and indicators, the economic outlook and a ballpark view of projected revenue and expense.



# Commissioner Goals

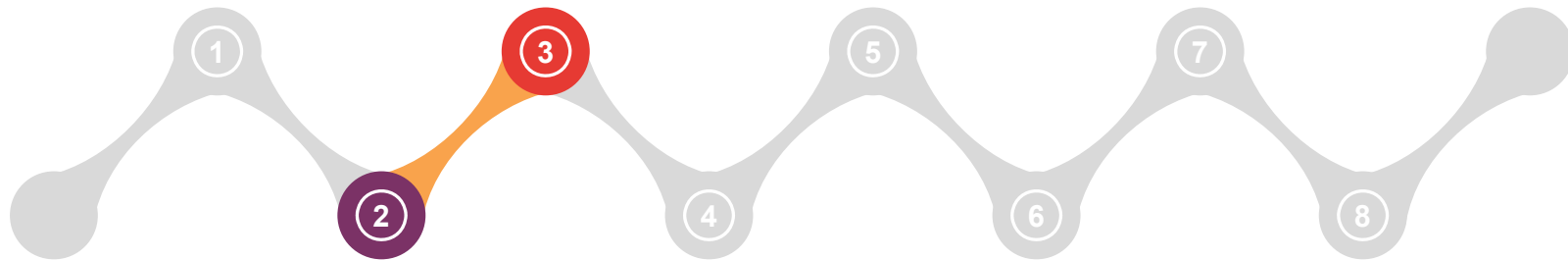
January 15, 2020



**03**

## Commissioner Goals

At the budget retreat commissioners confirm goals and priorities and give guidance on revenue.



# Manager's Recommended Budget

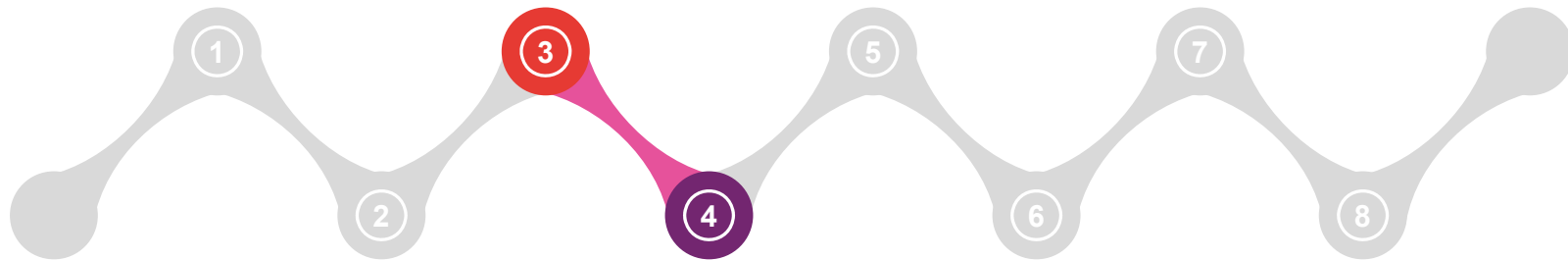
May 4, 2020



## 04

### FY 2020-2021 Recommended Budget

The County Manager presents the recommended budget at the first BOC meeting in May.



# BOC and Public Review

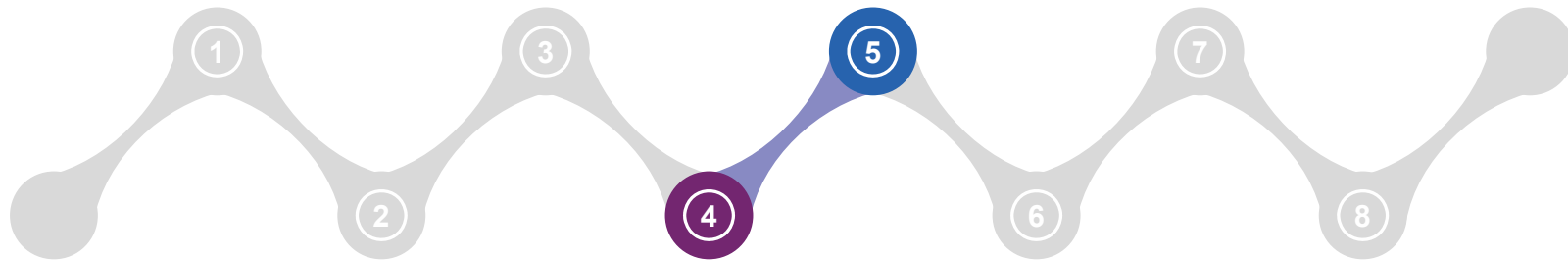
May 18 and 19, 2020



## 05

### Public Hearings

After the budget is presented to the OC it is made available to the public online and at each branch of the library. Public hearings are held in Pittsboro and Siler City.



# Work Sessions

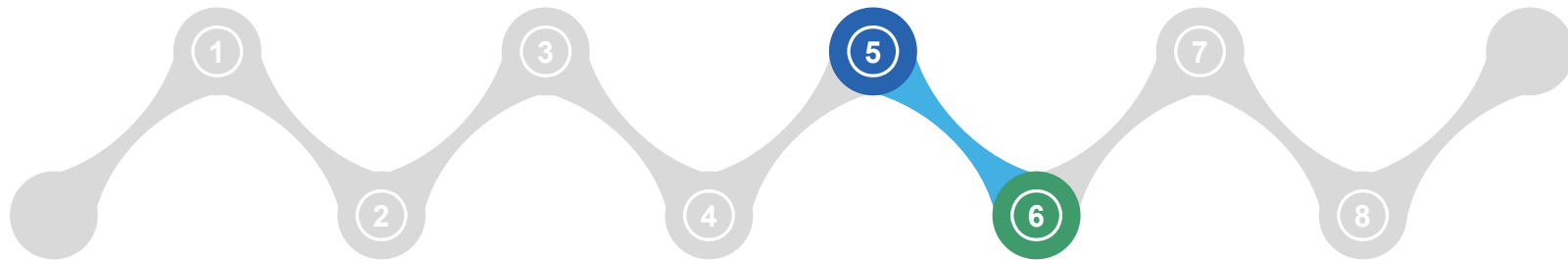
May 21, 22, and 28 2020



## 06

### Budget Work Sessions

At the budget work sessions commissioners have a chance to examine the budget in greater detail, ask for additional information, and request changes.



# Adopt Budget Ordinance

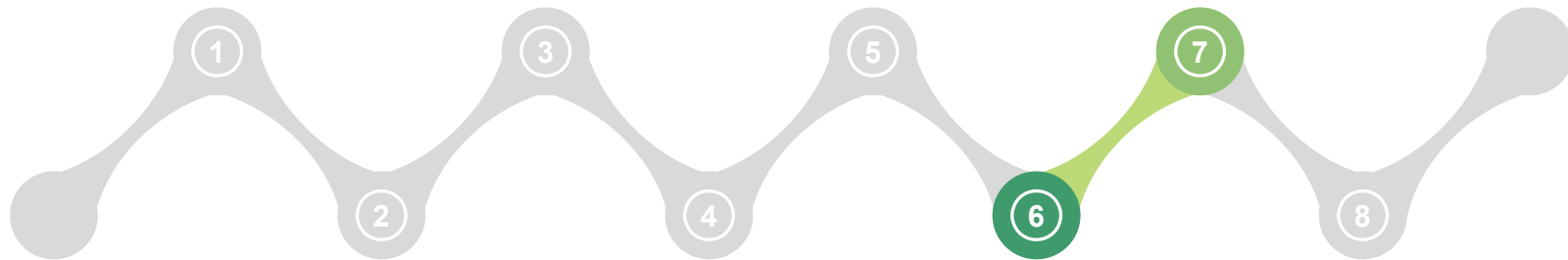
By June 30



07

## Budget Ordinance

The budget ordinance is typically adopted at the June meeting and is required by statute to be adopted by June 30.





# Happy Fiscal New Year

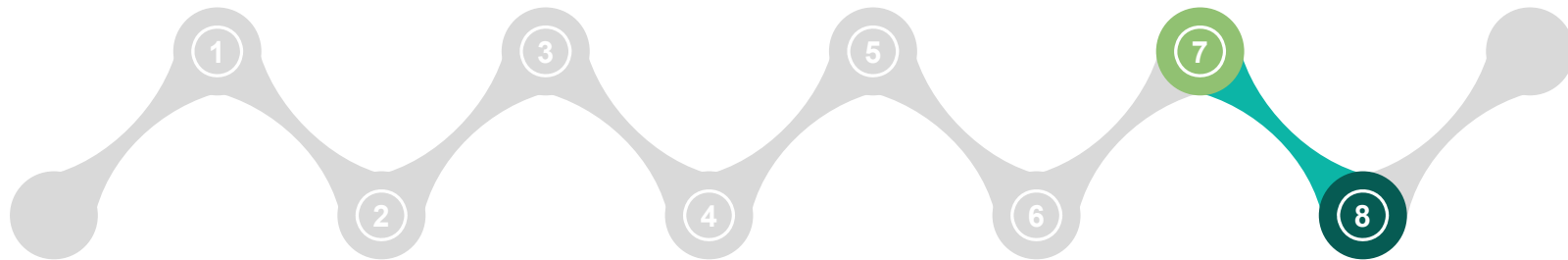
July 1, 2020



## 08

### New Fiscal Year

The budget becomes a policy document to guide operations for the year.



# Chatham County Budget and Financial Policies



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**At A Glance**

# Budget Policies



## 01 Budget policies

**Objective:** Manage the annual budget to meet legal and debt obligations, ensure adequate funding of current service levels, meet priorities of BOC, maintain the County's financial condition, and keep property tax increases to a minimum.

### CONTENTS:

New or increased services  
Mid-year appropriations  
Use of one-time revenue

Funding of nonprofit agencies  
Grants  
New positions

Level of budgeting  
Justification for funding  
Contingency funds  
Budget Officer

# Debt policies



## 02 Debt policies

**Objective:** The county will manage its debt obligations to meet demands for capita facilities while striving to maintain or improve the county's current bond rating.

### CONTENTS:

- Types of debt
- When debt is appropriate
- Terms
- Debt limitation
- Relationship to operating and capital budgets

# Fees and user charges policies



## 03 Fees and user policies

**Objective:** The county will set its fees and user charges to recover the costs of services at a predetermine recovery threshold and thereby reduce reliance on property taxes.

### CONTENTS:

Enterprise funds

Other fees and charges

Subsidy

New and increased services

Review and approval of fees and charges

# Capital Improvement Program (CIP) policies



## 04 CIP policies

**Objective:** The County will plan for its capital needs at least seven years into the future in order to address needs and to earmark revenues.

### CONTENTS:

Process

Relationship to annual budget

Capital project ordinances

# Fund balance policies



## 05 Fund balance

**Objective:** Recurring operations expenses of the county will be funded through recurring revenue sources. Fund balance is considered one-time revenue. The county shall maintain unassigned fund balance in its general fund equal to 20 percent of the previous annual operating budget in order to meet emergency obligations, avoid interruptions in cash flow, generate interest income, and maintain investment-grade bond rating.

### CONTENTS:

Allowable uses

Excess fund balance

# Capital Reserves



## 06 Capital reserves

**Objective:** The County will strive to fund capital improvements on a pay-as-you-go basis in order to enhance its financial condition and bond rating.

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### CONTENTS:

Annual contribution



# Cash Management



## 07 Cash management

**Objective:** The County shall effectively manage its cash resources in order to maximize interest earnings and minimize loss of revenue.

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### CONTENTS:

Cash receipts  
Cash disbursements  
Investment policy

# Accounting and Financial Reporting



## 08 Accounting and Financial Reporting

**Objective:** The County will establish and maintain its accounting system in accordance with the NC Local Budget and Fiscal Control Act.

### CONTENTS:

All records and reporting will be in accordance with Generally Accepted Accounting Principles. The County will maintain an accounting system that provides internal budgetary and accounting controls designed to provide reasonable assurance regarding both the safeguarding of assets against the loss from unauthorized use or disposition and the reliability of financial information used in the preparation of financial statements and reports.

Questions, Comments, Concerns?

