

RESOLUTION NO. 46-97  
ADOPTION OF BUDGET PROCESS

WHEREAS, RCW 36.40.080, states “..the board of county commissioners shall fix and determine each item of the budget separately and shall by resolution adopt the budget as so finally determined..”,

WHEREAS, RCW 36.32.120, states “..the board of county commissioners...have the care of the county property and the management of the county funds and business..”

WHEREAS, the Budgeting Accounting Reporting System (BARS) required by the State Auditor's Office for counties recommends a written budget process to effectively budget and manage county resources and expenditures,

NOW THEREFORE, the Mason County Board of County Commissioners does hereby approve the attached Budget Process (Attachment A which is hereby incorporated as part of this resolution) as the official budget process for Mason County.

APPROVED this 29<sup>th</sup> day of April, 1997.

BOARD OF COUNTY COMMISSIONERS

Mary Jo Cady  
Mary Jo Cady, Chairperson

John A. Bolender  
John A. Bolender, Commissioner

Cynthia D. Olsen  
Cynthia D. Olsen, Commissioner

ATTEST:

Rebecca S. Rogers  
Rebecca S. Rogers, Clerk of the Board

APPROVED AS TO FORM:

Michael Clift  
Michael Clift, Chief Deputy Prosecutor

## BUDGET PROCESS

Budget Calendar The *Budget Director* will consult with the *Board of County Commissioners* and develop a Budget Calendar. This calendar will identify any required forms and deadlines for each step of the budget process.

Budget Guidelines The *Budget Director* will meet with the *Board of County Commissioners* to review revenue trends, economic prospects, major expenditures, and service objectives. From this review, the *Budget Director* will prepare departmental budgeting guidelines. These guidelines will become part of the Budget Goals and Priorities Statement.

Budget Instructions The *Budget Director* will prepare a Budget Manual. This manual will contain:

- the budget calendar
- a description of the budget process
- the *Commissioners'* budgetary goals and priorities
- instructions on the completion of budget forms
- data on overhead expenditures: such as salary increases, fringe benefit factors, insurance, utilities, and rates for interfund charges for services (ER&R, clerical support, etc.)

Requests for Preliminary Budget Estimates On or before the second Monday in July, the *Auditor* will ask each *Department* to file revenue and expenditure estimates with him/her. These estimates will be due on or before the second Monday in August. The *Auditor* will furnish the necessary forms.

*Departments* will submit the expenditure budget estimates to the *Auditor*, and the *Auditor* will input this information into the county accounting system, correcting account coding and mathematical errors as necessary.

The *Budget Director* will review the preliminary revenue budget estimates, making any necessary additions or corrections before the *Auditor* inputs that information into the county accounting system. The *Auditor* will also correct any account coding or mathematical errors in the revenue estimates.

Preliminary Budget The *Auditor* will present one copy of the preliminary budget to each *Commissioner* and two copies to the *Budget Director* on or before the first Tuesday in September.

## BUDGET PROCESS (CONTINUED)

Detailed Budget Explanation Worksheets *Departments* will submit four (4) copies of the Budget Explanation Worksheets to the *Budget Director*. The *Budget Director* will furnish these forms as part of the budget instructions packet. The explanations should include narrative justifications for all requests. The worksheets will be used by the *Commissioners* in the budget review procedure.

Typical methods to develop expenditure estimates are the following:

1. Listing the service requirements for the department
2. Extrapolating from the prior year(s) budgets
3. Developing measurements of service requirements. Some examples of this method are: the number of inspections, repairs, permits, arrests, cases filed, properties assessed, documents processed, etc.

Revenue estimates will include all resources (beginning fund balances, revenues and nonrevenues). *Departments* will clearly identify and explain all sources of revenue.

The *Budget Director* will review revenues throughout the budget process and carefully one last time just before final *Commissioner* approval of the budget.

Budget Review This is a function of the *Board of County Commissioners* and the *Budget Director*.

The budget review will establish priorities for governmental service and capital improvements. It will also bring the budget expenditure requests into balance with the available resources.

The Budget Document and The Budget Message After the budget review process is completed, the *Budget Director* will prepare a budget message and the budget document.

State law requires that the budget document is released to the public prior to the public hearing. *Citizens, elected officials, department heads, employees, and auditors* need this document to understand the budget limits and the action required to change the estimates and appropriations.

The budget message is a statement of the goals and objectives of the *Board of County Commissioners*. It will be prepared by the *Budget Director* and it will usually include:

- the major assumptions underlying in the budget
- the major issues the Board of County Commissioners addressed, such as tax levies, bond issues, new projects or project changes, capital improvements, and changes in staffing levels, employee wages and benefits.

## BUDGET PROCESS (CONTINUED)

Public Hearing and Approval of the Budget State statutes require a formal public hearing before the budget is adopted. That formal hearing will be held on the first Monday of December and may be continued if necessary.

The *Commissioners* may hold special meetings (briefings) prior to the public hearing to address concerns and to review and balance the budget.

After the public hearing, the *Board* will complete its deliberations and make its final adjustments to the proposed budget. Revenue estimates will be reviewed one last time, and the *Board* shall legally adopt the budget. All related revenue ordinances or resolutions should be presented and approved at this time.

Recording the Budget The annual appropriations in the budget must be recorded in the subsidiary accounting ledgers to permit comparisons between estimated and actual resources and to compare and control expenditures with appropriations. These subsidiary ledgers are summarized in control accounts in the general ledger.

The *Budget Director* will correct the preliminary budget (the budget presented by the *Auditor* to the *Commissioners* in September) to agree with the final adopted budget. The corrected preliminary budget will be forwarded to the *Auditor*.

The *Auditor* will input the corrections into the accounting system, checking account codes and mathematical calculations for accuracy.

If the *Auditor* discovers a discrepancy or an irregularity in the corrected preliminary budget, he/she will discuss any needed correction(s) with the *Budget Director* and obtain the *Budget Director's* approval before making any changes. This guarantees that the budget input into the accounting system reflects the intent of the *Board of County Commissioners*.

Budget Monitoring/Financial Analysis The *Budget Director* will review the actual resources and expenditures and compare them to the budgeted amounts. He/she will prepare financial reports and analyses for the Board of *County Commissioners* as necessary and/or requested by the *Board*.

## BUDGET PROCESS (CONTINUED)

Budget Amendment If it is necessary to amend the budget, the following procedure will be followed:

- The *affected department* will ask the *Budget Director* to process the amendment
- The *Budget Director* will review the request with the *department* and the *Commissioners*
- The *Budget Director* will prepare the necessary legal documents for publication and *Commissioner* approval. The *Budget Director* will officially request the amendment, and will testify at the public hearing
- After official *Board* approval, the *Clerk of the Board* will verify all signatures on the budget documents and will distribute the necessary copies to the *Auditor, Treasurer, Budget Director*, and the *affected department(s)*.

The *Budget Director* will also confirm that the original budget and all budget amendments are posted correctly to the subsidiary accounting ledgers. If the *Budget Director* notices any error or discrepancy in a posting, he/she will notify the responsible office so the error/discrepancy can be corrected.